

Memorandum of Understanding

Between

The Ministry of Energy and Mines,

And

The Ministry of Forests, Lands and Natural Resource Operations

Preamble:

Mine development and mineral exploration has been a cornerstone of our economy for generations. It takes place in every region of the province and ranges from small, one-person operations, to multi-million dollar investment projects. The Province is ready to capitalize on high commodity prices and global demand for minerals and coal.

Unnecessary red tape hinders development and can tie up industry and government resources. As committed to in *the BC Jobs Plan*, the Province is working to make regulatory processes smarter and more efficient while maintaining high safety and environmental standards. This includes developing a coordinated, transparent permitting and approval process with clear timelines for all industrial projects, including mineral exploration and mine developments. The Province reaffirmed its commitment to reducing red tape in 2012.

The creation of this Memorandum of Understanding between the Regulatory Authority (Ministry of Energy and Mines' hereinafter "MEM") and the Province's natural resources operational co-ordinating agency (Ministry of Forests, Lands and Natural Resource Operations hereinafter "FLNRO") is a reflection of the Province's commitment to reduce the regulatory burden and duplication through the co-ordinated and integrated approach to natural resource management.

Purpose:

The purpose of this agreement is:

- A. To reflect Government's mandate for a co-ordinated and integrated approach to natural resource management in the mining and minerals sector between the Ministry of Energy and Mines, Mines and Mineral Resources Division hereinafter "MEM" and the Ministry of Forests, Lands and Natural Resource Operations hereinafter "FLNRO"
- B. To define the respective roles and responsibilities of MEM and FLNRO in the administration, review, consultation and regulation of mining activities;
- C. To establish an agreement between MEM and FLNRO regarding the review and permitting of proposed major mines requiring multiple authorizations;
- D. To establish an agreement between MEM and FLNRO regarding permitting and inspection of regional mine properties;
- E. To establish an agreement between MEM and FLNRO regarding First Nations consultation and processes.

- F. To ensure that efficiencies are gained through the use of a coordinated and timely authorizations process for mine projects by all participants.

Operating Principles:

Foster a culture of seamless service delivery on behalf of government by:

1. Actively implementing the coordinated authorizations process for mines applications;
2. Participating in continuous improvement initiatives leading to greater effectiveness and efficiency in the delivery of mining activities;
3. Collaborate in the co-ordinated review of mine projects referred to the Mine Development Review Committee when appropriate; and,
4. Make best efforts to develop an integrated culture of support between NRS agencies.

Definitions:

Coordinated Authorizations Process: is a process initiated through the Mine Development Review Committee aimed at harmonizing First Nations consultation and the coordination of the multiple authorizations that may be required from the various natural resource agencies for new major mines; The Coordinated Authorization process is meant to improve consistency, eliminate overlap and duplication in process and information requirements by the various Natural Resource agencies.

Major Mine: is an operating mine as defined in Section 10.1.2 of the *Mines Act and Health, Safety, and Reclamation Code for Mines in British Columbia* (Code), and refers to all new and existing coal and metal mines, for which only the Chief Inspector of Mines, or delegated Chief Inspector, is the statutory decision maker; except for section 10.1.2 (2) bulk samples which remains a regional delegation by the Chief Inspector of Mines.

Mine Development Review Committee: means an interagency committee including First Nations representation, convened to co-ordinate the review of Major Mine projects requiring multiple authorizations. The Mine Development Review Committee (MDRC) may also include Federal agencies and local government in project reviews. The MDRC also satisfies the 'regional advisory committee' requirement of Section 9 of the Mines Act and will provide recommendations on applications for Mines Act permits pursuant to parts 10.3.1 and 10.3.2 of the Code to the Chief Inspector of Mines and to other statutory decision-makers to which applications for approval are made to enable a mine project to proceed with site preparation, construction and development.

- Mine:** Is the same definition as in the *Mines Act*.
- Mining Activity:** Is the same definition as in the *Mines Act*.
- Regional Mine:** means exploration activities as defined in Sections 9.2.1 of the Code and placer mines, gravel pits and quarries as defined in Section 10.1.1 of the Code, for which an inspector of mines, appointed by the Chief Inspector of Mines, is the delegated statutory decision maker under the *Mines Act*. Also included in regional mines are bulk samples as defined in Section 10.1.2.2 of the Code and delegated by the Chief Inspector of Mines.
- Tenure:** with respect to mineral exploration and development, means mining and placer claims and leases under the *Mineral Tenure Act* and coal licenses and leases under the *Coal Act*.

1. Legal Authorities

- 1.1. MEM is responsible for the regulation of mines and mining activity in BC, including mine health and safety to protect employees and to safeguard the public from undue risks in connection with mine activities as well as protect and reclaim the land and watercourses affected by the mine by the issuance of mine permits and ongoing inspections under the *Mines Act* and Code.
- 1.2. FLNRO is responsible for delivering co-ordinated authorizations for economic development and environmental sustainability consistent with maintaining resilient communities across a wide spectrum of natural resource sectors. FLNRO is responsible for leading implementation of Government's "one land manager" approach to natural resource management. FLNRO also has statutory authority for the *Water Act*, *Land Act*, *Forest Act*, and other authorizations that may be required to develop a mine.
- 1.3. The Chief Inspector of Mines is the senior statutory decision maker for all mines in the province and may appoint persons as inspectors pursuant to Section 5 of the *Mines Act* and may delegate in writing to an inspector, any of the powers of the chief inspector pursuant to Section 6 of the *Mines Act*.
- 1.4. The Chief Gold Commissioner is the senior statutory decision maker for all mineral and coal tenures in the province. Pursuant to Section 4 of the *Mineral Titles Act*, the Chief Gold Commissioner may appoint one or more gold commissioners to be a deputy chief gold commissioner, and may delegate to any person employed in the Ministry of Energy and Mines some or all of the functions of the chief gold commissioner other than the powers to make regulations.

2. Agency Responsibilities

2.1 General Responsibilities

- 2.1.1 MEM is responsible for issuing mineral and coal tenures, leading the review of major mine permits and for reviewing and approving all regional mine permit applications.
- 2.1.2 MEM is responsible for compliance and enforcement of applicable Code requirements on mine sites.
- 2.1.3 In collaboration with MEM, FLNRO is responsible for leading the coordinated authorization process through the MDRC, by working with all ministries, agencies, First Nations, the public and other advisors with an interest in the proposed mine projects and aligning recommendations with resource management objectives and strategies.
- 2.1.4 FLNRO will work collaboratively with MEM for the delivery of a coordinated authorization process for regional mine permit applications as outlined in Section 2.3.
- 2.1.5 FLNRO will be responsible for First Nations consultation on mine applications.

2.2 Major Mine Permits

- 2.2.1 The Chief Inspector of Mines will be the key contact for major mine permits and will be the initial point of intake for all major mine permits and amendments.
- 2.2.2 The Chief Inspector of Mines will inform FLNRO of all potential major mine projects as early as possible in project planning so that FLNRO can assign a Project Manager.
- 2.2.3 Once a mine project advances to a stage that requires the co-ordination of multiple authorizations, the Chief Inspector of Mines, in collaboration with FLNRO, may establish a Mine Development Review Committee and may request FLNRO to chair the committee and/or a lead First Nations consultation on behalf of MEM for other mine permit amendments as required.
- 2.2.4 Once a MDRC is triggered, FLNRO Project Manager will be the key contact for the mine project going forward and will work to ensure a coordinated approach for the mine review. The Project Manager will establish a project team in consultation with the Chief Inspector of Mines.
- 2.2.5 Mine Development Review Committee projects will be managed according to the *Guide to Coordinated Authorizations for Major Mines* that describes the processes, tools and the roles and authorities of MEM, FLNRO, other government agencies, First Nations and the public for coordination of major mine authorizations.
- 2.2.6 MEM and FLNRO will collaborate to provide training and mentoring for Project Managers and other FLNRO staff who participate in the coordinated authorizations process for major mines.

- 2.2.7 In collaboration with MEM, FLNRO will lead First Nations consultation for major mine permits and permit amendments and will provide a consultation summary to the Chief Inspector of Mines. In addition to identifying First Nations interests and suggested mitigations, the report must provide details of the consultation efforts and an assessment of meeting legal obligations. For turnaround time tracking purposes, First Nations consultation will be considered "complete" once the Chief Inspector of Mines has accepted the recommendations contained in the consultation summary.

2.3 Regional Mine Permits

- 2.3.1 Regional FLNRO offices (FrontCounter BC) will be the initial point of contact and intake point for regional mine permit applications. FrontCounter BC will immediately involve the regional MEM Inspector in the review of an application to ensure a corporate initial response to the applicant. FLNRO and MEM will work collaboratively towards an average **15 day** time for regional mine permit intake, statusing, and the decision to accept or reject the application. The decision to accept or reject an application is the responsibility of a MEM Inspector.
- 2.3.2 The statutory decision maker for all regional *Mines Act* permits will be a person appointed as an Inspector of mines pursuant to Section 5 of the *Mines Act*. All approvals shall be consistent with the level of delegation as established by the Chief Inspector of Mines.
- 2.3.3 FLNRO will lead the intake, statusing, and with appropriate delegations, processing of aggregate applications where proposed production is less than 250,000 tonnes/year, and provide a review package to the statutory decision maker (Regional Mines Inspector) for approval. For applications where proposed production is greater than 250,000 tonnes/year the processing will be led by a Regional Mines Inspector.
- 2.3.4 FLNRO will lead the intake and statusing of applications for Industrial Mineral & Construction stone quarries that involve benching and blasting operations. Processing and approval of applications for Industrial Mineral & Construction stone quarries will be led by Regional Mines Inspectors.
- 2.3.5 FLNRO will lead the intake and statusing of mineral and coal exploration programs. Processing and approval of applications for mineral and coal exploration programs will be led by Regional Mines Inspectors.
- 2.3.6 In collaboration with MEM, FLNRO will lead First Nations consultation, project management, provincial authorizations, and resource management objectives that may affect regional mine permits. MEM will provide technical advice on the mining aspects of the proposal.
- 2.3.7 FLNRO and MEM will work collaboratively towards an average **60 day** turnaround time for regional mine permits for exploration. This includes an average **40 day** turnaround time for First Nations consultation.

- 2.3.8 FLNRO will provide a consultation summary to an MEM Inspector at the conclusion of the consultation process. In addition to identifying First Nations interests and suggested mitigations, the report will provide an assessment of meeting legal obligations. For turnaround time tracking purposes, First Nations consultation will be considered "complete" once the Regional Inspector has accepted the recommendations contained in the consultation summary.
- 2.3.9 MEM will make timely decisions on Notice of Work permit applications upon receipt of First Nations consultation summaries and supporting information from FLNRO (target timeline is 5 days).

2.4 Mineral Placer, and Coal Tenure (Mineral Title Branch)

- 2.4.1 MEM will send out the initial referral letter for First Nations consultation unless the mineral, placer, or coal tenure application is under consideration in conjunction with a mineral, placer, or coal mines act permit application.
- 2.4.2 FLNRO will identify a regional FLNRO contact for First Nations consultation for tenure applications for each region of the Province. That contact will be copied on the initial referral letter to the relevant First Nations in that region, and will conduct consultation in collaboration with MEM as needed for the decision process.

3. Roles and Responsibilities

3.1. Chief Inspector of Mines (MEM)

- 3.1.1. Senior statutory decision maker for mines in the province.
- 3.1.2. Provides delegation of statutory authority for mine inspectors.
- 3.1.3. Responsible for the recruitment of mines inspector positions.
- 3.1.4. Will coordinate responses to Freedom of Information requests regarding mining projects.

3.2. Chief Gold Commissioner (MEM)

- 3.2.1. Statutory decision maker for mineral and coal tenures in the province.
- 3.2.2. Provides delegation of statutory authority for mineral title inspectors.

3.3. Regional Directors (MEM)

- 3.3.1. Provides issue management oversight including mining and minerals issues in their region.
- 3.3.2. Ensure ongoing, timely communications regarding strategic priority projects and work plans with FLNRO and other agencies.
- 3.3.3. Co-ordinates drafting, editing and review of briefing notes and correspondence as necessary.

- 3.3.4. Sets annual regional staff priorities through performance plans.
- 3.3.5. Controls regional MEM budget.
- 3.3.6. Will participate in regional planning and priority setting exercises with FLNRO.
- 3.3.7. Will notify FLNRO Regional Executive Directors of new major mine projects entering the development stage.

3.4. Regional Executive Director (FLNRO)

- 3.4.1. Designates regional FLNRO staff as project managers as and when requested by the Chief Inspector of Mines to ensure co-ordinated government review on mine projects.
- 3.4.2. Supports MEM regional hiring processes as requested by MEM including but not limited to participating on hiring panels.
- 3.4.3. Prioritizes regional resources across program areas and communicates impacts to mine projects and programs to MEM Regional Directors and Chief Inspector of Mines.

3.5. FLNRO Business Centres

- 3.5.1. Provide client application intake services for regional mine permits in a consistent manner in all regions through FrontCounterBC according to the MEM/FrontCounter BC Service Level Agreement.
- 3.5.2. In collaboration with partner agencies, lead the development of corporate approaches and business processes for implementation of a streamlined and consistent approach to natural resource authorizations.
- 3.5.3. Provide administrative and technical support including but not limited to file management, GIS services, and document processing to an agreeable standard.
- 3.5.4. FLNRO will provide logistical resources, equipment, safety procedures, and reception services to support regional MEM staff.
- 3.5.5. FLNRO will coordinate with MEM to deliver staff training opportunities for operational purposes.

3.6. Project Managers (FLNRO)

- 3.6.1. Coordinated Authorization Process team leadership and management.
- 3.6.2. Develop and Implement appropriate project management tools to plan, track and produce reports for major mine project reviews.
- 3.6.3. Chair Mine Development Review Committees as requested by the Chief Inspector of Mines (In consultation with Regional Executive Directors).

- 3.6.4. Work closely with the Chief Inspector of Mines or delegate(s) to ensure issues in the mines and mineral industry are understood and interpreted correctly throughout the review process.
- 3.6.5. Issue management for assigned projects.
- 3.6.6. Liaise with other agencies and project participants as required.
- 3.6.7. Prepare decision packages, including the First Nations consultation summary, for consideration by the statutory decision makers for assigned projects.

3.7. Delegated Regional Mines Inspector (MEM)

- 3.7.1. Provide technical review and leadership for regional and major mine projects including making decisions regarding mines permit applications and support the review of major mine project applications in the Mine Development Review Committee.
- 3.7.2. Conduct health and safety, geotechnical, reclamation, permitting, and any other compliance inspections on all mine projects.
- 3.7.3. Support FLNRO project managers in understanding issues in the mines and minerals industry in order to better co-ordinate mine project reviews.

3.8. Corporate Services Division (Regional NRS pod)

- 3.8.1. Provide a point of contact for MEM and FLNRO for corporate administrative services in the region.
- 3.8.2. Provide corporate administrative services for MEM and FLNRO including facilities management, supplies and equipment, and telecommunications.
- 3.8.3. Provide strategic HR support functions for MEM and FLNRO including co-ordinating regional training initiatives, providing organizational chart information as needed.
- 3.8.4. Provide purchasing support including approved supplies and equipment.
- 3.8.5. Ensure purchases, charges and facilities support are coded appropriately to MEM or FLNRO for budget control purposes.
- 3.8.6. Legal fees pertaining to *Mines Act* requirements will be the responsibility of MEM.
- 3.8.7. Legal fees pertaining to other authorizations related to mine projects will be the responsibility of FLNRO.

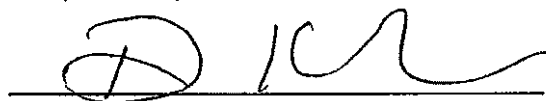
4. Continuous Improvement Initiatives to Resolve in 2012/2013

In the 2012/2013 fiscal year, FLNRO and MEM agree to work collaboratively to:

1. Develop and implement a plan for increased cooperation and integration for the delivery of compliance and enforcement for regional permits. This includes the development of training and mentoring of appropriate FLNRO staff (does not include major mine permitting compliance).
2. Look for opportunities to create efficiencies in the First Nations consultation process for regional mine permits and tenures.
3. Develop and implement a new aggregate management strategy that clearly defines roles and responsibilities for policy, permitting, and inspections for aggregate activities in B.C.
4. Develop submission standards for Notices of Work applications.

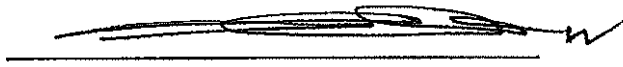
5. Review

The parties agree to review this MOU annually and amend it as required.



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