

Growth, Enterprise and Trade Deputy Minister Room 352 Legislative Building Winnipeg MB R3C 0V8

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Mr. Stephen Masson President Manitoba-Saskatchewan Prospectors and Developers Association Box 306 12 Mitchel Road Flin Flon MB R8A 1N1

Ms Ruth Bezsy President Manitoba Prospectors and Developers Association 627 Manchester Blvd N. Winnipeg MB R3T1N9

Dear Mr. Masson and Ms Bezsy:

On behalf of the Honourable Cliff Cullen, Minister of Growth, Enterprise and Trade, I would like to thank you for your recent letter regarding your respective Association's proposals to increase mineral exploration in Manitoba. As a result of the provincial general election period from May 12 to June 13, 2017, the Minister has asked me to respond to you on his behalf.

First, I would like to commend you and your members for your hard work and ongoing dedication to Manitoba's mineral exploration and mining industries. These industries rely on the success of prospectors and explorers and I want to emphasize that we are committed to supporting the renewed success of these industries in Manitoba.

Your proposals speak to many of the issues that have negatively affected the ability of companies to operate in Manitoba in recent years. Resource Development Division is currently reviewing our mineral exploration assistance programs to ensure they are working for your industries. Several of your proposals align well with this initiative and the overall goal of improving the efficiencies of government. In particular, Resource Development intends to extend double assessment credits on mineral exploration expenditures for calendar years 2016 and 2017 in an effort to provide direct assistance to junior exploration. Similarly, the Manitoba Mineral Exploration Tax Credit has been extended for another year at its current rate of 30%.

More generally, Manitoba is working to eliminate red tape and inefficient regulations and to modernize legislation across many sectors. Successful mineral exploration is critical to the success of the mining sector and Manitoba is committed to facilitating this wherever we can, bearing in mind the considerable financial constraints currently facing our province.

Many of your proposals reflect the aspirations of Resource Development but require coordination with other government departments. Your desire for multi-year exploration permitting and the certainty of land access have been identified as priorities by the Resource Development Division and we are working with our other departments to develop mechanisms and procedures to achieve these goals. This issue has been reviewed at length with Sustainable Development regarding work permits. Resource Development is also considering developing our own permits that could be tailored more specifically to the needs of the mineral exploration and mining industries. However, such a change would need to be part of more substantial changes to the Mines and Minerals Act.

With respect to your proposal for a regional airborne geophysical survey of the region south of the Flin Flon greenstone belt, I certainly do understand that this region holds excellent potential to host economic base metal deposits and is an important exploration frontier for Flin Flon. I can tell you that the Manitoba Geological Survey has been working closely with its partners in Saskatchewan and with the federal government over the past year to assess the feasibility of exactly such a project. Significant work has been done to identify the highest priority regions in the formations currently hidden by the Phanerozoic cover south of Flin Flon, and to identify what information currently exists and what additional work could be done to encourage mineral exploration activity in that region. I am hopeful to be able to provide additional information on this important initiative in the near future.

Your respective associations continue to play an integral role in promoting and championing the mining sector in Manitoba and I look forward to receiving feedback from you on how we can continue to improve our support for the province's mineral exploration and mining sector.

Sincerely,

James Wilson Deputy Minister

c. Premier Brian Pallister Honourable Cliff Cullen