



Agricultural Land Commission
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August 31, 2007

Reply to the attention of Simone Rivers
ALC File: #ZZ - 37358

Kevin Ross
New Gold Inc.
#601 - 595 Howe Street
Vancouver, BC V6C 2T5

Dear Mr. Ross:

Re: Application for Non-Farm Use in the Agricultural Land Reserve

Please find attached the Minutes of Resolution # 428/2007 outlining the Commission's decision as it relates to the above noted application.

Yours truly,

PROVINCIAL AGRICULTURAL LAND COMMISSION

Per:

Erik Karlsen, Chair

cc: Thompson-Nicola Regional District (ALR-J-73)

Enclosure: Minutes/Sketch Plan

SBR/lv
37358d1



MINUTES OF THE PROVINCIAL AGRICULTURAL LAND COMMISSION

A meeting was held by the Provincial Agricultural Land Commission on August 23, 2007 at the offices of the Ministry of Agriculture and Lands, Kamloops, B.C.

PRESENT:	Grant Huffman	Chair, Interior Panel
	Holly Campbell	Commissioner
	Gordon Gillette	Commissioner
	Simone Rivers	Staff
	Martin Collins	Staff

For Consideration

Application: # ZZ- 37358
Applicant: Teck Cominco Ltd.
Agent: New Gold Inc.
Proposal: To develop a copper-gold mining operation on the former Afton Mine property. The New Afton Project will be an underground mine. New non-farm development proposed for the ALR includes a Tailings Storage Facility, Plant Site, Access Road and Pipelines
Legals: The mining lease area covers some fee simple property and some Crown Land

1. PID: 013-012-541
The Surface of District Lot 893, Kamloops Division Yale District known as the 'Pot Luck' mineral claim, EXCEPT thereout and therefrom all mines and minerals precious and base, and oil and oil springs
2. PID: 013-012-568
The Surface of District Lot 895, Kamloops Division Yale District known as the 'Midnight' mineral claim, EXCEPT thereout and therefrom all mines and minerals precious and base, and oil and oil springs
3. PID: 013-012-550
The Surface of District Lot 894, Kamloops Division Yale District known as the 'Gold Mask' mineral claim, EXCEPT thereout and therefrom all mines and minerals precious and base, and oil and oil springs
4. PID: 013-012-576
The Surface of District Lot 896, Kamloops Division Yale District known as the 'Bonanza' mineral claim, EXCEPT thereout and therefrom all mines and minerals precious and base, and oil and oil springs
5. PID: 013-012-584
The Surface of District Lot 897, Kamloops Division Yale District known as the 'Boss' mineral claim, EXCEPT thereout and therefrom all mines and minerals precious and base, and oil and oil springs
6. PID: 013-012-592
The Surface of District Lot 898, Kamloops Division Yale District known as the 'Night Hawk' mineral claim, EXCEPT thereout and therefrom all mines and minerals precious and base, and oil and oil springs

7. PID: 013-012-622
The Surface of District Lot 900, Kamloops Division Yale District known as the 'Piper' mineral claim, EXCEPT thereout and therefrom all mines and minerals precious and base, and oil and oil springs
8. Grazing Lease No. 333761
All of Sections 25 and 36 and the NE ¼ and SE ¼ of Section 35, all of Township 19, Range 18, West of the 6th Meridian of Kamloops Division Yale District
9. Grazing Lease No. 332483
The NE ¼ of Section 25 of Township 19, Range 18, West of the 6th Meridian of the Kamloops Division Yale District.

Location:

Site Inspection

A site inspection was conducted on August 22, 2007. Those in attendance were:

- Grant Huffman Chair, Interior Panel
- Holly Campbell Commissioner
- Gordon Gillette Commissioner
- Simone Rivers Staff
- Martin Collins Staff
- Kevin Ross Chief Operating Officer, New Gold Inc.
- Rolf Schmitt Project Manager – Rescan Environmental Services Ltd.

The Commission toured the proposed tailings area with the applicants. It viewed the historic tailings pond where rehabilitation had already been started, and the area proposed for tailing storage when the mine reopens. The proposed tailings area was in sage brush and grasses, and nearby land was intermittently used for cattle grazing.

Rolf Schmitt confirmed that the staff report dated August 15, 2007 was received and no major errors were identified. Mr. Schmitt provided clarification to some minor points in the staff report.

Context

The proposal was weighed against the purposes of the Commission as stipulated in section 6 of the *Agricultural Land Commission Act* (the "Act"). They are:

1. to preserve agricultural land
2. to encourage farming on agricultural land in collaboration with other communities of interest, and
3. to encourage local governments, first nations, the government and its agents to enable and accommodate farm use of agricultural land and uses compatible with agriculture in their plans, bylaws and policies.

Discussion

The Commission was not concerned with the portions of the proposal for the Plant Site, Access Road and Pipeline as these uses are located near the existing Afton Mine pit and the area that has previously been excluded from the ALR. The proposed footprint of these uses was small. Most of the Commission's discussion focused on the creation of a Tailings Storage Facility, to be located wholly within the ALR largely on lands that had not been disturbed by previous mining activity.

Assessment of Agricultural Capability

The agricultural capability of the area proposed for non-farm use is typical of this area of the TNRD. It is comprised of sage/grassland that is typical of cattle grazing land in the Kamloops area. According to the *Mining Permit Application*, portions of the property could be improved to Class 2 with irrigation, however the area has never been irrigated. Much of the land was rolling in its aspect. The Commission believed that the area was appropriately designated as ALR.

Assessment of Agricultural Suitability

The Commission assessed whether the external factors such as encroaching non-farm development have caused or will cause the land to become unsuitable for agriculture. The Commission does not believe there are external factors that render the land unsuitable for dry grazing or even intensive irrigated pasture. Despite the location of the existing Afton Mine Pit nearby the area proposed for tailings storage is clearly suitable for grazing use.

Assessment of Impact on Agriculture

The Commission also assessed the impact of the proposal against the long term goal of preserving agricultural land. Although the proposal will alienate agricultural land that can be used for cattle grazing, New Gold Inc. is required by the Mines Act to rehabilitate the tailings area to an agricultural standard when the mine ceases operation. The Mines Act requires extensive estimates on the cost of rehabilitation as well as bonding to ensure that the work is completed. The Commission believes that the rehabilitation requirements under the Mines Act are sufficient to ensure that the area will be rehabilitated for grazing upon closure of the mine. Therefore the Commission believes that the negative impact on agriculture will be temporary.

Conclusions

1. That the land under application has agricultural capability and is appropriately designated as ALR.
2. That the land under application is suitable for agricultural use.
3. That the proposal will not impact agriculture in the long term as rehabilitation is a requirement for approval under the Mines Act.

IT WAS

MOVED BY: Commissioner Gillette

SECONDED BY: Commissioner Campbell

THAT the application to develop a Tailings Storage Facility, Plant Site, Access Road and Pipelines be allowed as proposed.

AND THAT the approval is subject to the following conditions:

- The non-farm uses be confined to the areas proposed on the plans submitted with the application.
- The area to be used for tailings storage be rehabilitated to an agricultural standard as outlined in Chapter 7 of the *"Application for a Permit Approving the Mine Plan and Reclamation Program Pursuant to the Mines Act R.S.B.C. 1996, C. 293 New Afton Copper-Gold Mine, British Columbia, Canada"*

This decision does not relieve the owner or occupier of the responsibility to comply with applicable Acts, regulations, bylaws of the local government, and decisions and orders of any person or body having jurisdiction over the land under an enactment.

CARRIED

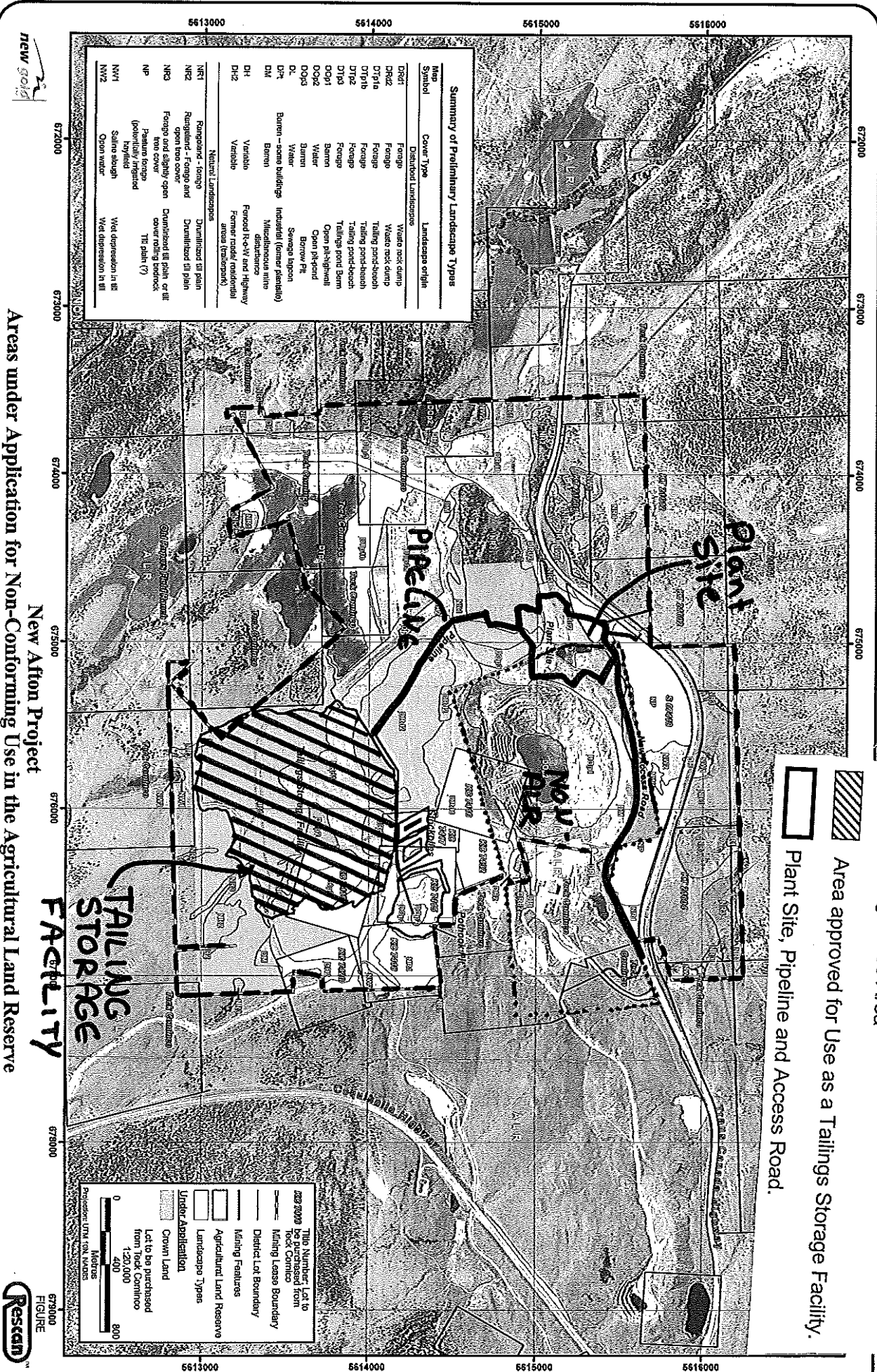
Resolution # 428/2007

Provincial Agricultural Land Commission

Application # ZZ-37358
 Resolution # 428/2007

Mining Lease Area

Area approved for Use as a Tailings Storage Facility.
 Plant Site, Pipeline and Access Road.



Summary of Preliminary Landscape Types

Map Symbol	Cover Type	Landscape origin
DRd1	Disturbed Landscape	
DRd2	Foreage	Valde rock dump
DR1a	Foreage	Tailing pond-leach
DR1b	Foreage	Tailing pond-leach
DR1c	Foreage	Tailing pond-leach
DR1d	Foreage	Tailing pond-leach
DR1e	Foreage	Tailing pond-leach
DR1f	Foreage	Tailing pond-leach
DR1g	Foreage	Tailing pond-leach
DR1h	Foreage	Tailing pond-leach
DR1i	Foreage	Tailing pond-leach
DR1j	Foreage	Tailing pond-leach
DR1k	Foreage	Tailing pond-leach
DR1l	Foreage	Tailing pond-leach
DR1m	Foreage	Tailing pond-leach
DR1n	Foreage	Tailing pond-leach
DR1o	Foreage	Tailing pond-leach
DR1p	Foreage	Tailing pond-leach
DR1q	Foreage	Tailing pond-leach
DR1r	Foreage	Tailing pond-leach
DR1s	Foreage	Tailing pond-leach
DR1t	Foreage	Tailing pond-leach
DR1u	Foreage	Tailing pond-leach
DR1v	Foreage	Tailing pond-leach
DR1w	Foreage	Tailing pond-leach
DR1x	Foreage	Tailing pond-leach
DR1y	Foreage	Tailing pond-leach
DR1z	Foreage	Tailing pond-leach
DR2	Foreage	Tailing pond-leach
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DR99	Foreage	Tailing pond-leach
DR100	Foreage	Tailing pond-leach

This Number: Let to be purchased from Tox Comino Mining Lease Boundary District Lot Boundary Mining Features Agricultural Land Reserve Landscape Types Under Application Crown Land Let to be purchased from Tox Comino (1:20,000)

0 400 800 Meters
 Projection: UTM 10N, NAD83

Areas under Application for Non-Conforming Use in the Agricultural Land Reserve