

Existing Mineral  
Tenures in the  
Khutze,  
Chappelle-Cornwall,  
and  
Kitasoo Spirit Bear  
Protection Areas



# Background information: Mineral Rights in BC

- **The Province of BC owns and may dispose of subsurface rights to most lands in the province.**
- **There are two main ways a person can hold mineral rights: Crown granted mineral claims and located mineral titles.**
- **Crown granted mineral claims are an interest in land comparable to crown granted surface title, and cannot be expropriated without adequate compensation (Supreme Court of BC). Crown granted subsurface titles may include title to the surface.**
- **A located mineral title conveys to the holder the right to all minerals as defined in the Mineral Tenure Act. Expropriation of these rights requires compensation.**



# The Issue

- **The Khutze, Chappelle-Cornwall and Kitasoo Spirit Bear Protection Areas (PAs) contain mineral titles, crown granted mineral claims and important mineral values.**

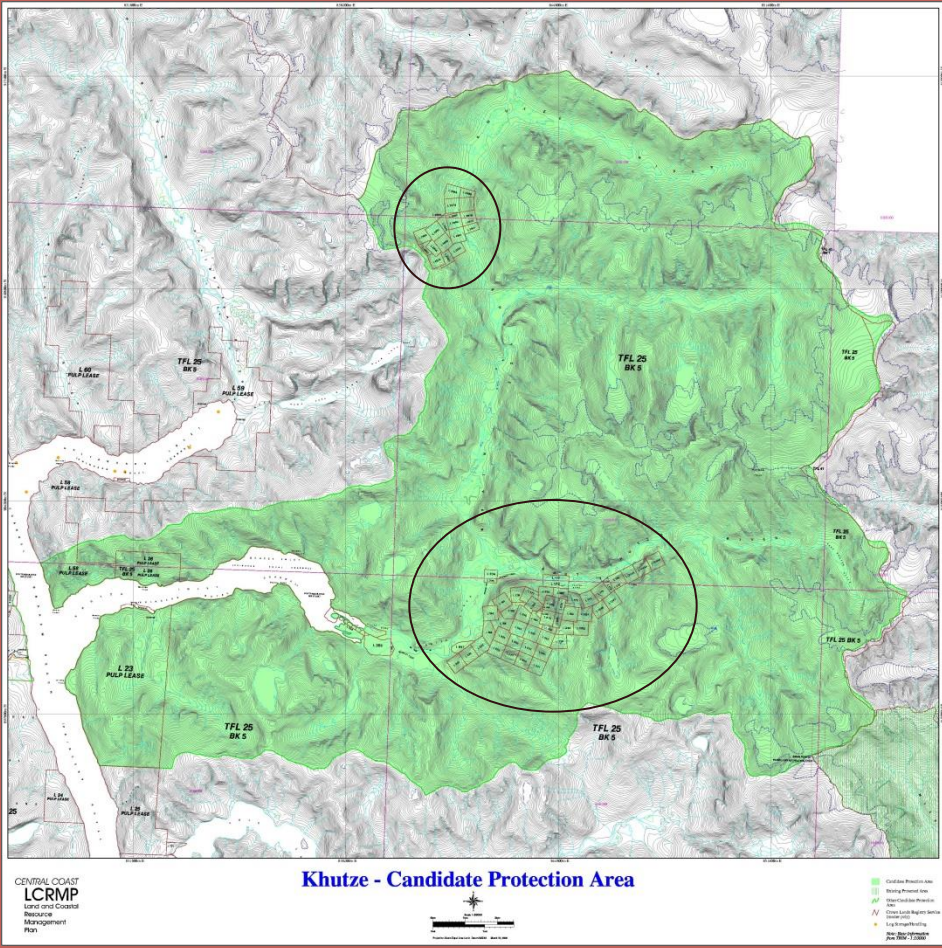


# Khutze Mineral Values

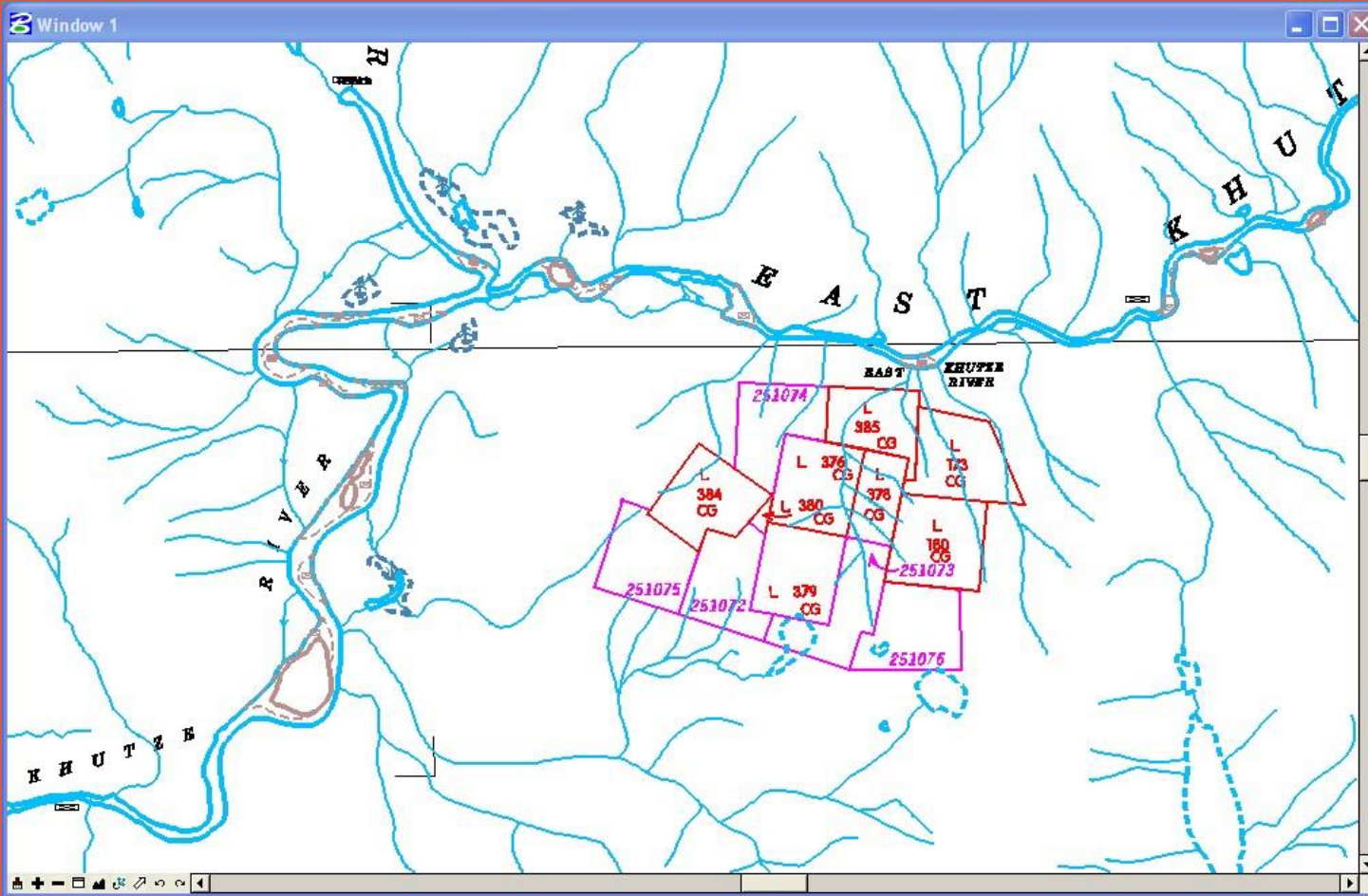
- The Khutze PA includes 2 known past producing deposits.
- Both deposits are covered by Crown-granted mineral claims and mineral titles in good standing.
- The Western Copper deposit, 8 km inland was discovered in 1908. A rail spur and tram were constructed and some underground development occurred with limited mining of copper-gold-silver ore (215 tonnes in 1928 and 1929).
- In 1927, the Hunter gold deposit was discovered 22 km from tidewater in the Khutze River valley. The deposit has an identified resource of 94,338 tonnes of ore at 12 grams per tonne gold.
- Recent surveys have significantly upgraded the metallic mineral potential of the northern and eastern Khutze watershed.



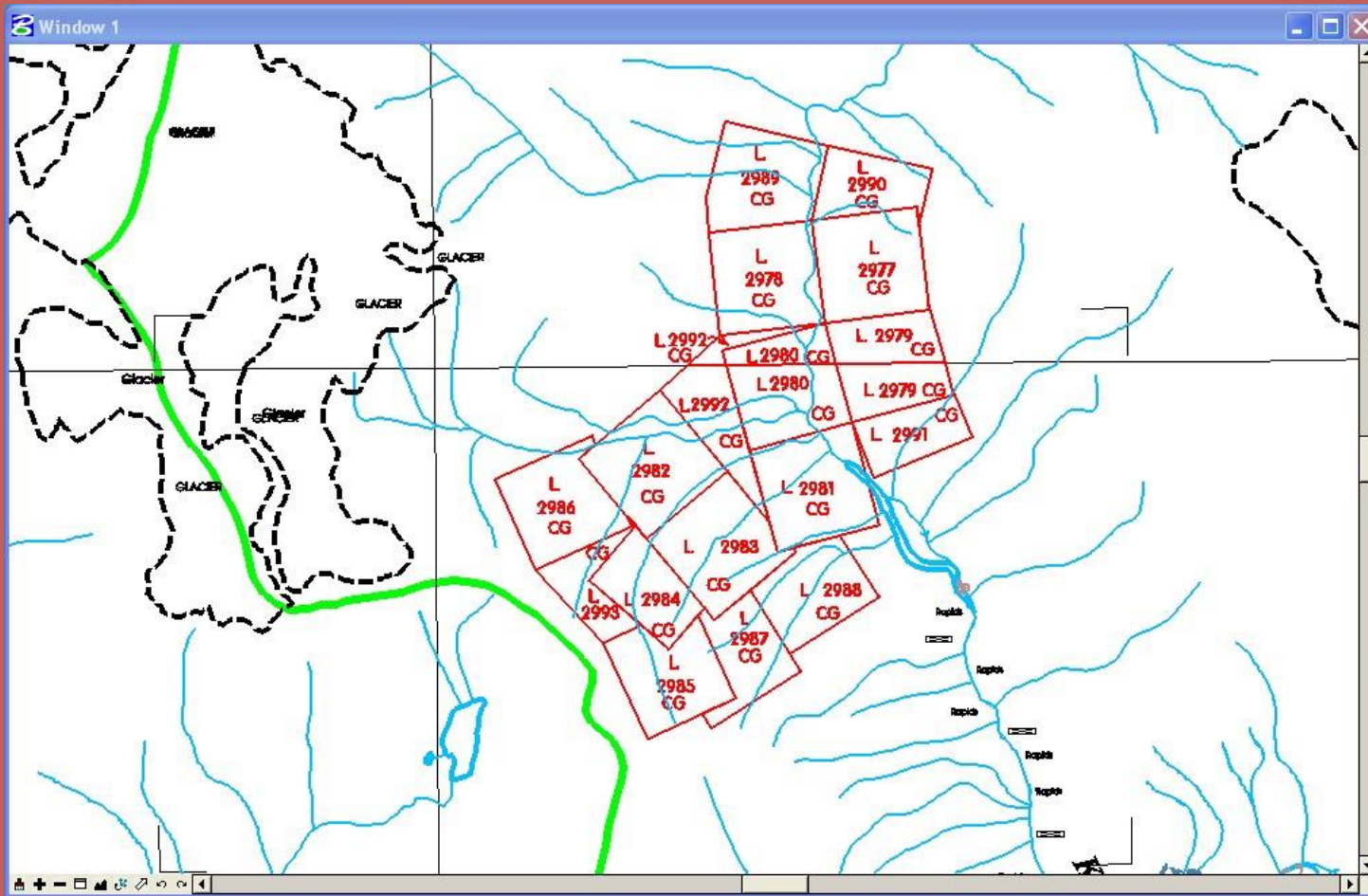
# Khutze PA



# Western Copper



# Hunter



# Khutze Ecological Values

- **Conservation values are rated very high.**
- **The area is part of the largest potential Grizzly Bear Management Area in Coastal B.C.**
- **Chinook, Chum, Coho, Pink and Sockeye are all present.**
- **The area has ecological connectivity with the Kitlope, Fiordland, and Tweedsmuir protected areas.**
- **Surveys suggest that murrelets are nesting along the sides of the inlet.**
- **It is a key anchorage adjacent to main Inside Passage route.**
- **Very high scenic values and high recreation values.**





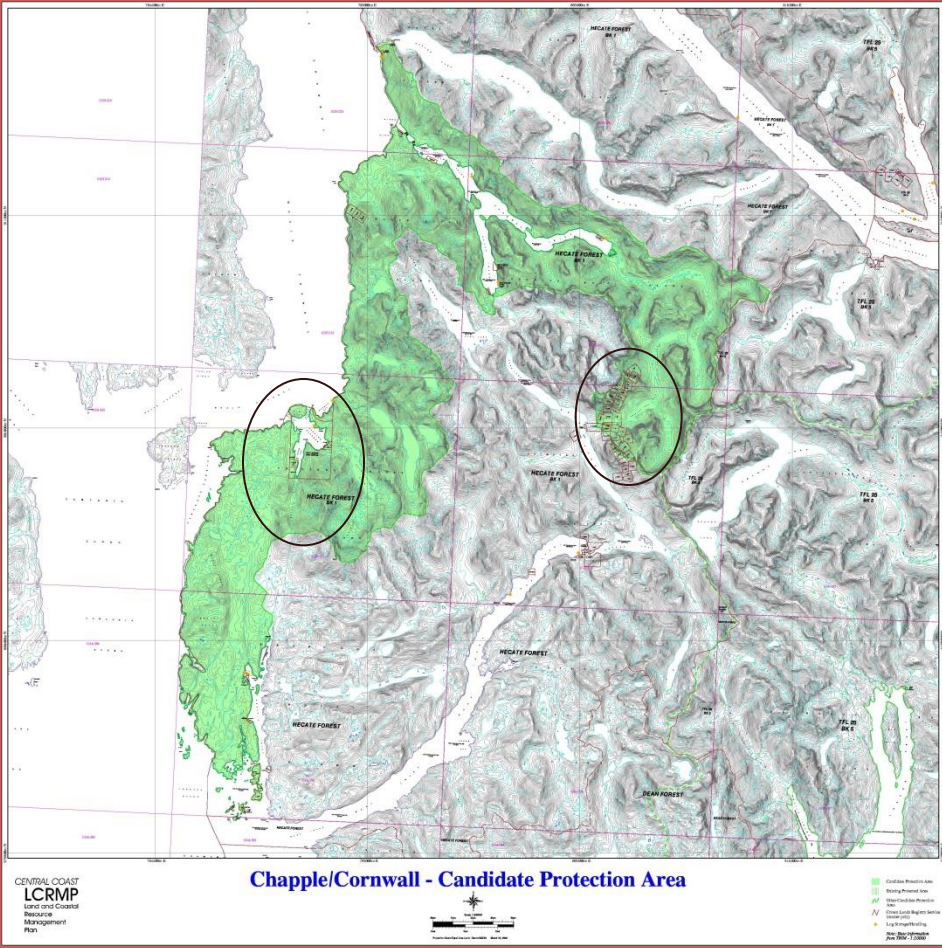
# Chappelle-Cornwall

## Mineral Values

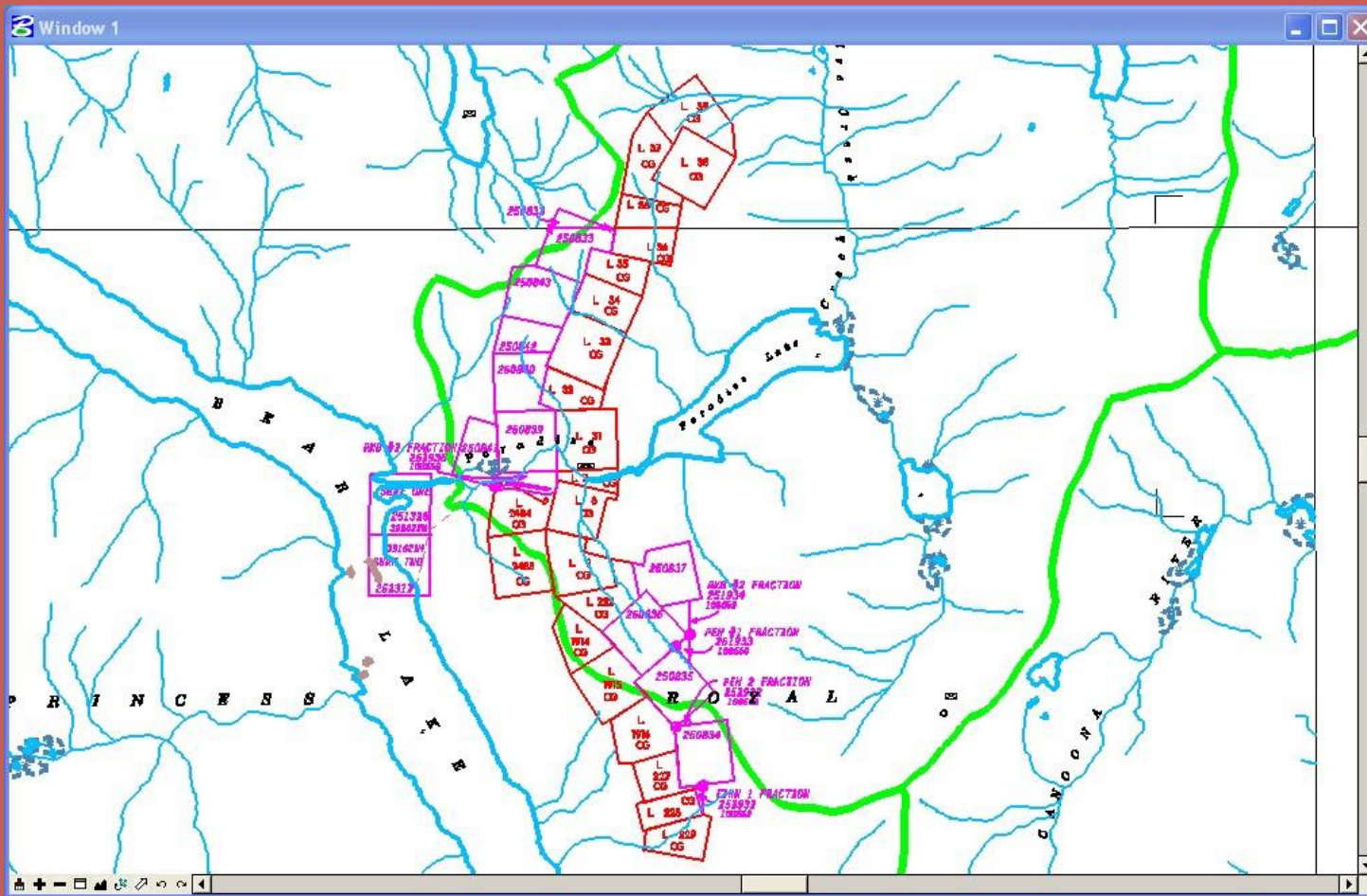
- The Chapple-Cornwall PA includes some of the oldest crown granted mineral claims in BC at the past producing Surf Inlet gold mine.
- Exploration and development work began in about 1900 and the mine was in active production until 1942, producing almost 1 million tonnes of copper-gold-silver ore was mined from 2 quartz vein deposits.
- Underground development totals 15,240 metres of drifts, cross-cuts and raises.
- The mineral titles covering the mine, currently owned by Rupert Resources since 1985, are in good standing until 2007. The crown grants are also in good standing.
- The known gold resource at Surf Inlet was estimated at \$30 million+, with additional potential.
- There are currently 6 other known quartz vein showings in the immediate vicinity.



# Chappelle-Cornwall PA



# Surf Inlet



# Chappelle-Cornwall Ecological Values

- This was originally a 1,100 hectare Goal 2 proposal but was expanded to 25,342 hectares.
- The high recreation (strategic anchorage, boat haven, wildlife viewing, sport fishing, kayaking, diving, camping) and biologically exceptional values (fish, salmon, waterfowl, estuary, Kermode and black bears, eagles, old growth) are documented for the original 1,100 hectare area only.

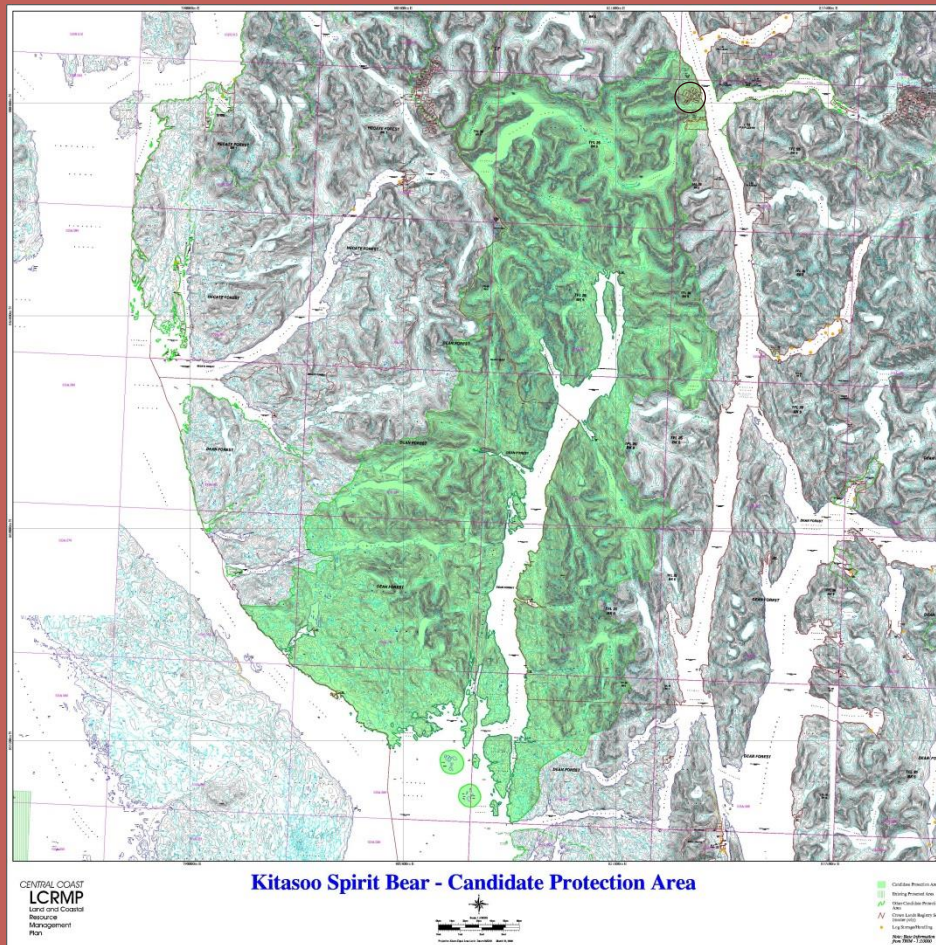


# Kitasoo Spirit Bear Mineral Values

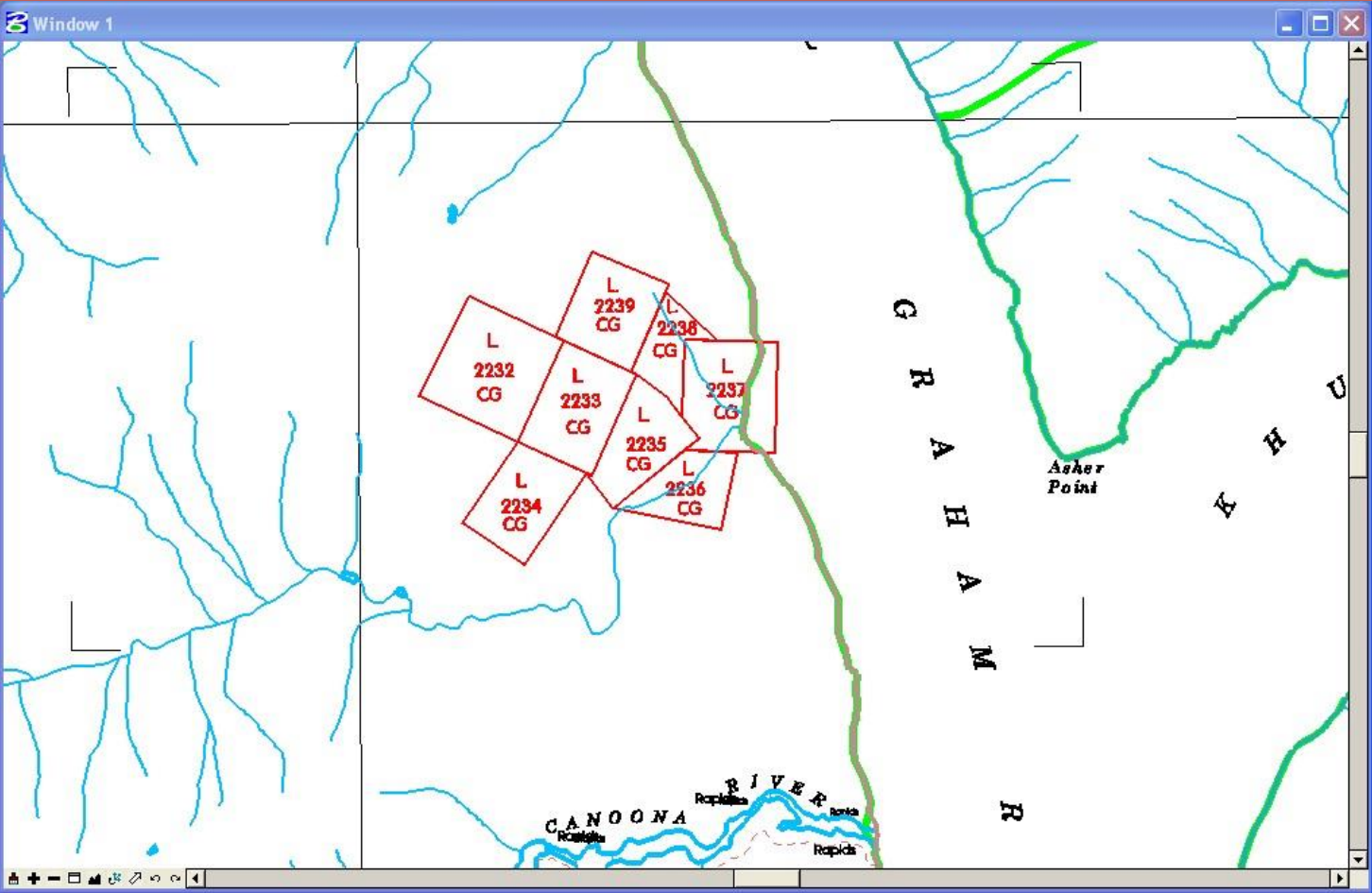
- The Kitasoo Spirit Bear PA contains the Malcolm gold vein occurrence located 2 km north of the Canoona River.
- The vein is covered by 8 Crown-granted mineral claims held continuously since 1916 and presently covering 109.5 ha.
- Recent geoscience studies along the coast to the north have re-interpreted the mineral potential of these rocks and have drawn exploration interest to the region.



# Kitasoo Spirit Bear PA



# Malcolm Vein



# Kitasoo Spirit Bear Ecological Values

- **Kermode Bears (a rare white phase of black bear) are found in the area. This is the only PAS proposal with known occurrences of the Kermode bear.**
- **Rated high for salmon values.**
- **Laredo Inlet is an important feeding site for Murrelets.**
- **Potential for ecological connectivity with Kitlope and Fiordland through the Khutze and Green watersheds.**
- **Recreation value is moderate-high.**
- **Representation of outer coast settings, including protected fjord with good anchorages (Laredo Inlet), upland lakes, forested slopes; and special features.**
- **High Cultural heritage values.**





# Summary - May 22/2002

## Cabinet Decision

- **Khutze:** Due to the extremely high conservation values, include the mineral titles, crown granted mineral claims and important mineral values in the PA and compensate owners.
- **Chappelle-Cornwall:** Due to the exceptionally high mineral values and expense of compensation, modify the PA boundary to exclude mineral titles, crown granted mineral claims and important mineral values.
- **Kitasoo Spirit Bear:** Due to the extremely high conservation values and the international importance of the area, include the crown granted mineral claims and mineral values in the PA and compensate owners.



Questions?

