



# MANITOBA ORDER IN COUNCIL

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DATE: **October 07, 2009**

ORDER IN COUNCIL NO.: **00334 / 2009**

RECOMMENDED BY: **Minister of Science, Technology, Energy and Mines**

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## ORDER

1. The Minister of Finance is authorized to make payment of up to \$120,000.00 from the Mining Community Reserve (MCR) to the Town of Snow Lake over three fiscal years (2009-10 to 2011-12), in the amount of \$40,000.00 per year, as part of a cost-shared initiative to cover the operating costs of the Snow Lake Community Economic Development Office.

## AUTHORITY

*The Mining Tax Act*, C.C.S.M. c. M195 states:

### Authority to pay from reserve

**44(3)** In addition to all or any moneys authorized to be expended under any other Act of the Legislature, the Lieutenant Governor in Council, in his absolute discretion, may

(a) direct the expenditure from the mining community reserve of such sums as he may specify for the welfare and employment of persons residing in a mining community which may be adversely affected by the total or partial suspension, or the closing down, of mining operations attributable to the depletion of ore deposits;

(e) without limiting the foregoing, authorize such things to be done as he may deem necessary for the purposes mentioned in clauses (a) and (a.1).

### Payment from reserve

**44(4)** The Minister of Finance may make payments out of the mining community reserve in accordance with any direction or authority granted under subsection (3).

## BACKGROUND

1. In September 2004, the New Britannia Mine ceased its gold operation at The Town of Snow Lake.
2. The Government of Manitoba responded by funding the operating costs of the Snow Lake Community Economic Development Office (SLCEDO) for five fiscal years (2004-05 to 2008-09), providing \$40,000.00 annually for all five years.
3. During fiscal years 2004-05 to 2008-09, the SLCEDO implemented Phase I of a multiple year Strategic Plan of Action that targeted three priority economic development initiatives: 1) cottage lot development, 2) housing sales and 3) the development and implementation of a tourism strategy.

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4. In January 2009, Hudbay Minerals Inc. announced plans to "suspend operations" and close its Chisel North mine and the Snow Lake concentrator due to low zinc prices.
5. In order to deal with the longer term impacts of the lay-offs, the Town of Snow Lake has requested continued funding of the SLCEDO over the next three fiscal years (2009-10 to 2011-12) under the following annual cost-shared arrangements: \$40,000.00 from the MCR; \$25,000.00 from the Government of Manitoba (Department of Competitiveness, Training and Trade); \$20,000.00 from the Town of Snow Lake; and \$5,000.00 from the New Britannia Mine.