



KGHM Ajax Project

The KGHM Ajax project is a proposed Copper-Gold project south of Kamloops which is currently in the Environmental Assessment process. Recently each of the communities hosted KGHM-Ajax Community sessions where KGHM Ajax presented on the various aspects of the project design and potential benefits to the communities. Further community sessions will be scheduled over the coming months to give community members a full spectrum of information on open pit copper mining and the KGHM Ajax Project in particular. We look forward to seeing many of you at those sessions and will post further information and schedules soon.

Below is the following is the first in series of community information articles regarding the KGHM Ajax Project published by the SSN. The articles will cover the history, present and future of the proposed project area and report information from a number of sources and information. The articles are published in each of the community newsletters, on our facebook page and on our website. We hope you find them informative and interesting and if you have any questions or concerns please feel free to contact Sunny LeBourdais, SSN KGHM Project Specialist at sunny@stkemlupsemc.ca or by phone at 250-373-0023.

History of Colonial Mining in BC

In Victoria, 1857 James Douglas issued a proclamation which made it illegal for any persons to take or commence searching or digging for gold and ores without an authorization by Her Majesty's Colonial Government. Douglas later issued the first mining regulations and the Office of the Gold Commissioner with ten appointed commissioners to issue licenses, register claims, address mining disputes, collect government revenues, oversee land claims and deal with local inhabitants.

Douglas enacted the Gold Fields Act in 1859 which listed a series of rules and to regulate gold mining. The Act allowed any man over the age of 16 to obtain a Free Miner's Certificate which allowed them to work a claim, secure the claim, carry away findings and establish a residence. Lawfully held claims could be sold, mortgaged, transmitted or sold by the certificate holder. Claims were to be as close as possible to rectangular and staked / marked by four pegs and then the claim registered.

In 1869 mining started to change in British Columbia as gold panning and mining by individuals was replaced by operations with larger numbers of individuals. The licenses also changed allowing individuals to prospect for all minerals on the land (not just gold) and where a claim area was worked for minimum of 2 years the miner was entitled to select and purchase ½ an acre for \$50.

In 1871 British Columbia entered confederation and shortly following in 1873 the government entered a new revision where miners could receive a crown grant to the land for the price of \$1/acre so long as the lands were "improved." Indians were not allowed to purchase lands or hold lands as stated in the 1866 Land Ordinance which specifically excluded, "any of the Aborigines of this Colony or the Territories" from pre-empting or buying land.





STK'EMLUPSEMC TE SECWPEMCM NATION COMMUNITY INFORMATION ARTICLE



History of the Ajax Project Area (1860-1980)

In 1855 gold was found in Tranquille Creek which sparked a regional gold rush in the Kamloops area. When the gold rush in California collapsed over 25,000 miners and prospectors turned their golden hopes and dreams to the interior of BC. In 1896.

During the 1860-1900's numerous claims and Crown grants were issued in and around the Ajax project area. Mineral exploration began on the Ajax property in 1906 and while the exact ownership of the original claims is still unclear, records show that a G.J. Rogers of Knutsford acquired the Ajax Group of claims prior to 1923.

In 1908 the Kamloops Copper Company purchased the Ajax property operating the mine until 1929 when it permanently closed the mine due to the need for deep mine shafts which made extraction of the copper unprofitable.

In 1928 the Consolidated Mining and Smelting Company of Canada (Cominco Ltd) optioned 13 claims to the Ajax project and completed various exploration work including diamond drilling and electromagnetic surveys until the late 1960's. In 1969 a summary report for the Ajax property was published indicating a deposit of 9.7 million tonnes of 0.5% copper.

Recent History of the Ajax Project (1980-present)

Cominco continued their exploration works through the 1970's and in 1980 published another report which reported 5.9 million tonnes with 1.5% copper and 1.6 grams / tonne gold and 6.86 grams / tonne silver. In 1987 Teck Resources Corp (formerly Teck Cominco) reported a total of 95.2 million tonnes of 0.51% copper and 24.6 million tonnes of 0.46% copper with 0.34 grams / ton of gold.

These reports allowed Teck to begin development of the West and East open copper mining pits in 1988 and begin operations in 1994. Teck expanded its operations until 1997 when it closed down its production operations at the Ajax site. In 2004 a junior mining company named Abacus earned 100% in the 52 mineral

claims and 20 patented claims at the Ajax site. The next year Abacus began a comprehensive exploration drilling program to evaluate the deposits at the Ajax site. In 2009 Abacus completed a preliminary report based on the historical information and comprehensive drilling program.

In 2010 KGHM Ajax Mining was created as a joint venture between KGHM S.A. and Abacus. KGHM S.A based in Poland is one of the largest copper producers in the world and owns shares in 33 entities around the world. In September 2012 KGHM International (Western division of KGHM SA Poland) took over operational control and direction of the Ajax Project.





**STK'EMLUPSEMC TE SECWEPEMC NATION
COMMUNITY INFORMATION ARTICLE**



KGHM-Ajax Project

KGHM Ajax Mining Inc. proposes to develop the Ajax Project, an open pit copper-gold mine at the historic Afton Mining Camp, south-west of Kamloops. The primary components of the mine include: waste rock management facilities; processing facility and truck shop; process water intake and line; and tailings storage facility. Some ancillary facilities, including the exploration camp, administration building, and explosives storage,

may be located just within the city boundaries. Access to the mine site will be via the Inks Lake Interchange off Highway 5 and then along service roads to the plant main access road (historic haul road from old Afton Mine). Original project design in 2011 was changed significantly and a new project design and footprint was announced in May 2014 (see figure 1)

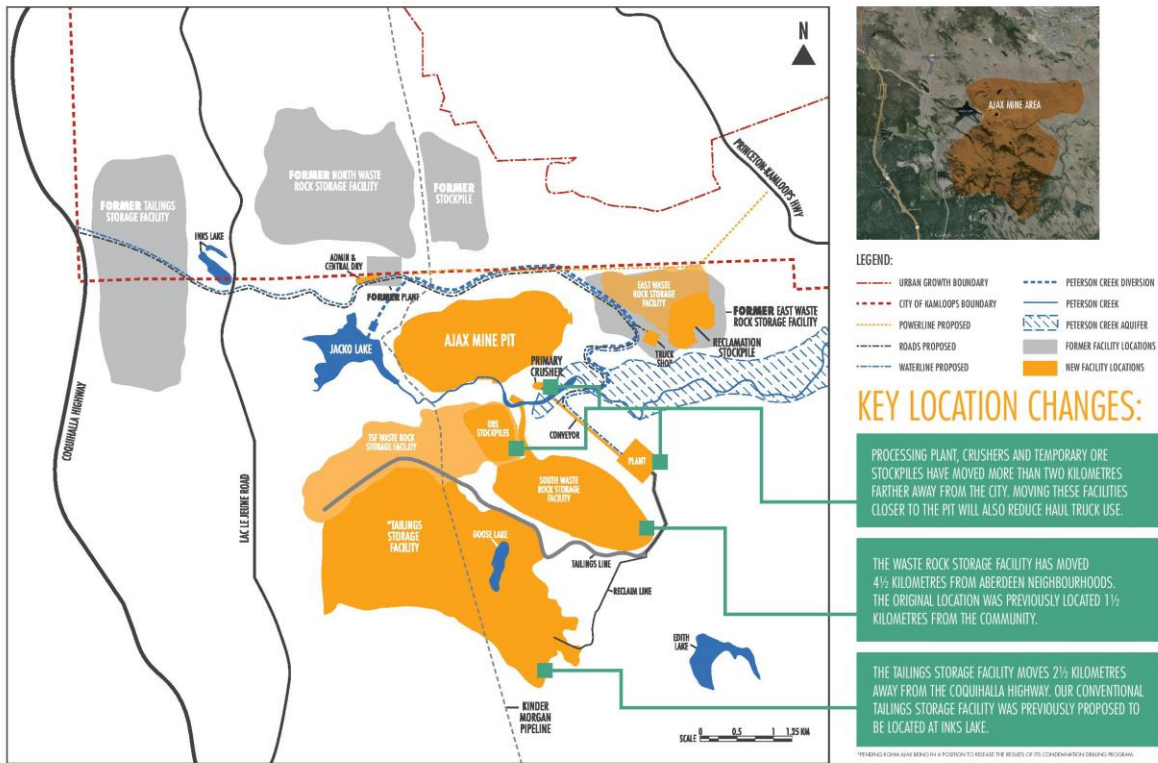


Figure 1: KGHM-Ajax Project Area

