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MSABC Welcomes Support for Infrastructure and Exploration in Federal Budget 2013

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Vancouver – The Mining Suppliers Association of British Columbia (MSABC) welcomes support for infrastructure development and mineral exploration in the Government of Canada’s Budget 2013. MSABC is pleased to see an additional \$14 billion over 10 years to support infrastructure projects as part of a new Building Canada Fund. “It was through the development of gateway and trade corridor-related infrastructure that B.C. became a gateway of choice for trade between North America and Asia,” said Mike Ranallo, Chair of MSABC. “We continue to support investment in Pacific-Gateway infrastructure, which will enhance the competitive advantage of B.C. mining operations and create new jobs for construction and other support industries,” added Ranallo.

MSABC also welcomes the one-year extension of the 15-per-cent Mineral Exploration Tax Credit for flow-through share investors. “This measure has allowed junior mining companies to raise \$800 million annually for the grassroots exploration needed to locate and develop new mines,” said Ranallo.

While welcoming the Exploration Tax Credit extension, MSABC is concerned over changes to the deductibility of pre-production mine development expenses. “By reducing the deductibility of pre-production mine development expenses from 100% to 30%, Budget 2013 will require companies to pay more tax before they are able to recover costs through production,” said Ranallo. MSABC is also concerned over the phasing out of the accelerated tax depreciation for capital assets acquired prior to commercial production. This represents a fundamental policy shift that will impact the after tax net present value of projects and the modeling for feasibility studies reported on after tax basis.

The Mining Suppliers Association of B.C. comprises suppliers, contractors and consultants to the B.C. mining industry who are committed to promoting the sustainability of this valuable resource sector.

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