



Frequently Asked Questions (FAQ)

Corporate Structure

1. What makes this fund different than the other mining-based limited partnerships?

The main difference between this and other funds is the way in which liquidity is provided to the investor. The investor will receive seed stock in new publicly traded mining companies which own mining rights to select properties and will have the funds to explore those properties; a valuable combination in today's market. Owning the seed stock will put the investor on the same level as those individuals who own the companies that the mutual funds invest in..

2. Why are seed shares better than rolling the units into a mutual fund?

Those limited-partnership funds that provide liquidity through a roll-over into a mutual fund are purchasing the stock above the price seed investors acquired the stock for. You are paying for their profit. This is an opportunity to get in on the ground floor of the investment and therefore experience the more potential upside.

3. What is the expected hold period?

The hold period is expected to be four months from the time the stock is transferred to the investor. We believe that these shares will be granted a four-month hold period because the investors are not corporate insiders, but this will require regulatory approval. It is therefore anticipated, given the proposed schedule, the stock would become free trading within the first-half of 2004. The relative low-cost of the seed shares offsets the hold-period and is the reason many people seek investment in seed stock.

4. What are the advantages of structuring the offering to create new mining companies?

By creating new companies the fund has greater flexibility. It can acquire, explore and sell properties. It can receive exploration funds from other limited-limited partnerships. There is a potential for joint ventures. All of these, plus the ability to look at investments in existing mining companies offer the fund the flexibility it needs to be proactive in today's mining climate. This flexibility is seen as opportunities to create wealth over and above what a limited partnership that just invests in existing public companies can do.



5. *Why invest in mineral properties directly?*

Investing in mineral properties is a ground floor investment and provides the most upside potential. All of the net investment is going directly to exploring the acquired properties. Acquiring the properties also provides the vehicle to create the public companies that the investor receives seed stock in.

Tax Benefits

6. *What is the most optimum way to invest in the offering?*

The investor who is in the highest tax bracket; who invests \$10,000, who utilizes his full \$13,500 RRSP contribution to shelter the investment and has or can trigger a tax loss carry forward of \$14,000 will receive tax benefits of approximately \$12,000 and stock worth approximately \$14,000.

7. *When are the tax benefits and credits available?*

The B.C. First Venture Capital Fund takes advantage of a tax structure implemented by both the Federal and B.C. Provincial governments:

- 1) B.C. Mining Tax Credit (BCMT)
- 2) Federal Investment Tax Credit for Exploration (ITCE)
- 3) Canadian Exploration Expenses (CEE) Tax Benefit
- 4) Tax benefit of deductible flow-through fees

These taxes are available at different times during the investment: The BCMT credit, the ITCE credit and the CEE tax benefit are all available in 2002.

The tax benefit of deductible flow through fees is available on a pro-rata basis per year over the life of the fund. All of the benefits will be available prior to the funds anticipated wind-up in 2003.

Management

8. *Why will these mining companies be successful?*

The expertise the company has available to it from its advisory board is second-to-none with regards to mineral exploration in B.C. (William Bergey, Brian Fairbank) and the company has the public market experience (Robert Charlton, Joe Osvenek)

William Bergey, P. Eng.

· Mr. Bergey is a professional geological engineer with over 40 years experience in mining.



B.C. First Venture Capital Limited Partnership

- He started his career in 1956 and has been evaluating mineral properties and mining properties for numerous companies.
- For many years he worked as property analyst for Teck Corporation.
- Mr. Bergey is well known in the B.C. Mining community.

Brian D. FairBank, P. Eng.

- Mr. Fairbank is a professional geological engineer with twenty years experience in business management, property acquisition, project development, feasibility studies, exploration programs and environmental studies.
- He is the President of Fairbank Engineering from 1986 to present.
- Noramex Minerals Inc., President and Director, 1984-1993
- Desert Gold Resources, President and Director, 1989-1992
- Nevin Sadlier-Brown Goodbrand, Partner, Exploration Manager, 1981-1986
- Noranda Exploration Co. Ltd., Geologist, 1973-1977

Robert Charlton, C.A.

- Mr. Charlton is a Chartered Accountant since 1983 beginning his career with Ford & Partners.
- He started his own firm, Robert Charlton and Company in 1991.
- His firm focuses on Public Companies, Taxation and Securities. During his career he has garnered considerable experience working with public mining companies.

Joe Ovsenek, LLB, P. Eng.

- Securities lawyer
- Partner of Bragagnolo and Ovsenek
- Silver Standard Resource, past in-house counsel
- BC Hydro, past in-house counsel

9. What is the role of Copper Hills Exploration Corp?

Copper Hills will be engaged by the General Partner to research and recommend properties of merit. The Advisory Board, as part of the investment process, will review these recommendations.

Copper Hills has been involved in mining exploration and assembling land positions since 1999. Copper Hills's senior management has been involved in exploration and mining development in British Columbia and the United States since 1985 and is experienced in all phases of mining exploration and development.



Mining Investment

10. Why is this a good time to invest in Mining?

- Both the Federal and Provincial governments want to encourage mining investment and they have developed aggressive tax incentives to achieve this objective.
- Resource companies usually lead the way during an economic recovery. Resource sector outlook promising as global economy continues to improve.
- Commodity prices have bottomed with copper, nickel and zinc near their 1980 lows.
- The reduced interest in mining in B.C. over the last 10 years has put an ample supply of superb properties on the market

11. What kind of properties will the company be acquiring?

The General Partner will be looking to acquire properties that afford opportunities primarily in Gold and Copper. Although there may be opportunities for other Precious or Base metals these will be explored based on the results of any exploration carried out.

12. Why Copper?

It has been suggested that the demand for Copper will increase in the next few years. Some reports suggest that the demand for Copper just for the Three Gorges project in China will be an entire year's worldwide production.

A recent article in the October 18 Financial Post states "Copper had its biggest rise in nine months yesterday as gains for equities in Europe and the U.S. prompted expectations for strengthening economies that would boost demand for the metal used in manufacturing and construction."

The article went on to state "Copper futures have risen 5.1% from a nine-month low on Oct. 7, partly on speculation that economic growth will accelerate and increase the demand for wire and pipes."

This article supports the General Partner's view that resources will lead the way out of the current market lows.