

News views and opinions on the
mineral exploration scene in ontario

End of Summer 2001 Issue

Date: September 2001

THE EXPLORATIONIST

The Newsletter of the Ontario Prospectors Association

The Explorationist Newsletter is brought to you as a 'member service' of the Ontario Prospectors Association. It's purpose is to share news and information amongst it's members and also to act as the association's 'Political Voice'.

The views and opinions expressed in this newsletter are not necessarily those of the Ontario Prospectors Association, including all of it's members and Directors. The writers accept full ownership of their contributions.

ONTARIO PROSPECTORS FUND

The Ontario Prospectors Association continues to make progress on delivering the planned Prospecting Fund. I have been working closely with the representatives of the Northern Ontario Heritage Fund Corporation to work out the final hurdles before we get approval for the funding being released.

Our major set backs have been created by our intent to be innovative and original. The Fund, as most know, will purchase NSR's and treasury shares in Junior companies exploring grassroots exploration properties.

Our new schedule will not see a full delivery of the Fund until Spring 2002.

I accept partial responsibility for the delay. I underestimated the time frames I had to work within. My experience with putting funds together has been derived from working in the Junior Exploration sector for over 15 years. I've always worked in an environment where, when we have a

financial commitment, the money is delivered quickly without extended paper work and analysis. The world of Provincial funding, as Federal funding, is a complicated politically influenced world with extended, seemingly endless, paperwork.

The application I put forth in the Spring of 2000, expecting a 6 week response, is now expected to be reviewed and approved by the end of September. Then, once we work out a formal business plan and initiate a corporation, we can take delivery of the funds to start our Prospecting Fund. We will deliver the application forms in early spring, present workshops at the spring symposiums and funds for the next prospecting season.

The setback is frustrating but the possibility is that with the extra time we can produce the program that will meet our requirements.

Please call me at anytime (807-622-3284).

My Apologies
Garry Clark



[We're easy to get a hold of](#)

Contact the Executive Director: Garry Clark

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FOR DISCUSSION OF THE MEMBERSHIP:
THE INTRODUCTION OF A MINERAL POLICY

Please direct comments and opinions to Garry Clark, c/o Ontario Prospectors Association

Following is a Mineral Resource Policy for Ontario giving consideration to and support of the mining industry, economic development, energy supply, land use, protection of the natural environment and sustainable development issues.

The following will be impacted by this policy:

- S Economic Development
- S Regional Development
- S Natural Resources
- S Energy
- S Municipalities
- S Education
- S Tourism
- S Environment
- S Occupational Health and Safety Commission

The mineral resources of Ontario are owned by the province and, as such, create a responsibility for resource management, enforcement of goals related to environmental protection and sustaining economic benefits from the mineral sector.

For the most part, inventories of Ontario mineral resources are in serious decline. Since the resources are non-renewable, to sustain a viable mining industry it is critical that new mineral reserves are identified. It is equally important to attract private investment in mineral exploration and development by providing geoscientific information and sound environmental policies. The government also has an active role in later stages of mineral sector activity including development, mining, milling and processing, manufacturing, trade, recycling and reclamation.

Ontario is endowed with a variety of known mineral deposits, areas with known high potential for additional mineral resources and vast unexplored areas. Due to changing technology, there are vast areas of unknown potential throughout the province. There are many mineral occurrences and a significant number of metallic and non-metallic mineral deposits known in the province. Significant mineral resources include nickel, copper, lead, zinc, silver, gold, tin-tungsten and many other deposits; along with non-metallic minerals, industrial minerals, building stone and aggregates. There are also oil, natural gas and several other mineral products and the potential for diamonds and space age metals.

Much of the direct and associated economic benefits to the province were realized from nickel, gold, base metals (zinc, lead and copper) mining operations mostly in Northern Ontario, and from salt, oil and industrial minerals mainly in Southern Ontario. In 1993, the Ontario mineral sector directly employed over 30,000 persons. It is estimated that 4 indirect jobs are created for every direct job amounting to 120,000 jobs totaling approximately 150,000 direct and indirect jobs.

Ontario's mining industry is a vital element of the provincial economy, creating jobs and wealth in many communities across the province. Through its diverse activities, the industry supports many suppliers of goods and services, and provides accessible raw materials for mineral processors and refiners. In 1990, an estimated \$5 billion in personal and corporate income, and \$1.28 billion in government revenues were created by

(Continued on page 3)

(Continued from page 2)

the direct and spin-off contributions of mining to Ontario's economy.

Some of the highest-paying industrial jobs in the province are found in mining, generating more than \$1.1 billion in direct wage income. Employee benefits of \$220 million, about 20% of wages, were also provided by the industry to its workers in 1990. Total labour income, wages plus benefits, accounts for roughly 29.5% of government revenues.

Governments receive a considerable amount of revenue from the mining industry. An average of \$498 million was paid to all governments during the 1987-1990 period, or 53% of average mining company profits before tax. In Northeastern Ontario, the industry accounts for more than 20% of all local business tax revenues.

Many companies in other industries rely on the purchases from mining firms to sustain their profitability and employment. Expenditures of more than \$735 million on products and services were made in Ontario by the mining industry in 1990. Roughly \$330 million of this spending went to suppliers within 50 miles of operating mines, located mainly in Northern Ontario.

Universities, hospitals, and community service groups were among the recipients of \$8.5 million in charitable donations given by mining companies in 1990. In Northern Ontario, where fewer potential business donors exist, locally-based charities and community groups in the North received over \$2.9 million in 1990 from the mining industry.

With rising competitive pressures at home and abroad, the Ontario mining industry increased R&D expenditures by 65%, from \$29.6 million in 1987 to \$48.7 million in 1990.

In response to concerns shared by the industry, governments, and the public, mining firms have concentrated on even more stringent environmental protection measures. As a result, environmental protection expenditures increased nearly ten-fold between 1987 and 1990. Mining operations spent about \$290 million in 1990 on environmental protec-

tion. Major areas of spending included process changes, pollution prevention activities, and pollution control measures such as end-of-pipe devices, monitoring equipment, and services aimed at complying with all existing and planned environmental standards.

The industry's financial situation has changed significantly during the last several years. Total profits in 1990 fell to \$224 million, or 5% of revenues, and has continued to decline since then. Therefore, the benefit to Ontario has declined significantly.

A serious concern is that the number of direct mineral sector jobs have decreased by 25% over the last 10 years, from a high of 40,000 in 1993. The focus of this policy is to address the declining mineral reserves and related job loss, to improve competitiveness in mineral production and marketing, emphasizing that sustained long-term economic benefits, can be maintained through sound public sector management and an economic climate that encourages private investment.

INVESTMENT CLIMATE AND LAND USE:

The need to provide an attractive investment climate and address industry competitiveness include a taxation review, support for development of mineral processing and mine reclamation technology and a workable financial assurance fund regime, integration and streamlining of the regulatory process, support for training and infrastructure development, and improved public awareness of the nature and benefits of the mineral and mining sector. Support of joint working groups of industry, government and other stakeholders to address environmental and public awareness issues, to develop a compatible and cooperative land use strategy aimed at maximizing the economic benefit of Ontario's nonrenewable resources and, at the same time, protecting its natural environment for the benefit of all. The strategy will include coordination of a project review process that will improve and strengthen its role in supporting the mineral industry and co-ordination of the review process to provide security and economic confidence in resource development.

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There will also be initiatives designed to address concerns regarding the land use and access to minerals in a multi land use process in conjunction with other land use needs and rights to sustain an active and viable economy. Specifically, there will be provisions for assessment and protection of mineral resources for multi land use purposes, improved information access for planning, strengthening the coordination of the regulatory review process and improvement of the level of public awareness will be initiated.

Existing provisions to address land use and land access issues will be continued and improved, where possible. The provisions include land use information included on claim maps and mining sectors input to planning documents. The *Mining Act* provided mechanisms for interaction with landowners and dispute resolution, and sets requirements for mine reclamation. This process will be supported and expanded to ensure that all people in Ontario will continue to benefit from the provinces non-renewable resources and that individual property rights protected.

AN OPA SUCCESS STORY

WE ARE NOW EXEMPT FROM TRAIL PERMITS

Please check www.ontarioprospectors.com for full Regulation

<p>Licensed prospectors and their helpers 18 years old or older.</p>	<p>While staking or working claims within a claim area, or while travelling directly to or from a claim area, if the trail is the only access route from the closest road to the claim area or is the only safe access route to the claim area.</p> <p>While working for a mining or exploration company, a contractor or field service supplier, within a claim area, or while travelling directly to or from a claim area, if the trail is the only access route from the closest road to the claim area or is the only safe access</p>	<p>(a) An original valid prospectors licence or a legible copy of it and either,</p> <ul style="list-style-type: none">(i) mining claim tags, or(ii) a claim map or a legible copy of a claim map, showing the property or part of the property on which the trail is situate and a claim abstract or a legible copy of a claim abstract for the claim area.
<p>Employees of a mining or exploration company, and the employees of any contractor, driller, claim staker, land surveyor or geotechnical surveyor that is engaged by such a company, or any field service supplier of any of these persons.</p>	<p>Within the mining or exploration project area or while travelling directly to or from the project area, if the trail is the only access route from the closest road to the project area or is the only safe access route to the project area.</p>	<p>A valid trail permit exemption form issued by the Ministry of Northern Development and Mines or a letter prepared within the previous 240 days on stationery bearing the mining or exploration company's letterhead, setting out various required information.</p>

ISSUES

PROSPECTING FUND

The OPA has applied to the NOHFC for the promised funding. Reports back to date indicate the funding will be presented to us in a timely method allowing full role out for the next field season. This is definitely a set back but the program is still moving forward. See the more detailed article this issue.

FIRST NATION RELATIONS

The OPA attended a First Nation Awareness workshop put on by the PPDA. The OPA believes we need to create a better understanding of the requirements to operate in the areas of traditional land use. The farther north area of the Province is the frontier where we will be exploring in the near future. Numerous companies are entering into Memorandums of Understandings with First Nation communities to facilitate unimpeded co-existent exploration in the North. The OPA is planning a workshop at the Toronto Symposium to explore these relationships and help all explorers understand the realities of working in the North.

PROSPECTING COURSES

The OPA is partnering with the MNDM and applying for funding to deliver Prospecting courses to members and First Nation communities. Please send in requests for courses in your area.

OLL

The OLL will never go away and seems to never end.

1. The Room To Grow initiative has been active with Forestry/MNR and the PPL looking at additional expansions of the 378 sites. The OPA with the help of the RLUG program are working at preventing the expansion of Parks without proper consultation with us and other stakeholders.
2. The Resources Stewardship Agreement between Remote Tourist operators and the forestry companies is being delivered out to the public over the fall. With have inputted on this process and the potential for further agreements with various stakeholders using this model would produce a better operational base on the land. Please watch for the open houses in your area and attend.
3. The Northern Boreal Initiative (new potential parks spawned by OLL). This issue is the completion of the Forestry map north of 51. These areas are not covered by the present FMP's. The intension of the MNR is to use a community based planning method that would produce a landscape management document including additional parks. Please attend the meetings for this issue we continue to monitor the progress of this new initiative and will work to mitigate the loss of prospecting lands.
4. PSMP (Provincially Significant Mineral Potential). This study is critical for us to be allowed explore lands within the 378 OLL sites. The process has been extremely slow with the industry reps on the committee continually pushing to get the process moving. The delivery of the program is slated for this fall. The PSMP will be the mechanism we could us to defend additional parks.

CHANGES TO THE MINING ACT REGULATIONS

We have had the issue of Prospectors being allowed only \$150 per day for the assessment purposes placed on the Ministers Mining Act Advisory Committee agenda. We are asking that the rate be set by the industry standard.

PROSPECTORS ASSOCIATIONS: CONTACT INFORMATION

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Note: All regional Association Websites will soon be accessible from one main OPA site.

NORTHEAST EXPLORERS PLEASE CHECK THE PORCUPINE PROSPECTORS & DEVELOPERS WEBSITE FOR BRIDGES CLOSED AND TO BE CLOSED

ONTARIO PROSPECTORS ASSOCIATION
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August 9, 2001

Premier Michael Harris
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LIVING LEGACY LETTER TO PREMIER

RE: Mining Industry Involvement In The Living Legacy Land Use Strategy (OLL) and ROOM TO GROW INITIATIVE

Dear Premier;

I am writing to you on behalf of the Ontario Prospectors Association (OPA), the Ontario Mining Association (OMA) and the Prospectors and Developers Association of Canada (PDAC), to express our willingness to work with your government for the purpose of ensuring a future prosperous mining industry in Ontario in the context of the OLL.

We wish to remind you of the commitments your government made to the mining industry at the conclusion of the Lands for Life process. In a letter dated March of 1999, the Honourable Chris Hodgson reiterated these commitments (attached). These commitments are not being met or have not been initiated to date. At present there are a series of current issues requiring action and they are briefly described as follows.

1) Consultation and Communication: Progress on key elements of the OLL is being hampered by an inefficient process of communication among key departments of your government and a lack of transparency with respect to consultation with key stakeholders and members of the public. The recent *Consultation on Boundary Refinement of Proposed Protected Areas* is a serious case in point. Whereas the stated consultation period was from June 1 to June 30, 2001, stakeholders did not receive the document until after the middle of the month. Inquiries to the Ministry of Northern Development and Mines (MNDM), revealed they were not aware of the consultation process and had not received the consultation materials at that time.

Examination of the documents revealed that:

- a) Protected area boundaries have changed since the previous public process. There are instances of protected areas now being superimposed on pre-existing mining claims for the first time and the affected claim holders have not been advised of these changes.
- b) The accompanying maps did not show the underlying leased and staked claims in the area

of the new designations so that potential land use conflicts would not be portrayed and the public commentary would be based on incomplete information.

- c) Previous recommendations by MNDM pertaining to boundary conflicts between parks and pre-existing mineral tenure have been ignored.

In our opinion it was irresponsible of MNR to launch a consultation process without fully informing the public and key stakeholders about the impact of the proposed new designations. MNR should also be maintaining critical lines of communication with other potentially affected government ministries.

2) Coordination: The MNDM has introduced the *Provincially Significant Mineral Potential* (PSMP) initiative to ensure that no areas of high mineral potential in the province are compromised by the imposition of new protected areas resulting from the OLL. However, progress on the PSMP initiative has been slow and is now seriously lagging behind the MNR park regulation process due in part to the availability of only limited funds from the MNDM base budget. As well, there seems to be little or no communication or coordination between MNR and MNDM with respect to the two initiatives. At this point in time we have little confidence that the PSMP initiative will actually meet its original objective of opening areas within the new OLL parks and conservation reserves to mineral exploration.

3) The Room To Grow Initiative: We have been informed recently about the *Room To Grow* initiative, the objective of which is to expand the boundaries of some of the 378 new designations resulting from the OLL. Unbeknown to the mining and exploration sector, the *Room To Grow* discussions have been ongoing now for more than a year. We find it difficult to understand how your government could contemplate such an initiative before the current 378 new designations have been regulated and while there remain significant boundary problems related to pre-existing mineral tenure. The commitment from the Chris Hodgson would indicate that this initiative should not proceed without “agreement among the mineral industry, the forest industry and the Partnership for Public Lands, in addition to public consultation”.

In order to address these issues and to bring the mining industry on board with the OLL and Room to Grow Initiatives we recommend the following measures:

An improved level of communication and coordination between MNR and MNDM at the level of the Ministers, Deputy Ministers and Assistant Deputy Ministers;

An efficient process for resolving the outstanding boundary and access issues related to the imposition of OLL candidate parks impacting existing mineral tenure;

The development of a mineral policy for Ontario which recognizes the needs of the mining industry in the context of the new realities arising out of the OLL, charts a course for the future prosperity of the mining industry in Ontario and incorporates recommendations that were agreed to by the participants of the *Lands for Life* Round Tables.

The dedication of funding to the PSMP process that will allow the completion of the process without impacting on the day-to-day operations of MNDM and build confidence of the mineral

industry that PSMP will be an effective tool to protect land with significant mineral potential.

Mr. Premier, the mining industry is prepared to work constructively with your government so that we can all move forward with these issues. However, in order to avoid future conflict, we need your assurance that the above measures can be addressed and past commitments from Chris Hodgson and your government are honoured. The completion of the OLL process must be finalized prior to further consideration of the creation of additional protected areas such as the *Room To Grow Initiative*. We look forward to your response at your earliest possible convenience.

Yours Sincerely,

Garry Clark, Executive Director
Ontario Prospectors Association

Cc Patrick Reid, Ontario Mining Association
Anthony Andrews, Prospectors and Developers Association of Ontario
Regional Prospecting Association, Presidents

Attachment: March 29, 1999 letter Log No. X99-0974

ASK THE EXECUTIVE DIRECTOR

We would like to introduce “Ask the Executive Director” to the Explorationist. This section will allow membership to ask to have subjects researched and presented for all the Membership. Please contact me with your suggestions.

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Ontario Exploration and Geoscience Symposium
“ONTARIO: THE SOURCE OF THE WORLD’S COMMODITIES”

December 10th, 11th & 12th, 2001
Macdonald Block, 900 Bay Street
Toronto, Ontario, Canada

Dear Participant,

Once again it is time for the annual OEGS Symposium in Toronto. The Ontario Prospectors Association is planning a series of workshops, speakers, booths and posters designed to draw the Ontario exploration community together and share in the latest knowledge and exploration successes.

We have reviewed the comments provided by last year's delegates and hope to improve on our successful first experience. This year we will highlight the Ontario Geological Survey results of field work, Resident Geologist Program recommendations for exploration, technical innovations and company exploration results and successes from around the Province.

(Speakers confirmed: North American Palladium, River Gold, Freewest, Hucamp Mines, Band Ore, Avalon, APGO, CNQ, NE-NW Resident Geologist Program, OGS Field Programs, and OPA New Prospecting Fund)

We welcome you to attend and to participate, space for displays is available and speaker opportunities are still available for you or your organization to present your findings. The OPA looks for your support and your participation.

Exploration around the Province has located new showings and new intersections of the commodities that the world is now focused on. These commodities include diamonds, platinum group metals, tantalum, gold and industrial minerals.

For more than a century, the world has demanded an increasing number of mineral commodities and Ontario's mineral development industry and Geological Survey have set about finding and supplying them. Silver Islet and the Cobalt camp produced extreme silver wealth moving Ontario into position as a world mining giant. Later Cu-Ni demand was flourishing and again the Province produced in Sudbury and elsewhere. In the war years and after, iron demand was met by Atikokan, Temagami and Kirkland Lake. More base metal discoveries and developments like Kidd Creek fed the smelters in Canada for world consumption. Always, Ontario has contributed significantly to meeting the demands of the world for gold.

Recently, the focus of the world has been diamonds (Wawa and James Bay lowlands), platinum group metals (River Valley and Lac Des Iles) and rare earth elements (Armstrong Area and Lilypad Lake). Once again the world demands and Ontario explorers respond by accessing the geological wealth and home grown expertise of the Province.

I look forward to your support of the Ontario Prospectors Association's Ontario Exploration and Geoscience Symposium. The Provinces explorers will be represented and we believe you will benefit from attending.

INFORMATION ON BOOTHS, SPEAKERS, POSTERS and SPONSORS:
www.ontarioprospectors.com or oegs@ontarioprospectors.com
Garry Clark and Susan Warren 807-622-3284

See you there.
Garry Clark, Executive Director