

News views and opinions on the  
mineral exploration scene in Ontario

June 2002 Issue

Date: July 2002

# 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.*

## THE EXPLORATIONIST WAS LATE THIS MONTH

We held up the Explorationist this month hoping for good news. The wait was worth it, we have now the Northern Ontario Heritage Fund Corporation contract for the Prospectors Fund. We have set up a corporation called the Ontario Exploration Corporation to administer and distribute the funds.

The OPA will hold the shares of the Corporation in exchange for the funds delivered by the Northern Ontario Heritage Fund Corporation. The Ontario Exploration Corporation will be charged with developing itself to be self-sufficient and continue to fund economic exploration projects.

The Board of Directors of the OPA recommends that the application forms for the first full program to prospectors start in January 2003. The plan is to us the time from now until January to assure there is no bugs in the program. If we tried to hurry the process the funds would be delivered in the fall would result in ineffectual expenditures of the funds.

The Ontario Exploration Corporation plans to place the application forms in the

Resident Geologist's offices and on the OPA website. At the Ontario Exploration Geoscience in December, Toronto there will be a presentation and possible workshop on the application for funding. All Regional Associations will be offered presentations for there members.

## ONTARIO LIVING LEGACY UPDATE

The OPA continues to work toward disentangling mining claims from the protected areas. I've met with Partnership for Public Lands representatives that represent the Northwest and the Great Lakes St. Lawrence areas. The discussions centred on moving boundaries of protected areas. On some sites it is evident that we can move boundaries on others neither side can come to an agreement. Both the OPA and PPL agree that some of the Ministry of Natural Resources methods of defining protected areas is not based on good science.

The idea of compensation to impacted claimholders has been discussed and various ideas have been put forth by the OPA. The OPA has investigated the British Columbia model of Valuation and compensa-



*We're easy to get a hold of*

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tion. The model has been adopted by the Yukon and should work well for Ontario. The MNR is proceeding to regulate OLL sites. In a review of the sites it has been noted that in some cases the MNR final sites are changed to disentangle staked claims. This is a pseudo admission by MNR that there is a problem.

Prospectors are now taking the lead from the Doug Robinson legal win and starting legal action against the Crown for the impact of OLL on their claims (see article page 9)

### EXCLUSIVITY OF USE

A staker came to me the other day and asked my opinion of a problem he had. He was contracted to complete a larger staking job on a remote tourist outfitters lake. He called the flight service and asked for a quote and if he could rent a boat from the outfitter. The flight service called back and said "I can't fly you because the outfitter wants the lake left alone so his clients had a wilderness exclusive experience". Subsequent calls to other services in the area received the same answer.

The outfitter had told these flight services they wouldn't get any work from him if they flew anyone into his lake. I checked and yes the outfitter is a member of Northern Ontario Tourist Outfitters (NOTO). And at a meeting on Resource Stewardship Agreements we were told that NOTO didn't expect exclusivity for the lakes within agreements. But in this case a member has bullied exclusivity from prospectors and explorationists. The question I have for NOTO is do you have a "Best Business Practice" statement or clause that your members work to? Or is there just a disregard to the other stakeholders who use crown land?

The solution of course is the staker drove further and flew in from a different town.

### MUNICIPAL TAXES?

#### ORIGINAL ARTICLE AS WRITTEN IN THE EXPLORATIONIST - November 1,1996

Battle Mountain Gold  
Holloway Mine

October 30, 1996

Corporation of Township of Black River-  
Matheson  
429 Park Lane  
P.O. Box 601  
Matheson, Ontario  
POK 1N0

Dear Council:

In response to the Township of Black River-Matheson restructuring proposal which includes amalgamating thirteen townships (including Holloway Township in which the Holloway and Holt-McDermott mines are located).

Battle Mountain Gold, Holloway Mine, Holloway Township, 60 kilometres East of Matheson states that:

- 1) The only service provided by the Township BRM to Holloway Mine is access to the municipal dump for which tipping fees are paid. The Mine has received approval for an onsite waste facility and work is in progress.
- 2) The demographics of the Holloway workforce shows only 15% reside in the Township BRM. To the company's knowledge, no community where our employees reside has had to incur additional costs because of supplying services to an influx of new workers. Therefore imposing a municipal levy to recover infrastructure costs is a non-issue.
- 3) The Holloway Mine is a semi-remote site with employees residing in Duparquet being the closest to the minesite @ 30 minutes travel time. Employees residing in Holtyre-Matheson are about 35-40 minutes away and so on for Kirkland Lake, Larder Lake, Virginiatown, Rouyn, Timmins.  
The transportation allowance paid employees is **\$240,000/year**. This is a cost of doing business in a semi-remote location that businesses located in downtown Matheson, Iroquois Falls, Timmins do not have.
- 4) Energy costs at Holloway Mine for amortising power line buy in and substation construction as well as using propane for heating and ventilation rather than natural gas from a pipeline amount to **\$550,000 more/year** than if the Mine were located "downtown".

(Continued on page 3)

- 5) At Holloway Mine wage rates, shift premiums and employee retention costs are estimated to cost **\$250,000/year more** than for a comparable facility in a “downtown” location due to the distance factor.
- 6) The Holloway Mine is 86.1% owned by Battle Mountain Canada which pays the requisite income and mining taxes for its Canadian operations.  
It is suggested that the Township BRM as a member of the Association of Municipalities of Ontario petition the provincial government to achieve a more equitable partition mining taxes collected and cancel the need to collect new municipal levies.
- 7) Holloway Mine submits to council a pie-chart showing the demographics of its employee population. Also submitted on behalf of Barrick’s Holt-McDermott Mine is a table showing the demographics of their workforce, and a detailed breakdown of the annual additional extra costs incurred as a semi-remote operation.
- 8) Ore reserves depend upon costs and revenues and if taxes increase the effect is to decrease ore reserves and mine life.
- 9) The effect of raising taxes on semi remote locations is to raise the threshold of tonnes-grade required for economic discoveries and as such, serves a deterrent to companies contemplating exploration expenditures.

R.J. Labine  
Chief Geologist  
Holloway Mine

**TAXATION WITHOUT REPRESENTATION  
- or - Have Shaft, Get Shafted!**

**By: Richard Labine, Chief Geologist  
Battle Mountain Canada Ltd., Holloway Mine**

**ORIGINAL ARTICLE AS WRITTEN IN THE  
EXPLORATIONIST - November 1,1996**

Watch out remote mines! If you are operating in an unorganized township, whether you have road access or not, you could be the next target for a municipal tax grab. Municipalities faced with a decrease in transfer payments from the provincial government, are using Bill 26 to annex and amalgamate to satisfy their tax appetites. **How can this happen? Quickly, that’s how!**

Take the Township of Black River-Matheson for example. On October 3, 1996, the Township sends a letter to “interested parties” re-

garding a restructuring proposal. This letter is received (if at all) sometime between the 7<sup>th</sup> and 10<sup>th</sup> of October, notifying the parties about an October 16<sup>th</sup> open meeting.

At this meeting, the restructuring proposal for annexing 13 townships was presented. The targeted land forms a band two townships wide, paralleling Highway 101 between Matheson and the Quebec border. During this meeting the annexation of these townships was said to be **“fait accompli”**. Whoa! How did this happen you ask? By the **“double majority”** rule is how!

Seems that since 1984, Matheson has been thinking of amalgamating these townships. The problem has been that a majority of the 275 voters registered in the unorganized townships would never go for it. These voters are mostly part-time residents, mainly cottagers at Munro or Perry Lakes.

A solution presents itself! Iroquois Falls snowplows 1 or 2 kilometers of roadway near Monteith that belongs to Black River – Matheson. In return for this service Black River – Matheson agrees to sever two properties from its tax roles to compensate Iroquois Falls. Both parties agree, and there you have it, the **“double majority”**. Oh! and by the way the Township of Black River – Matheson says, “we’ll also amalgamate 1250 square kilometres of unorganized townships” which are located 30 to 120 kilometres east of the area being snowplowed”. **IS THIS A “SNOW JOB” OR WHAT?**

**Why the rush to do this by November 4 you ask** – well so that the paper work can be completed and new tax levies can be imposed on the formerly unorganized townships for January 1, 1997. No services, just taxes. Also the boundaries of new municipalities, school boards, etc. must be in place by January, due to municipal elections in the fall of 1997.

At the October 16 open meeting (described by Eddie O’Donnell of Perry Lake Lodge as a “travesty of democracy”), the council of Black River – Matheson confessed that there was two issues driving the amalgamation. The first to increase revenues and the second for the Township to become “too big a bite to swallow” for neighbouring municipalities (read Timmins) to try amalgamating. When asked why not amalgamate with Iroquois Falls if the intent is to use synergies and save money, the Black River – Matheson council replied that Iroquois Falls had debt and it was not a good idea!

**What are the benefits of municipal taxes for mining?** At the Open meeting the Township council was asked to list which services the Holloway and Holt-McDermott Mines (60 kms east of Matheson) would receive from the municipality to justify the proposed tax grab. The only response

was, maintenance of Highway 101 from Matheson to the Quebec border.

Council was reminded that maintenance of Highway 101 falls under provincial jurisdiction and that fuel taxes paid by employees and suppliers travelling the highway amply pay for its upkeep (or lack thereof!). Council tried to impress upon the public that it was only right to collect levies from remote sites like Holloway and Holt-McDermott. After all, companies like Abitibi-Price in Iroquois Falls and the St. Andrews mine in Stock township pay municipal taxes. Unfortunately there was no time to comment that the cost of doing business in Holloway township is at least \$900,000 more per year for the Holloway Mine than if it was located in "downtown Matheson".

Council was then asked, If the amalgamation is approved what kind of representation would the companies have for the combined \$200 million investment that was made to develop the two operations in the unorganized townships? The response was, None, since the operations would not be on the voter's list. **TAXATION WITHOUT REPRESENTATION.**

However, because of the process of amalgamation, the mining companies along with other "interested parties" were allowed to address council, at a regular meeting on October 28. But only if the request was received and approved by October 23.

Battle Mountain Gold (Holloway Mine) made a presentation on behalf of themselves and Barrick Resources (Holt-McDermott Mine) at the October 28 council meeting. The presentation emphasised the additional costs of operating as a semi-remote site and not receiving any municipal services and the impact that the additional taxes would have on these operations.

Cottage owners at Perry and Munro Lakes also made presentations, rejecting taxation without any increased level of service. On the matter of cottage or property owners in the area with freehold rights on their land – will they be **compensated for loss of rights that they now enjoy?** At present people can erect cottages, permanent homes etc., a privilege they will lose if amalgamation proceeds and planning by-laws are imposed.

Municipal governments have been placed in the unenviable position of having to do this "dirty work" for provincial governments as they reduce transfer payments. A provincial employee attending the October 28 council meeting admitted that not enough thought was put into this "railroad job" and rules were being made up, or altered as the process was going on?

So be warned, if this type of taxation comes to pass, projects that are starting up like Pangea's –

Fenn-"Gibb, CMD;'s Jonpol, or exploration properties like Barricks, Moneta – Michaud project could have a "welcome" tax awaiting them! Now that "one window" permitting is close to being a reality "two or three window taxation" is upon us! Maybe there will even be a "window" at each municipal boundary to collect a "toll"!

**KEEP YOU POSTED!**

Richard Labine

## **KNOW HERE IS THE RESULT**

**FROM RICHARD LABINE**

June 24, 2002

It has been five years and eight months since The Explorationist published an article which I had submitted - "Taxation Without Representation". The subject was a land grab by the municipality of Black River Matheson under Bill 26 ie. expanding the township's boundaries to the Quebec border and taxing two groups of cottagers and two mines while providing no services.

After three court sessions " A final order of the Ontario Superior Court of Justice ruled recently that annexation, or restructuring, of properties by the township, by order of the Minister of Municipal Affairs and Housing, be reversed. Taxes which had been paid (much of it under protest) will be reimbursed by the municipality. Going forward , cottagers and mines alike will be levied provincial land tax. **A great day for mine operators and explorationists alike !**

## **NOTICE TO EXPLORATIONISTS**

The OPA has been asked to have all explorationists contact First Nations Communities prior to completing exploration on lands in the areas of the Communities.

This courtesy would be a step toward building positive relations and communi-

cation between the explorer and the Community.

If there is a question of who should be contacted or whose traditional land is involved please contact the Ministry of Northern Development and Mines.

**REMARKS BY MAYOR JAMIE LIM AT THE  
NORTHEASTERN ONTARIO MINES AND  
MINERALS SYMPOSIUM**

HELD AT NORTHERN COLLEGE ON  
WEDNESDAY, APRIL 17, 2002

HOSTING THE NORTHEASTERN ONTARIO MINES AND MINERALS SYMPOSIUM IS A GREAT OCCASION FOR THE CITY OF TIMMINS AND I AM PROUD TO BE HERE.

ON BEHALF OF MY COLLEAGUES ON COUNCIL, I TAKE PLEASURE IN EXTENDING A VERY WARM WELCOME TO ALL OF THE PARTICIPANTS IN THIS EVENT.

THE ECONOMY IN THE CITY OF TIMMINS HAS ALWAYS BEEN ROOTED IN THE RESOURCE-BASED INDUSTRIES – MINING AND FORESTRY.

IN ADDITION TO BEING PROUD OF OUR RESOURCE-BASED INDUSTRIES, WE MUST, AS MUNICIPAL LEADERS, DO OUR PART IN ASSISTING AND SUPPORTING THESE INDUSTRIES TO ENSURE LONG TERM VIABILITY AND SUSTAINABILITY WITHIN OUR COMMUNITIES.

IN THE CITY OF TIMMINS, MINING EMPLOYS 25% OF OUR LOCAL LABOUR FORCE AND THE TIMMINS MINING CAMP IS RESPONSIBLE FOR A LARGE PART OF THE 5.5 BILLION DOLLARS GENERATED BY THE MINING INDUSTRY IN THE PROVINCE OF ONTARIO.

MANY OF YOU HERE ALREADY KNOW OF MY STRONG INVOLVEMENT WITH THE CANADIAN FOREST INDUSTRY. AS CHAIRPERSON OF THE FEDERATION OF CANADIAN MUNICIPALITIES TASK FORCE ON THE SOFTWOOD LUMBER U.S. TARIFF DISPUTE, I UNDERSTAND THE IMPORTANCE OF MUNICIPAL GOVERNMENT LEADERS GETTING INVOLVED AND SPEAKING OUT ON MATTERS

THAT DRAMATICALLY IMPACT OUR COMMUNITIES, THEIR ECONOMIES AND THEIR FUTURES!!

CANADA HAS THREE ORDERS OF GOVERNMENT.

SOME PROVINCES, TODAY, STILL DO NOT FORMALLY RECOGNIZE MUNICIPAL GOVERNMENT AS A FORMAL ORDER OF GOVERNMENT BUT I AM PLEASED THAT JUST THIS FALL, THE PROVINCE OF ONTARIO, IN ITS NEW MUNICIPAL ACT, FINALLY RECOGNIZED MUNICIPAL GOVERNMENT AND SIGNED AN HISTORIC MEMORANDUM OF UNDERSTANDING THAT CLEARLY RECOGNIZED THAT WE HAVE A SHARED INTEREST IN DEVELOPING THE BEST PUBLIC POLICY AND THAT WE SERVE ONE TAXPAYER WHO SHOULD ABSOLUTELY EXPECT GOVERNMENTS TO WORK TOGETHER WITH A COMMON VISION OF MAKING OUR COMMUNITIES BETTER PLACES TO LIVE AND WORK.

STRONG COMMUNITIES GOVERNED BY STRONG MUNICIPAL GOVERNMENTS RESULT IN A STRONGER ONTARIO – A STRONGER CANADA.

I BELIEVE THAT THE ONTARIO MINING INDUSTRY CAN BECOME EVEN STRONGER BY WORKING AND COMMUNICATING WITH YOUR LOCAL ORDER OF GOVERNMENT.

AS A NORTHERN ONTARIO COMMUNITY LEADER, I HAVE COME TO REALIZE THAT IF WE, AS LOCAL GOVERNMENTS, ARE NOT READY TO CHAMPION THE MINING INDUSTRY – AND IF NORTHERN COMMUNITIES ARE NOT READY TO CHAMPION THE MINING INDUSTRY – **WHO WILL?**

AS A COMMUNITY LEADER, I HAVE NO INTENTION OF SEEING RESPONSIBLE RESOURCE-BASED INDUSTRIES HAVE THEIR OPERATIONS PRECLUDED OR MINIMIZED BECAUSE OF “POOR POLICY”.

EVERYONE HERE TODAY KNOWS THAT THERE CAN BE NO MINING OPERATIONS WITHOUT SIGNIFICANT EXPLORATION.

**EXPLORATION IS THE KEY – IT IS THE FOUNDATION OF THE MINING INDUSTRY.**

THE PROVINCIAL AND FEDERAL ORDERS OF GOVERNMENT MUST BE INNOVATIVE AND AGGRESSIVE WITH THEIR NEW POLICIES REGARDING MINING EXPLORATION.

THE FEDERAL GOVERNMENT CONTINUES TO LISTEN AND DEVELOP POLICIES THAT SUPPORT JUNIOR COMPANIES AND ENCOURAGE EXPLORATION, BUT JUST 2 WEEKS AGO DURING A VISIT TO TIMMINS, THE HONOURABLE PAUL MARTIN RECOGNIZED THAT ALTHOUGH THEY'VE (FEDERAL GOVERNMENT) MADE STEPS IN THE RIGHT DIRECTION – THERE IS MORE TO BE DONE. I UNDERSTAND HE TOOK TIME TO MEET WITH LOCAL REPRESENTATIVES TO DISCUSS THE NEXT STEPS AND THIS IS A VERY POSITIVE INDICATION OF THEIR COMMITMENT TO WORK WITH THE CANADIAN MINING INDUSTRY.

IN THE LAST FEW YEARS, THE GOVERNMENT OF ONTARIO HAS DEFINITELY HELPED MINE OPERATING COMPANIES AND COMMITTED TO FLOW THROUGH SHARES, HOWEVER, THEY HAVE NOT YET RECOGNIZED THE IMPORTANCE OF ENCOURAGING MINE EXPLORATION WITH RESPECT TO ACCESS TO LAND.

IN DISCUSSIONS WITH INDUSTRY REPRESENTATIVE, I HAVE BEEN TOLD, THAT RESTRICTIVE ACCESS TO LAND ABSOLUTELY CRIPPLES EXPLORATION.

THE PROVINCE OF BRITISH COLUMBIA HAS RECENTLY ADDRESSED THIS CRIPPLING POLICY BY CREATING NEW AND INNOVATIVE POLICY THAT ALLOWS STAKED MINING CLAIMS TO BECOME AN INTEREST IN LAND AND NOT JUST A CHATTEL.

AS WELL, BRITISH COLUMBIA, HAS GIVEN COMPENSATION TO MINING INTERESTS FOR LAND THAT HAS BECOME PARKS. I UNDERSTAND THE YUKON IS LOOKING AT INTRODUCING A SIMILAR POLICY AND WE SHOULD ENCOURAGE ONTARIO TO DO THE SAME.

AS A RESULT OF MY DIALOGUE WITH THE MINING INDUSTRY IT HAS BECOME VERY APPARENT THAT WE NEED TO ENCOURAGE THE ONTARIO GOVERNMENT TO CREATE NEW INNOVATIVE POLICY REGARDING

MINE EXPLORATION THAT RECOGNIZES THE FOCUS MUST BE ON “ACCESS TO LAND”.

THE NEW ONTARIO POLICY MUST REFLECT THE UNDERSTANDING THAT FLOW THROUGH SHARES POLICIES AND ACCESS TO LAND POLICY MUST COMPLEMENT ONE ANOTHER IN ORDER TO BENEFIT AND ENCOURAGE EXPLORATION. THAT ONE WITHOUT THE OTHER IS SIMPLY INEFFECTIVE.

A FEW WEEKS BACK, I SPOKE TO A LOCAL PROSPECTOR WHO SHARED WITH ME THAT THERE IS A “NEW MOMENTUM” IN EXPLORATION AND THAT HE HOPED TO NEVER HAVE TO GO THROUGH THE PAST FOUR YEARS EVER EVER AGAIN. OTHERS HAVE SHARED THIS SAME SENTIMENT WITH ME.

THE CITY OF TIMMINS LOOKS FORWARD TO SEEING THE FALCONBRIDGE DEEP MINE PROJECT DEVELOPMENT. WE ARE VERY EXCITED BY LAST WEEK'S NEWS OF THE JOINT VENTURE BETWEEN KINROSS AND PLACER DOME.

THE CITY OF TIMMINS, IN CONJUNCTION WITH OUR TIMMINS ECONOMIC DEVELOPMENT CORPORATION IS WORKING WITH THE LOCAL MINING INDUSTRY TO ESTABLISH THE DISCOVER ABITIBI PROJECT. THE 10 MILLION DOLLAR DISCOVER ABITIBI PROJECT WILL HELP STIMULATE AND PROMOTE INCREASED MINING EXPLORATION AND DEVELOPMENT IN OUR REGION. WE ARE VERY EXCITED BY THE POSSIBILITIES.

ALSO, THE CITY OF TIMMINS IS ENCOURAGED BY THE RECENT ANNOUNCEMENTS REGARDING THE GLOBEX MAGNESIUM TALC PROJECT AND WE PLAN TO WORK WITH THEM IN SUPPORTING THEIR MINING OPERATION.

THERE IS NO DOUBT THAT THESE ARE CHALLENGING TIMES. LESS AND LESS FLEXIBLE LOCAL ACCESS POLICIES ARE CREATING A RESTRICTIVE PROCESS AND CRIPPLING EXPLORATION.

I BELIEVE THAT BY WORKING TOGETHER – SUPPORTING ONE ANOTHER –

COMMUNICATING WITH THE OTHER TWO ORDERS OF GOVERNMENTS WITH A "UNIFIED" VOICE – WE CAN AND WILL CHANGE POLICY.

AS JUNIOR COMPANIES, AS PROSPECTORS, YOU ARE THE ENGINES THAT DRIVE THE MINING INDUSTRY IN ONTARIO – IN CANADA.

NOW MORE THAN EVER BEFORE – MUNICIPAL GOVERNMENTS AND THE MINING INDUSTRY MUST WORK TOGETHER – RECOGNIZING AND CELEBRATING OUR MINING INDUSTRIES' EXCELLENCE.

REMEMBERING THE WORDS OF J.F. KENNEDY *"THERE CAN BE NO PROGRESS IF PEOPLE HAVE NO FAITH IN TOMORROW"*!

**AS INDUSTRY LEADERS, AS MUNICIPAL LEADERS – IT IS OUR JOB TO INSPIRE FAITH IN OUR CITIZENS – IN THE INVESTORS – IN OUR CONSUMERS – SO THAT WE MAY CONTINUE TO PROGRESS IN AN EVER CHANGING WORLD.**

WE MOST UNDERSTAND THAT IF WE AS STAKEHOLDERS DON'T HAVE FAITH IN THE FUTURE OF THE MINING INDUSTRY – WHY WOULD WE EXPECT OTHERS? JOIN ME IN MAKING A COMMITMENT BY EXPRESSING "PRIDE" FOR OUR MINING INDUSTRY – BE PROUD ABOUT WHERE THE INDUSTRY HAS COME FROM AND WHERE IT IS GOING.

BY EXPRESSING OUR PRIDE – BY WORKING TOGETHER – BY BUILDING PARTNERSHIPS – WE WILL INSPIRE FAITH – WE WILL MAKE OUR GREAT MINING INDUSTRIES, OUR GREAT COMMUNITIES – OUR GREAT PROVINCE AND COUNTRY – EVEN BETTER.

HONOURABLE JIM WILSON  
MINISTER  
MINISTRY OF NORTHERN DEVELOPMENT AND MINES

NORTHERN ONTARIO

THERE IS A VAST EXPANSE OF ONTARIO'S LANDSCAPE THAT OVERLIES THE MINERAL RICH CANADIAN SHIELD.

THE CANADIAN SHIELD IS RECOGNIZED AS ONE OF THE WORLD'S GREAT PROSPECTIVE TERRAINS. IT IS THE FOCUS OF PERIODIC INTENSIVE EXPLORATION ACTIVITY WHEN COMMODITY PRICES ARE AT PROFIT LEVELS AND GOVERNMENT REGULATION IS REALISTIC RELATIVE TO OTHER JURISDICTIONS AROUND THE WORLD.

MINING, THAT IS MINERAL EXPLORATION AND MINE DEVELOPMENT, IS ONE OF NORTHERN ONTARIO'S PILLAR INDUSTRIES. **IT HAS BEEN, IT IS, AND HOPEFULLY, WILL CONTINUE TO BE.**

SUCCESSFUL MINERAL EXPLORATION DEPENDS ON ACCESS TO THE WHOLE PROSPECTIVE LANDSCAPE SINCE IT IS NOT POSSIBLE TO PRE DETERMINE WHERE MINERAL DEPOSITS ARE LIKELY TO BE FOUND.

IT FOLLOWS THEN THAT ONTARIO'S MINERAL INDUSTRY NEEDS A ACCESS TO THE LANDSCAPE AND ASSURANCES THAT TENURE IS SECURE ONCE EXPLORATION COMMENCES AND WHEN MINERAL DEPOSITS ARE DISCOVERED AND ULTIMATELY DEVELOPED.

LANDS FOR LIFE AND ONTARIO'S LIVING LEGACY HAVE COMPROMISED SOME MINING CLAIM TENURE AND PROSPECTIVE MINERAL LANDS. MINING CLAIM TENURE HAS BEEN ENCUMBERED AND PROSPECTIVE MINERAL LANDS HAVE BEEN COMPROMISED BY THE CREATION OF PARKS ( EXCLUSION ZONES.... LOCK BOXES.... ) WHICH SELECTIVELY OVERLY BOTH. *"PARKS MAY BE FOREVER BUT THE REAL LANDSCAPE IS CONSTANTLY CHANGING"*

NORTHERN ONTARIO'S MINERAL EXPLORATIONISTS NEED YOUR ENCOURAGEMENT AND SUPPORT TO CONTINUE TO USE THEIR ENTREPRENEURIAL SKILLS TO DISCOVER AND DEVELOP MINERAL DEPOSITS. IT IS THEY WHO HAVE DISCOVERED ONTARIO'S GREAT MINES IN THE PAST AND IT IS THEY WHO WILL BE DISCOVERING ONTARIO'S GREAT MINES IN THE FUTURE.

DOES IT MAKE SENSE, COMMON

SENSE, THEN TO COMPROMISE AND OTHERWISE ENCUMBER PROSPECTIVE MINERAL AREAS OF THE PROVINCE ? AREAS THAT MAY IN FUTURE YIELD RICH MINERAL DEPOSITS ? MINERAL DEPOSITS ARE DE FACTO WEALTH GENERATORS PROVIDING A STREAM OF REVENUE TO ALL SECTORS OF THE PROVINCIAL ECONOMY.

LANDS FOR LIFE AND ONTARIO'S LIVING LEGACY HAVE ACHIEVED THE STATUS OF DIMINISHING THE TERRITORY IN WHICH TO SEARCH FOR MINERAL WEALTH AND AT THE SAME TIME CREATED DISINCENTIVES BY COMPROMISING SOME MINING CLAIM TENURE. *"IT IS ENCUMBERED MINING CLAIM TENURE TODAY BUT IT WILL BE OTHER FORMS OF ENCUMBERED TENURE TOMORROW"*

MODERN MINING PRACTISES COUPLED WITH GOVERNMENT REGULATION, WHICH IS SOMETIMES GOVERNMENT STRANGULATION, PROVIDE AN ASSURANCE THAT EXPLORATION AND MINING CAN PROCEED ANYWHERE ON THE LANDSCAPE WITHOUT PERMANENTLY DISTURBING OTHER VALUES THAT MAY BE PRESENT. IT FOLLOWS THUS THAT A VARIETY OF ACTIVITIES CAN PROCEED ON THE LANDSCAPE WITHOUT COMPROMISING ANY ECONOMIC SECTOR. IT IS PARTICULARLY IMPORTANT THAT NORTHERN AREAS OF THE PROVINCE BE OPEN TO PROSPECTING AND MINING. MINERAL RESOURCES PROVIDE THE ECONOMIC SUSTENANCE FOR NORTHERN ONTARIO AND CREATES WEALTH FOR ALL SECTORS OF THE ONTARIO ECONOMY.

THE MINING SECTOR NEEDS TO BE NURTURED NOT CONSTRAINED. INNOVATIVE POLICIES ARE NEEDED TO REPLACE THE COMPROMISED AND CONSTRAINED POLICIES CURRENTLY BEING IMPOSED ON ACTIVE MINING CLAIMS AND PROSPECTIVE MINERAL LANDS IN NORTHERN ONTARIO BY ONTARIO S CURRENTLY ILL ADVISED LIVING LEGACY POLICIES.

Frank P. Tagliamonte, P.Eng.  
17 April 2002

**Doug Robinson**

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June 12, 2002

Honourable Jim Wilson  
Minister of Northern Development and Mines  
135 St. Clair Avenue West, 12th Floor  
Toronto ON M4V 1P5  
Phone: 416-327-0633; **Fax: 416-327-0665**

Dear Mr. Wilson

Attached is the MNDM's Ontario's Living Legacy Contract signed in duplicate and ready for your signature. Please sign this Contract or retype and sign it and return my copy.

To date approximately 180 copies of the 4000-5000 copies of this contract (sent to prospectors and exploration companies) have been ratified by both the prospectors and the Ministry.

I signed this Contract on March 3, 2000; however MNDM refused to sign because as the mutually recognized proponent of the contract, I added the word future to page one. At that time I agreed to sign the contract without the addition if MNDM would certify that *"this contract has no connotation nor implication to the past"*. MNDM refused to give this certification.

Senior Mining Lands staff and MNDM-MNR lawyers stated and implied; the Contract protected prospectors from Lands For Life-Ontario's Living Legacy concerns. Their proof was the fact that some prospectors ratified the contract. It was this contrived argument that prevented my signing the contract without assurance the contract had no implication to the past.

Attached is a copy of the March 3, 2000 Contract and the related correspondence copied from the court documents relating to this claim.

Sincerely

Douglas Robinson  
Attachment: Duplicate signed contracts dated June 12, 2002. (4 pages)  
One copy of the contract signed March 3, 2000 with letters (6 pages)



NEWS RELEASE

NORTHERN PROSPECTORS ASSOCIATION

JULY 5 2002

KIRKLAND LAKE

Several members of the NPA are filing their intent to sue the Ministry of Natural Resources and the Ministry of Northern Development and mines for damages resulting from the Lands for Life process, Ontario's Living Legacy and the upcoming Room to Grow program. The plaintiffs contend that both Ministries did not follow proper procedures in the creation of the new protected areas that have impacted their ability to explore and develop claims within and adjacent to these new protected areas. There was no proper socio-economic impact study done and no environmental assessment process was followed before the creation of the new protected areas, many of which were superimposed over existing mining properties. Prospectors have found it impossible to option their properties to mining companies because the companies are reluctant to invest in areas where development would be blocked or impeded because they have been "parked". In light of recent successful litigation\* by prospectors during and since the Lands for Life process, the NPA feels that this action will also lead to a favourable judgement.

For further information, please contact Michael Leahy, Director NPA and Member of Boreal East Round Table at 705-642-1982

\* MNR vs Gagne, Robinson vs MNR and MNDM

***THE FOLLOWING ARTICLE CAN BE FOUND ON THE OPA AND SDPA WEBSITES COMPLETE WITH PICTURES AND MAP.***

**Sault Prospector's field trip to the Wawa Diamond Fields**

With magnifying lenses, magnets, and geological hammers in tow, a van full of Sault Prospectors made their way north to Wawa on a cool and sunny Saturday morning, June 1, 2002.

There was a fair amount of excitement leading up to the trip, since this was the first time anyone could

remember that the SDPA had organized a field trip up to Wawa. There was also a lot of interest in the unusual diamond discoveries in the Wawa area, and so the mood was pretty jovial when we set out on our day's adventure.

Although the original plan was to have a small field trip for the folks of the SDPA (about fifteen people planned to attend), word of the field trip had traveled fast. Before we knew it, there were 25 people and a caravan of vehicles rolling out of the Wawa Motor Hotel parking lot, heading up Highway 17 North.

Photo 1: field trip participants

Our first stop was on the Band-Ore Resources, GQ Property, where the troops gathered around to hear an overview of the diamond exploration history and general geology of the area provided by Ann Wilson (Wawa District Geologist) and Mike Hailstone (Sault District Geologist). Paul-Claude 'PC' Delisle, Consulting Geologist with Pele Mountain Resources then gave us an overview of the local geology in the general area around the Pele Mountain, Band-Ore, and Oasis properties, where we would be making field trip stops during the day.

Photo 2: Paul-Claude 'PC' Delisle geological overview of field trip area

One of the first stops on the Band-Ore Property was a cleaned outcrop of well-foliated and strained felsic lithic tuff intruded by a diamondiferous 'mafic breccia' consisting of mafic and felsic fragments in a fine-grained, biotite-chlorite rich, mafic matrix. Many of the mafic fragments are rounded and have interiors that have been recrystallized into radiating clusters consisting of euhedral actinolite laths. This diamondiferous 'mafic breccia' appears to be a recurring rock type on all the properties visited.

Photo 3: Band-Ore Property field trip stop; intrusive diamondiferous 'mafic breccia'

On the Pele Mountain Property, additional outcrops of diamondiferous 'mafic breccia' display the presence of what appear to be gneissic fragments displaying thin layering. Of interest was the presence of a diamondiferous 'tuff' breccia showing some evidence of layering. PC Delisle suggested that the dominance of biotite as opposed to amphibole in the matrix is a good sign as to whether a unit may be diamondiferous. Bob Bar-

nett, Consulting Geologist, also pointed out the presence of light green chromium-rich chlorite as another potentially useful signature of these diamond-bearing rocks.

Photo 4 Pele Mountain Property field trip stop; diamondiferous 'tuff breccia'

In the afternoon, we bumped our way along a rough access road stopping at several cleaned outcrop exposures on the Oasis Diamond Exploration Property, led by John Buckles, VP Exploration. In addition to outcrops displaying the diamondiferous 'mafic breccia', we stopped at the Enigma Outcrop. This outcrop deserves the name 'enigma' since there appeared to be a lot of head scratching about the nature of cross-cutting geological relationships and relationships between several breccia types.

Photo 5 Oasis Property field trip stop; the Enigma Outcrop

What struck me about this field trip was the variety of individuals who attended, ranging from novices to geo-professionals. With a group like this, it is important to be able to explain complex geological features with models that are easily understandable. This can range from explaining the origin of a pyroclastic flow to a prospector, to a discussion on the nature and origin of diamondiferous, ultramafic diatremes occurring in Archean time with local geologists. The field trip offered the opportunity for government, industry and the prospecting community to get acquainted and exchange ideas.

After expending all that mental energy on the Enigma Outcrop and visiting a few more outcrops in the late afternoon, we headed back to the Wawa Motor Hotel to theorize over some well-deserved refreshments (courtesy of the SDPA). One of the comments that drifted across concerning diamonds in the Wawa area, was simply the ease of access and availability of rock outcrop. All the properties visited are just now beginning to receive detailed geological attention; so far they've found plenty of microdiamonds and some macros, and the geological story is just beginning to unfold.....

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**Note:** All geological observations described in the text are cursory in nature and are meant to highlight interesting geological aspects of field trip stops; they should not be considered as an expert analysis. For further information please contact the appropriate company.

## **DECEMBER 2, 3, 4 , 2002 ONTARIO EXPLORATION GEOSCIENCE SYMPOSIUM**

900 Bay St.  
MacDonald Block  
TORONTO

## **WORKSHOPS OGS/RG UPDATES INDUSTRY UPDATES Details to Follow**

**President of OFAH, Neil Wiens  
Angler and Hunter Hotline  
June Edition, Ontario Out of Doors**

Chances are that if you live in a pulp and paper mill town or have a sawmill close to you, access to areas where you hunt and fish are controlled to some extent by a Forest Management Plan (FMP).

Similarly if you vacation in areas where timber is harvested, you rely on a network of roads that have been strategically placed by the company that is doing the logging.

In reality, unless you spend your time exclusively on the Great Lakes or in National/Provincial Parks, what happens in the outlying sections of the Province should be of concern to you.

For many years, access to new lakes, rivers and tracts of land for hunting and fishing have followed the cutting operations of timber companies and their contractors.

In some parts of the province, this has been a traditional way of finding new and exciting areas in which to explore.

In fact some of these "bush roads" have turned into highways that we travel to our distant destinations.

Ontario's Living Legacy has spawned a new land use strategy called Resource Stewardship Agreements (R.S.A.).

The O.F.A.H. lobbied hard and got representation on the Lands for Life Round Tables to protect our angling and hunting interests.

The bureaucrats told us that we would be able to use all of the "general use areas" identified in Lands for Life as we have in the past. This may not be how things are unfolding.

One of the deals that has emerged from Ontario's Living Legacy is a strategy to promote landscape use directions between timber harvesting companies and the tourism industry.

There are even some potential monetary penalties if either of these participants refuses to negotiate land use planning.

These are business to business agreements that will have an impact on the general public, yet we are not part of the negotiating team.

The only time the angling and hunting fraternity will have a look at these R.S.A.s is when they are incorporated into a Forest Management Plan.

Yes, the public gets a chance to review a Forest Management Plan at scheduled open house presentations. There are usually at least two of these before the final plan is drawn up for approval.

The R.S.A. must be presented for public comment no later than the second open house. By this time, the planning exercise is more than a year into its mandate and few changes between this presentation and the final plan will take place.

Contrary to the intent of the R.S.A. these deals have the potential to be simply protectionism for the sake of profit. The R.S.A. will incorporate a mini land use strategy into the timber plan that will effectively determine what portion of the forest in question will have restrictions imposed on it without our direct input.

Anglers and hunters have been stewards of our natural resources for many years.

Angler and hunter groups who are concerned with the degradation of resources and habitat formed the O.F.A.H. over 74 years ago.

Anglers and hunters have been practicing good stewardship ever since with hands-on volunteering and direct financial donations for improvements. We are going to be hearing a lot about R.S.A.'s this year as they start to be included in F.M.P.s. The government has given the tourism industry almost one half million dollars to work on these strategies.

Anglers and hunters have, again, been dismissed from the heart of the process. R.S.A.s will be a topic up for discussion at upcoming Zone meetings. It should also be on the agenda of O.F.A.H. member club meetings.

If you ever wanted to be part of the F.M.P. consultation process but couldn't because it was too far removed from your home, this will be an opportunity to get your opinions heard.

**July 8, 2002**

Timber EA Renewal Project  
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The Ontario Prospectors Association represents the interests of Explorationists in the Province of Ontario. We have reviewed the MNR's Timber Class EA Review document and have found some of our principal requests of the original project have not been addressed. These is-

sues greatly effect the function and economics of the exploration and mining. We have attempted to be proactive to allow better interaction with the MNR and forestry operators.

The Exploration Industry requests a reconsideration of some issues for the final document:

- Access is our prime concern. The removal of access and water crossings has always been an issue for our members. We have pursued the MNR with ideas of taking control of strategic access points once the forest industry abandoned them. We would have hoped some mention of modification of the FMP would be recommended that would reflect the potential of assessing the “other users” of established access. We were approached by the MEDT for comments on “value added” to the landscape resulting from access development. They had stated they were building a case for the softwood lumber dispute. It seems that MEDT could identify the other stakeholders that benefited from access.
- Representation of our industry on LCC’s and RAC’s continue to be a difficult process. For the last few years we have been lobbying our members to get involved. In some cases there is little resistance from MNR. Where there is resistance the cop out excuses put forth include;
  1. Is usually the Committee is full.
  2. When one of the “other resource users” representative space come open we will try to fit in a “mineral sector” representative
  3. Or we have a full slate of representatives now. The makeup of both these com-

mittees should have a defined seat for a “mineral sector” representative.

At present we have lobbied successfully for a seat on the PFPC and it only seems correct we should input at all levels.

- Recent developments in the FMP process involving the introduction of RSA use seem to be poorly communicated and understood by all side of the equation. In a recent meeting with the NOTO Executive Director in Thunder Bay we were told:
  1. RSA’s are contracts but not exactly;
  2. RSA’s are not exclusive use areas, kind of;
  3. We should input on RSA’s when they are being completed but they are not publicly announced which are being completed, and;
  4. If changes arise during the FMP open house process the RSA could be modified.

These ideas are just the surface of confusion we see. The RSA process needs refinement and an education component. I believe this is a critical component that needs to be addressed in the Timber EA as part of the FMP process.

We look forward to seeing our concerns addressed. Hopefully in the final document you can solve some of the lack of representation of “other stakeholders” on the Timber Management EA Advisory Committee. The OPA could always locate someone to seat on the committee.

Yours truly,  
Garry Clark