

News views and opinions on the mineral exploration scene in Ontario

January 2005 Issue

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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. The purpose is to share news and information amongst its 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 its members and Directors. The writers accept full ownership of their contributions.

OPA WORKING FOR YOU

The Liberal government in power in Ontario has been a very busy group since being handed the reins of the Province. The Ontario Prospectors Association has been focused on a number of issues over the last six months that affect our industry. The issues have been placed on our plate in rapid succession and there has not been a lot of time to respond. It seems that on a monthly basis there has been an issue to be addressed and response times are weeks not months.

- 1. Changes to the Employment Standard Act: These changes effect length of time worked before rest periods are required. This ongoing modification has been monitored and responded to by John Blogg of the Ontario Mining Association (also a new OPA Director representing OMA). Please review the report completed by John in this issue. The ramifications have an effect on all exploration and mining operators in the Province.
2. Bill 97: An Act Respecting the Sharing of Resource Revenue with First Nations. This Act received second reading and went to a Standing Committee. In cooperation with the OMA, the OPA presented to the hearings that took place across the north. The Bill is presently being reviewed by the Standing Committee and we await their findings.

- 3. Bill 133: An Act to Amend the Environmental Protection Act and the Ontario Water Resources Act in Respect of Enforcement and Other Matters. This Bill has received first reading. A Coalition of over 20 associations, representing a broad spectrum of Ontario's businesses and industries has come together to advocate change to this Bill as written. Our combined memberships represent the majority of high value-added jobs in Ontario and are major driving forces in the Ontario economy. For further information on Bill 133 please review to articles in this issue. All members of the Coalition want to work co-operatively with the government and other concerned stakeholders to ensure that Ontario has progressive and effective environmental protection.
4. Parks Act opened for Review: The OPA once again has teamed up with other stakeholders to address these issues. I include an article on the request to the Minister of Natural Resources and the members of the group in this issue.
5. Northern Boreal Initiative: As most know the MNR is working on moving the line that forestry can occur further north. This will result in increased access to potential areas to prospect and



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mine. Along with this there would be new protected areas created on the landscape. This process will be ongoing over the next 10 years with the first Community Based Land Use Plans being delivered this spring. The OPA is at the table and will be working to protect high mineral potential lands.

6. Ontario Living Legacy Disentanglement: I know this issue seems like it won't go away! Over the past three years I believe we have made progress and the last portion of the project should be completed very soon. The areas of mining claim conflict with protected areas have been worked down to two. These two are areas the Partnership for Public Lands and OPA are not going to come to consensus on a solution. Both parties have asked the Minister's of MNDM and MNR to resolve the issue. This decision is expected in February.

These are some of the forefront issues the OPA is working on. If you have an issue that require our input please contact me at 1-866-259-3727.

**ONTARIO EXPLORATION AND
GEOSCIENCE SYMPOSIUM
Toronto, December 2004**

Once again this year a very successful show occurred at the Delta Chelsea in Toronto. We had over 420 participants walking the floor and attending the presentations. There were 40 booth and 40 posters with over 58 speakers informing their peers on the last year of events.

The workshops put on by Canadian Exploration Geophysics Society (KEGS), Ontario Association of Remote Sensing (OARS) and Mira Geoscience were all well attended and professionally presented.

KEGS also helped provide two speakers sessions on exploration geophysics which the OPA thanks them for.

The Honourable Rick Bartolucci and Honourable David Ramsay both attended this year giving key note addresses to the attendees. This is two years in a row having the Ministers of MNDM and MNR, respectively, attend the event. The OPA interprets this as a sign of con-

tinued cooperation of the Ministries that will benefit all Crown Land stakeholders.

Early Bird Draw Winners:

- (1) Harold Watts
- (2) Marcelle Hauseux
- (3) Stephen Kissin

Lanyard Return Draw Winner:

Rolf Pederson, McPhar Geophysics,
a Garmin GPS

Hi Susan,

What a pleasant surprise! And to think that I just about didn't leave my lanyard.

Thanks, and congratulations, to your group for putting on a great symposium.

Regards,
Rolf

Once again THANK YOU for your support and we look forward to your continued participation.

**ARTHUR COCKSHUTT A TRUE
PROSPECTOR:**

(1897 – 1974) Pioneer Canadian prospector and co-founder of MacLeod-Cockshutt Gold Mine, Geraldton, Ontario, 1933

PERSONAL DATA

Born: November 22, 1897
Padiham, Lancashire, England
Emigrated to Canada, settled with mother Mary at 332 Bartlett Avenue, Toronto

Employment History:

- (i) very short employment with Grand & Toy, Toronto, about 1918
- (ii) balance of life dedicated to prospecting and eventually mining executive vice-president MacLeod-Cockshutt Gold Mine.

Marriage:

Married Marguerita (Rita) Nuttall, prominent Canadian professional singer December 25, 1935. Rita Nuttall was known as Canada's "sweetheart of the air" (Toronto Star, December 19, 1932) and was the star of CKNC's weekly Neilson Hour radio show.

Status: Both Arthur and Rita Cockshutt are deceased.

- Arthur: March 31, 1974, age 77 years

- Rita: October 3, 1987, age 83 years

Surviving family member:

Joanne Cockshutt

The following narrative records achievements of Arthur Cockshutt, compiled for the purpose of supporting his nomination by nephew Grant Nuttall to the Canadian Mining Hall of Fame.

Mining Career:

Following military service relocated from Toronto to Larder Lake (1918 or 1919) and shortly thereafter began career as prospector.

Prospected largely in Ontario (Larder Lake, Geraldton) and north west Quebec (Amos). Documentation: "and the Geraldton Way" – page 28 et al. "Goldfields of Larder Lake" – page 92.

Arthur Cockshutt's presence in Larder City in 1923 is confirmed by Clark Thompson, Author, "Goldfields of Larder Lake". He was doing "assessment work and sampling of claims held" by himself and the McCallum brothers, Mose and Jack.

Interestingly, the North Bay Nugget, September 8, 1922, carries an article about Larder Lake winners of various Labour Day program events including A. Cockshutt, winner of the Running High Jump!

Partnered with prospector Fred G. MacLeod, probably in the late 1920's. They may have met/lived in Haileybury – there are published references to this. e.g. Metals and Men, page 271.

August 1931 staked 16 claims with Fred MacLeod south of the West Narrows of Kenogamisis Lake, Geraldton. Claim No. 10040 was the center of what became

MacLeod-Cockshutt Gold mine.

Spent the period of 1931 – 1937 involved in surface exploration, drilling, sinking shafts, underground exploration, establishing levels, constructing a mill and arranging development finances to bring on a mine. An intensive exercise with lots of disappointment before success. James A. Kelly, M.Sc., P. Geology, P.Eng., consulting geologist said it well: "making a discovery is often the easy part, making a mine out of the discovery is something else".

The above period and its difficulty is described in "Metals and Men", LeBourdais, McLelland & Stewart 1957. The section is quoted here:

"As soon as Smith had completed his staking, he wired Fred G. MacLeod and Arthur Cockshutt of Haileybury, then prospecting in north-western Quebec, informing them of his find. They hurried to the scene and staked claims adjoining on the west. Ventures Limited took an option on their claims and hired Smith to do surface exploration on them, but the results were not encouraging and the option was dropped. Fred H. Connell followed with an option, doing some drilling and sinking a 150-foot shaft. MacLeod-Cockshutt Gold Mines Limited was organized in 1933, Connell having options on the treasury stock; but, in 1935, after further development work, he dropped the option. With but sixteen thousand dollars left in the treasury, and with most of the treasury stock disposed of, MacLeod and Cockshutt now took control of the company themselves. In February 1936, the drills were started on new occurrences found in the western portion of the property. When three holes failed to get satisfactory results, the rigs were moved to new positions on the western extension of Hard Rock's Porphyry Hill discovery, and ore was located in the first hole." This promising event led to participation by Joe Errington and the development of the property into a producing mine in April 1938.

During the exploration phase outlined above Arthur Cockshutt needed to be a jack-of-all-trades including financier salesman. In this role he sold shares to the to-become-famous Joseph H. Hirshhorn. "In Canada, Mr. Hirshhorn met the prospectors Fred Marshall and Arthur Cockshutt, which sold shares in the consor-

tium that they had constituted in order to arrange a gold discovery located close to Geraldton in Ontario. Mr. Hirshhorn acquired 200 shares adding up to an investment of \$2000 that resold for \$500,000 after the discovery of the mine”.

A 500 ton mill was constructed in 1937 which was first expanded to 1000 tons in 1942 and then to 1500 tons capacity in 1955.

In 1936 as noted diamond drilling yielded favourable results close to the eastern boundary of claim TB 10038. On May 18, The Toronto Stock Exchange listed MacLeod-Cockshutt shares at \$4.00 a share. Four months earlier, they had traded at 4 and 5 cents a share.

The mine was brought into production in April 1938.

The MacLeod-Cockshutt mine operated for almost thirty years and produced gold worth \$49.1 million. (History of Mining in Ontario: pages 233-234) The mine paid out dividends to shareholders amounting to \$3,860,262. (Ontario Department of Mines, statistical files).

The mine poured 2071 gold bricks during its life, the largest gold producer in the Geraldton district. It produced 1,546,980 ounces of gold and 108,185 ounces of silver. Today Barrick Gold Corporation owns the property – there is an estimated 869,873 tons of ore remaining with an average grade of .107 ounces of gold per ton.

MacLeod-Cockshutt employed over two hundred persons for nearly thirty years and was a key force in determining the growth of Geraldton from a cleared space in the bush in the early 1930's. Ironically, long after the closing of all the mines Geraldton continues today as a community of 2600 people.

The scale of the MacLeod-Cockshutt mine was impressive:

No. 1 shaft sunk to depth of 2250 feet with 14 levels

No. 2 shaft sunk to depth of 1921 feet with 10 levels

In 1941, the two shafts were connected at the 502 foot and 1108 foot levels

Diamond drilling comprised more than 203 surface holes totalling 55,556 feet and more than 7083 underground holes totalling 735,461 feet.

References: Ontario Department of Mines Volumes: 1937, 1951, 1954, 1958, 1966 and 1967.

- Uniquely, Arthur Cockshutt and Fred MacLeod “were the two men who staked the property and had the unusual experience for a prospector of seeing their claims develop into a producing mine.” – Geraldton Times Star, December 17, 1938. They became vice-president and president, respectively, of the mine and maintained corporate offices on Bay St. in Toronto with the mine’s stock trading on the Toronto Stock Exchange.

- Arthur was active in the Canadian Prospectors and Developers Association beginning in 1938 when he was elected to the Executive Committee. He loved the contact with prospectors that this association provided.

- Arthur Cockshutt was unique in being a pioneer prospector with the good fortune to stake property with promise and to exercise the judgement and determination to bring the mine into production during the worst depression the world has known. To progress from co-founder to vice-president of the enterprise he interfaced successfully with geologists, lawyers, developers, engineers, elected officials, chemists and opportunists, yet had the base intelligence to prevail against huge odds.

OPA LETTER OF NOMINATION

December 10, 2004

Mr. E.G. Thompson
Chairman, Awards Committee
Prospectors and Developers Association of
Canada

Dear Mr. Thompson,

The Ontario Prospectors Association would like to nominate Mr. Arthur Cockshutt to the Canadian Mining Hall of Fame.

Mr. Cockshutt typifies the prospector, mine developer and executive that has formulated the post World War One years of Canadian exploration and mining. The fact that Mr. Cockshutt was a pioneer in the Beardmore-Geraldton Gold Belt development supports his nomination. To have started as a prospector stepping off a train into an emerging gold belt, acquiring claims, discovering gold and placing a deposit into production portrays perseverance that today can not be readily rivalled. Having been the original staker (1931) of some of the claims that became a function deposit (1938) is an unbelievable achievement. This deposit when exhausted had produced over 1.5 million ounces of gold (1938-1970) and was mined to > 2500 feet the deepest in the belt.

The economic contribution of the gold production supported numerous families and the community of Geraldton. The MacLeod-Cockshutt property is still a target of exploration and eventually deep exploration on this property may locate additional ore reserves that could reinvigorate the mining tradition of the Beardmore-Geraldton Gold Belt.

The Ontario Prospectors Association looks forward to Mr. Cockshutt being placed into the position he deserves as one of the builders of the Mining Industry in Canada.

Yours truly,
Garry Clark
Executive Director

BILL 133 SUMMARIZED

To provide you with background information, on October 27th 2004, Bill 133, An Act to Amend the Environmental Protection Act and the Ontario Water Resources Act in Respect of Enforcement and Other Matters, (the "Bill") was given first reading in the Legislature. The Bill, if passed, will introduce the following changes.

- Strengthen the ability of government to require repayment of clean-up expenses;
- * Increase fines and jail time;
- * Establish new minimum fines for certain offences;
- * Reverse the onus of proof for accused polluters;
- * Extend officers' and directors' due diligence obligations;
- * Limit a court's discretion in assessing fines; and
- * Increase the power of Ministry of Environment officials to issue orders and enter premises.

Mineral exploration companies and associations such as the OMA, OPA, PDAC and the Canadian Diamonds Drilling Association have expressed concerns and noted major ramifications for the mineral exploration sector in Ontario.

OPA JOINS BILL 133 Coalition

We are a coalition of over 20 associations, representing a broad spectrum of Ontario's businesses and industries.

Our combined memberships represent the majority of high value-added jobs in Ontario and are major driving forces in the Ontario economy.

Members of the Coalition are committed to sustainable environmental management and firmly support a high standard of care to ensure the protection of the environment.

We believe that Bill 133 is fundamentally flawed, eliminating the principles of natural justice, eroding environmental risk management and will lead to unintended consequences for Ontario with no associated environmental benefit.

We want to work with the government and concerned stakeholders to develop effective measures that both protect the principles of natural justice and give Ontarians comfort that:

- our environment & the health and safety of communities are being properly safe-

- guarded
 - our industries are acting responsibly
 - our economy is open for investment
- Establish a proper problem-solving process, with full, effective, open, multi stakeholder consultation to ensure that the principles are defined and objectives are met.

Consider alternative approaches

Redrafting of Bill 133

Alternatives to the Bill

Analyse and assess the full implications on Ontario's environment and economy of any proposed approach and ensure public Availability.

All members of the Coalition want to work cooperatively with the government and other concerned stakeholders to ensure that Ontario has progressive and effective environmental Protection.

Together, we can enhance the quality of life in Ontario and achieve the goal of clean air, clean water and prosperous communities.

List of BILL 133 Coalition Members
(as of December 4, 2004)

1. Aggregate Producers Association of Ontario
2. Canadian Chemical Producers' Association
3. Canadian Manufacturers and Exporters
4. Canadian Petroleum Products Institute
5. Canadian Plastics Industry Association
6. Canadian Steel Producers Association
7. Canadian Vehicle Manufacturers Association
8. Cement Association of Canada
9. Coal Association of Canada
10. Council of Ontario Construction Associations
11. Ontario Chamber of Commerce
12. Ontario Concrete Pipe Association

13. Ontario Energy Association
14. Ontario Forest Industries Association
15. Ontario Mining Association
16. Ontario Prospectors Association
17. Ontario Road Builders Association
18. Ontario Trucking Association
19. Ontario Waste Management Association
20. Prospectors and Developers Association of Canada
21. Retail Council of Canada
22. Rubber Association of Canada
23. Sarnia-Lambton Environmental Association

OPA's Response to Bill 133

Re: Comments on Proposed Bill 133 Environmental Enforcement Statute Law Amendment Act

EBR Registry Number: AA04E0003

The Ontario Prospectors Association represents the mineral explorers of Ontario. Our members explore for the mineral wealth that helps drive the economy of the Ontario. These explorers contribute to the economy by expending funds in all regions of the province, which eventually become the producing mineral deposits that employ numerous primary and secondary workers.

The current proposed Bill 133, which will make amendments to the Ontario Environmental Protection Act (EPA) and the Ontario Water Resources Act (OWRA) appears to have some major ramifications for industries and municipalities in the province as well as individuals employed by the same.

Changes to the *Act* will now allow the ministry to immediately charge for potential environmental offences, companies and municipalities will be assumed guilty and will be required to prove their innocence. This is the complete opposite to general Canadian law principals. In addition, potentially being

charged more than once for the same offence does not seem appropriate. The environmental penalties for offences under the legislation are extremely onerous for companies and municipalities, with fines up to \$20,000.00 per day for individuals and \$100,000.00 per day for companies. These are very harsh penalties for contraventions such as discharges that “may cause an adverse effect”. Combined with the removal of due diligence defense and a reverse onus on appeal appear to offend the fundamental principles of innocent until proven guilty, procedural fairness and due process. This is a devastating blow for the vast number of environmentally conscious corporations operating in the province. Companies, which have proactively invested in pollution control technologies, will still be held 100% accountable for even unforeseen, unplanned environmental incidents or accidents. An accident is an unplanned event; no one plans accidents and therefore should not be held completely accountable for these occurrences if appropriate environmental protection measures were taken.

Since the Ministry of the Environment is also intending on regulating, administering and enforcing the *Act*, there will also not be an unbiased mediator overseeing the outcome of the potential offences. Again, this does not reflect good management when we already have an impartial judicial system in place in Ontario.

Lastly, amendments to the *Act* removing the adverse affects reference for environmental spills removes the basis for scientific assessment of potential environmental impacts. This again makes it easier for the ministry to charge for incidents rather than detrimental affects.

The Ontario Prospectors Association believes in the protection of the Water of Ontario but is worried that this will create more possible polluters. At present explorers are as careful as possible but spills still occur by accident. If this Bill is enacted spills may go unreported or be covered up to prevent the possible penalties being laid. The other fear is that over zealous Provincial Offence Officers may be handing out penalties without the proper understanding of what spills are deleterious to the environment.

Some of the Ontario Prospector members have expressed concern that if they have a diamond drill operating on a site, the employees may be concerned with covering up spills to prevent personal penalty. At present, operators attempt to work as closely as possible to prevent discharge of spills into the environment and cleanup occurs immediately. The possibility of individual penalties may have employees attempting to hide spills, which would impact the environment.

The contractors that complete exploration within Ontario are also concerned that they will loose investors and employees who see the risk of working in the province as too great. In this way we would loose out on some of the better educated employees and some of the risk capital that drives our industry and the Ontario economy.

Overall, we are disappointed to see the government making such dramatic changes to the act, as in the end it may ultimately lead to less environmental reporting. Unfortunately if companies already know they are presumed guilty from the beginning, it could lead to a “catch me if you can” mentality. Smaller companies, which already are experiencing financial pressure, may simply not be able to afford to pay the penalties and therefore will not report incidents.

Minister, we would strongly suggest that the aspects of this Bill be rethought, as this could be extremely harmful to the environment and economy of Ontario. The Ontario Prospectors Association must reiterate that we believe in environmental protection but we are fearful this proposed legislation will lead to spill cover ups by employees fearing a penalty that would bankrupt them.

INDUSTRY COMMENT TO BILL 133

Thank you very much for sending off to us the two EBR Response template letters, one of which I have prepared with our companies Field office letter head, and will fax to Mr. Chris

Bahaviolos in very short order.

Ursa Major Minerals Inc., wishes to express our concern, and support the OPA in their ongoing efforts regarding proposed changes to the EBR - and the governments attempt to put into force the Environmental Enforcement Statute Law Amendment Act, 2004 (Bill 133).

Explorationists, mining, mineral exploration and development companies, the financial and investment communities, organisations that are involved within our natural resource based industry in whatever capacity, should be very concerned about the potential impacts- implications and trickle down effects that such proposed legislation could have on our industry and our surroundings.

It is so very important that the Ontario Government clearly get the message that their proposed legislation could seriously impede or even cripple this very important industry. Instead of putting up insurmountable barriers and obstacles along the way, our government should be working towards ensuring advancements and sustainable growth within our industry which currently results in the creation of substantial wealth to the direct benefit of our economies and society.

Again, we would like to thank you very much for bringing these concerns to our attention, and allowing us the opportunity to participate in this letter writing campaign.

Sincerely,
Harold J. Tracanelli; GETN, P. Geo
Exploration Manager, Ursa Major Minerals Inc.

EMPLOYMENT STANDARD ACT CHANGES

OMA Meeting with MOL About a Mining Regulation Respecting Hours of Work and Rest Periods.

Monday January, 17th: This morning a mining delegation representing mining contractors, diamond drill operators and operating mines met with Ms. Tracy Mill, Director employment

Standards Policy, Marcelle Crouse, Senior manager, ESA Policy and other policy people including Ms. Kate Lamb, Policy Advisor, Minister of Labour. The issue is how to fairly regulate hours of work and rest periods in the mining industry.

Much of the meeting was a rehashing of what we have discussed with the MOL for about two years. It is clear, at least to me, that the ministry is looking to have the various mining entities (diamond drilling, contracting and operations) give them a solution that fits within its understanding of the mining industry. The fact is that there must be options. The problem with any scenario so far put forward by members of the mining industry, is the rest periods (one day in seven and two days in fourteen off). Another problem is the eleven hours off between shifts.

While mining operators and contractors have stated that they could accept a 28/14 shift cycle, diamond drilling have stated that in some cases they need a 42/14 cycle. The fact is that the current legislation permits neither.

We did ask the ministry to provide their view of a legal opinion received by a member that the mining contractors meet the definition of "construction" and its employees the definition of "construction worker". I tend to disagree, but the MOL will provide us with their view and rationale for it.

The MOL requested the diamond drill companies to provide them with an economic impact statement should they not be permitted to work the current 42/14 or 28/14 work cycles in Ontario, even when it is remote. The contractors are requested to do the same for the 28/14 cycle many work today.

The MOL is struggling with the differences between their definition of "remote" and the industry's definition. The MOL thinks in terms of distance from a town, village or paved road. The industry thinks in terms of the distance their worker travels from his/her home. We have been asked for a

standard industry definition.

The MOL is taking applications from employers who wish the Director, Employment Standards to grant them exemptions from the 48 hours week to work extended hours up to 60 hours a week. The application and guide to completing the forms can be obtained by going to the MOL website, www.gov.on.ca/LAB/english and clicking on Hours of Work Application (red box, right hand side of screen). The earlier you apply and the more information you can provide the better. **The legislation comes into effect March 1, 2005.**

We did discuss problems with production peeks, such as summer months for the salt mines. Clearly, the MOL had no appreciation that while winter is a peek just in time period, summer is a peek stock piling period, and that the potential of the negative impact of the legislation on this section needs to be fairly addressed. Similarly, there is some times a labour crunch during the traditional summer maintenance shut down periods where rest period requirements may be difficult to meet. The ministry agreed to consider these issues in light of the past practices of the industry.

In closing, it is vital that the ministry hear from you and that I need be copied to ensure there are no mixed messages. Should you want me to receive your information first and from that develop and "general" position, that can be done. It is my view that the MOL is looking for support from you that they feel justifies them drafting a 28/14 regulation for the minister to approve.

The 42/14 will be tough, however, if the diamond drillers can make a strong economic case for this cycle, or suggest when and where this cycle would only be used, it is not out of the question at this time. **For instance, you may want to suggest that workers more than a three hour drive from home drive, pursuant to their written approval, be permitted to work the 42/14 work cycle.**

Please let me know where you wish to move from here.

John Blogg, Ontario Mining Association,
OMA Director to Ontario Prospectors
Association

**Finding the Needle in the Nipigon
Haystack By Rick Bartolucci
Minister of Northern Development and
Mines November 19, 2004**

**Ontario's prospecting history has its share
of near misses.**

**One of the most notable happened in 1901,
when inventor Thomas Alva Edison missed
finding by a mere three or four metres
what three decades later became Falcon-
bridge Limited's main ore body.**

**Prospectors say that finding an ore body is
like looking for a needle in a haystack – a
one-in-a-million shot at best.**

While Northwestern Ontario is a hotbed of mineral development and exploration blessed with many "haystacks," finding the "needles" still requires persistence, insight, skill and luck.

**The Ministry of Northern Development
and Mines improves the odds for mineral
developers by providing them with geologi-
cal maps, inventories of mineralization, ac-
cess to historic geological information such
as assessment files, and the considerable
expertise found in our Ontario Geological
Survey (OGS). The OGS applies solid sci-
ence and systematic geological surveying to
create new exploration opportunities for
private sector mineral industry.**

For example, OGS staff (led by geologist Tom Hart), recently partnered with the Ontario Prospectors Association (OPA) in the Lake Nipigon area. They sampled drill core extracted from a special rock known as the Seagull Intrusion by a company exploring for copper, nickel and platinum.

The OGS geologist was following up on insight provided by Lakehead University, as part of the OPA's Lake Nipigon Region Geo-

science Initiative. While inspecting the core, OGS staff decided to investigate the significance of an unusual section that had not been adequately sampled. Additional rock samples collected by OGS and submitted to the OGS Geoscience Laboratories confirmed the significant presence of platinum and palladium.

Moreover, the mineralization occurs in a "reef style" manner reminiscent of other large platinum deposits in Africa and the United States. A reef is a flat layer of mineralized rock within a much larger volume of rock.

The OGS staff persistently applied sound science practices, took many rock samples and confirmed the presence of an important "reef-style" mineralization in the Lake Nipigon region. Once the OGS samples were evaluated and the data published in an OGS report, the mining/exploration industry responded immediately to refocus resources on this new exploration target.

Now, two Vancouver-based junior mining companies are investing as much as \$500,000 over the next year in Northwestern Ontario to explore this previously unrecognized exploration target. If the technical successes continue, that investment could mushroom into more than \$7 million over the next few years.

This incident serves as another reminder to Ontarians as to the value, expertise and experience of the OGS. By looking at the rocks through different eyes, the OGS can help the mineral industry identify different types of mineral deposits in Ontario rocks that occur elsewhere in the world. The OGS is always open to new possibilities, can test and prove those possibilities, and then publish the results. Ultimately, this work pays dividends in the form of increased exploration activity, new investment and, I hope, new mines and jobs.

Another look through OGS eyes may have located that elusive needle in the Nipigon "haystack." I am extremely proud of the work of our staff in pointing the way for mineral developers throughout our province. They apply their own special kind of persistence, insight

and skills to make luck less of a factor in prospecting.

Already six mines in Northwestern Ontario produce 70 per cent of the province's annual gold production. Goldcorp's Red Lake Mine is Canada's largest gold mine and the world's richest gold mine.

Lac des Iles Mine, north of Thunder Bay, has surpassed one million ounces of palladium production. More importantly, North American Palladium is developing an underground mine at Lac des Iles.

The Ministry of Northern Development and Mines wants to build on those successes in Northern Ontario, because by building a strong and prosperous economy, we can provide Northwestern Ontarians with a quality of life that is second to none.

OBITUARIES

MANGAN, "PAT" JOHN J.
1920-2004

Pat passed on at Timmins Extendicare Nursing Home in Schumacher on Sunday, October 31, 2004. Pat was at home with his loving wife and family until his last three days. Loving husband of Norine (nee Dyer) since 1942. Dear father of Jane and Nancy both of Timmins. Brother of Michael (Constance) of Guelph.

Predeceased by his mother Elizabeth (nee Burke) and his father Clarence Mangan. Brother in-law of the late Charlie (Sal) of Stoney Creek, Albert Dyer (Jeannette) of Stratford, Floyd (Ruth) of Matheson and the late Enid

(Herman) and Patricia. Also survived by many nieces and nephews. Pat and Norine married, raised their family and worked in Timmins. Pat is well-known in the mining industry for his 29 years with Delnite Mines as Office Manager/Superintendent/Purchasing Agent and he phased out Delnite when they closed which led him into his hobby full time: prospecting/mining. He and his father in-law staked the claims and Pat brought into production Hedman Resources

Limited. Pat is well-known throughout the world for his pioneer work and his knowledge of "Hedmanite", an industrial mineral, which was a replacement for asbestos. Pat retired from Hedman after putting in over 40 years of dedicated service. And of course, behind every good man there is a good woman supporting and pitching in, which Norine did. Pat has been a member of many organizations, mainly in mining and held some of them as lifetime memberships. You may wish to donate in his memory to the: Porcupine Miner,s Memorial Committee, Box 354, Timmins, Ont., P4N 7E2 or to the Ontario Prospectors Association, 1000 Alloy Drive, Thunder Bay, Ont., P7B 6A5 or your remembrance donations may be made through the Miron-Wilson Funeral Home. Cremation was held and his final resting place will be at the Timmins Memorial Cemetery.

**TO HAVE OBITUARIES POSTED
PLEASE FORWARD THEM TO
gjclark@ontarioprospectors.com**

**The Economic and Fiscal Contribution of
Mining in Ontario
November 2004**

produced by the Ontario Mining Association (with the assistance and cooperation of the Ontario Ministry of Northern Development and Mines)

**THE MINING INDUSTRY IS A VITAL
CONTRIBUTOR TO ONTARIO'S
ECONOMY.**

IN 2003: The Ontario mining industry employed 16,545 people, more than any other natural resource sector in Ontario. The great majority (77.3%) was employed in the North-east region of the province.

An additional 50,429 people were employed in primary metal manufacturing and 26,776 in the manufacture of non-metallic mineral products.

The mining industry spent \$9 million on employee training in the province of Ontario, or \$600 per employee.

Over the 1990-2003 period, the lost-time injury frequency in the Ontario mining industry has dropped from 3.1 injuries per 200,000 hours

worked to 1.2. Over the last 20 years, the mining sector's safety performance has improved by over 90%.

The mining industry in Ontario spent approximately \$28 million on health and safety, or \$1,870 per employee.

Average weekly earnings in the Ontario mining sector were \$1,092 compared to \$733 for all Ontario industries combined.

The mining industry generated over \$920 million in wages and salaries. The average annual earnings per employee (excluding the impacts of labour disputes) was \$57,935.

In addition to this, Ontario mining industry employees received, in total, over \$500 million in taxable and non-taxable benefits, or \$30,930 per employee. Wages and benefits combined yielded an average annual income per employee of \$88,865.

About 70% of mining labour income was earned in Northeastern Ontario.

The Ontario mining sector industry spent more than \$1.2 billion on goods and services, thereby helping companies in other industries sustain their profitability and employment. Of this, about \$540 million was spent within an 80 kilometre radius of operating mines.

Mining companies operating in Ontario paid approximately \$264 million in taxes/levies to all levels of government.

Prices for metals strengthened dramatically during the year as worldwide demand for raw materials, particularly from China, surged.

Non-fuel mineral production in Ontario was valued at \$5.5 billion. Of the total, metals production accounted for \$3.3 billion, the highest of any one province or territory. Ontario led Canada in gold, nickel, cobalt, platinum group metals, salt and structural materials production.

The vast majority of Ontario's trade of metal ores was exported to international markets, with a value of \$2.6 billion. Ontario's inter-

national trade balance in metal ores rose to over \$1.9 billion. Ontario accounted for roughly 50% of Canada's international exports of metal ores.

Ontario non-metallic mining and quarrying firms are becoming more internationally export oriented. The value of these exports was almost \$300 million, with the balance of international trade rising dramatically to over \$100 million.

The mining sector contributed over \$3.1 billion in value added to Ontario's economy, or \$238,932 per employee (2002 data). By comparison, the value added in manufacturing was \$135,413 per employee.

Productivity of the industry has improved. The Ontario industry required 2.6 employees to generate \$1 million of metals production compared to 3.9 employees in 1994.

Since 1997, labour productivity in the Ontario mining industry has increased by over 42%, almost three times the rate of increase in the total manufacturing sector.

The Ontario mining industry's electricity bill totalled an estimated \$256 million or 67% of total energy spending by the industry. The remaining \$127 million or 33% was spent predominantly on natural gas. Over the past two years, the price for electric power has increased by 27.1% in 2002 and a further 10% in 2003. It remains to be seen how the provincial government's "balanced approach" to the electricity market will impact the mining industry's competitiveness in the long run.

The mining industry in Ontario spent almost \$46 million on scientific research and development. In addition to this, mining has its own special kind of research – mineral exploration.

An estimated \$219 million was spent in Ontario on general and minesite exploration and deposit appraisal. An additional \$214 million is estimated to have been spent by companies on minesite development.

The mining industry in Ontario spent approximately \$85 million on environmental protection, environmental improvement and pollution pre-

vention. This is well above the average for the past six years. In the early 1990s, \$1 billion was spent on sulphur dioxide abatement programs in Sudbury alone.

The Ontario mining industry attracted \$838.6 million in private and public investment. Approximately two-thirds of this was allocated for construction purposes and one-third for purchases of machinery and equipment.

In addition to being a major mineral producer, Ontario is also a major supplier of mining-related services and technology.

The mining industry is a consistent contributor to charitable and philanthropic causes. Donations by mining companies in Ontario totalled approximately \$4.8 million. This is in addition to major private donations by selected prominent individuals from the industry.

In an environment of strengthening metals prices, the Ontario mining industry posted a profit of almost \$50 million on revenues of \$4.4 billion. The results were impacted negatively by a significant labour dispute during the year. Net operating income as a share of total revenues was 1.2%. This represented a significant deterioration from the 2002 results, which were the best since 1995.

Ontario mining industry equity was valued at \$7.4 billion. Return on assets was 0.4%. Return on equity was 0.7%.

MINING COMPANIES SUPPORT LOCAL INDUSTRIES

The mining sector supports many other sectors of the economy through its demand for goods and services that are used as inputs to production. According to the industry survey, in 2003, mining firms spent \$1,211.0 million on goods and services, helping many companies in other industries sustain their profitability and employment. Of this, \$925 million (or 76.4%) was spent in Ontario and \$286 million (or 23.6%) outside the province.

Mining companies purchase goods and services from suppliers located near mine sites. In 2003, according to the industry survey, al-

most 45% of the \$925 million spent in Ontario, or \$542.7 million, was purchased from suppliers within an 80 kilometre radius of operating mines, thereby providing a major boost to local businesses.

GOLD IN ONTARIO

150 million ounces of gold have been produced by 230 Ontario mines

15 active gold mines produced 2.45 million ounces in 2002

Approximately 265 active grassroots to advanced exploration/mine development gold projects across the province

\$31.7 million expenditure in off-minesite exploration/deposit appraisal in 2002

\$28.5 million expenditure in on-minesite exploration/deposit appraisal in 2002

With a sustained gold price >\$400_{US}, there is a strong likelihood of:

6-9 advanced exploration projects brought into production

Evaluation of numerous low-grade and polymetallic deposits (*e.g.* iron oxide-copper-gold deposits)

Major increase in exploration and development work in established gold camps (*e.g.* Timmins; Kirkland Lake; Red Lake; Hemlo)

Focused re-evaluation of past-producing gold camps (*e.g.* Beardmore-Geraldton; Pickle Lake; Detour Lake; western Wabigoon) Active exploration in the remote frontier (far north) areas of the province (*e.g.* Sachigo; Fort Hope; Burnt-bush; Stull Lake)

A MINERAL POLICY FOR ONTARIO

The Ontario Mineral Industry Council Committee has been asked by the Minister of Northern Development and Mines to explore the components of a Mineral Policy for the Province.

The components that have been explored to date include:

1. Land use policies such as: the PSMP model; access to surface rights only lands; adoption of the proposed modifications to the Provincial Policy Statement that would protect High Mineral potential on private lands.
2. Adoption of Regulatory measures that protect exploration and mining in the province and the continued fair tax treatment of the industry.

If there are other components that you feel should be placed within a Mineral Policy please forward to
gjclark@ontarioprospectors.com

THE CORDILLERAN ROUNDUP

The OPA is going to assist with the MNM presentation at the Roundup. This year will be highlighting the Ontario Exploration Corporation (OEC), the Lake Nipigon Region Geoscience Initiative and a Property for Option booklet. The Property for Option booklet is composed of the properties advertised on our website and OEC holdings.

Colluvium

Upcoming event
A Mineral Exploration Technologies workshop will be held February 9-10, 2005. Register on-line at <http://laurentian.ca/geology/merc.html>

Summary

The Ontario Mineral Exploration Technologies (OMET) program in partnership with CRESTech is pleased to present this two-day Workshop. Come participate in assessing innovative mineral exploration technologies for the 21st Century. Explore opportunities and funding partnerships in Exploration Technology. Discuss the sustainability of Intellectual Capacity. For more information Contact Wally Rayner at wrayner@laurentian.ca or go to <http://laurentian.ca/geology/merc.html>

IMPORTANT DEVELOPMENT IN THE MINERAL INDUSTRY IN NORTHERN ONTARIO

The Boreal Prospectors Association has been established as a member group of the Ontario Prospectors Association.

It is the intent of this Association to engage and support individual prospectors in Ontario's Far North (North of 51). The Association will provide a forum in which its members can identify and address the many unique geographical, governmental and cultural challenges facing the mineral industry North of 51 (north of the Area of the Undertaking). The BPA will represent and further the interests of its members in order to promote a sustainable mineral industry in Northern Ontario.

The region North of 51 includes approximately 35 communities all of which are First Nation with the exception of Pickle Lake and Moosonee.

With increasing mineral exploration and significant discoveries being made in Northern Ontario, the role of the local prospector is becoming increasingly important to the economic development of the region.

In just over one year, MNDM and Discover Prospecting have trained 200 prospectors in 10 communities located North of 51.

Both industry and residents of the area will benefit from an association that can address these geographical, governmental and cultural challenges.

Currently the BPA is in the process of consolidating supporting members, establishing a functional executive and developing bylaws and a constitution.

The Association's first general meeting and symposium is planned for February 2005 in Sioux Lookout. Posters, presentations and networking will highlight the event.

In order to make this Association a success we need the support of industry, government and local residents.

**Please show your support by becoming a member,
joining the executive, attending the symposium or
becoming a sponsor.**

Contact us at BorealProspectors@hotmail.com

Boreal Prospectors Association



IN PARTNERSHIP WITH

Ontario Prospectors Association

PRESENTS THE

Northern Ontario Mines and Minerals Symposium



Sunset Inn and Suites
Sioux Lookout, Ontario
February 22 and 23, 2005

Limited space for Participants and Presentations
Contact us at: BorealProspectors@hotmail.com
or phone the OPA toll free @ (866) 259-3727



Porcupine Prospectors and Developers Association

in conjunction with
The Ontario Prospectors Association
presents the Ninth Annual

Northeastern Ontario Mines & Minerals Symposium April 12, 13 and 14, 2005

McIntyre Arena, Timmins, ON

Tuesday April 12
Workshops/ Field
Trips/ Posters
Technical sessions
1:30 - 4:30PM

Wednesday April 13
Poster sessions,
Technical sessions
8:30AM - 4:30PM

Thursday April 14
Short courses
Field trips, mine tours

For further information, visit: www.porcupineprospectors.on.ca

Contact: Bill MacRae 705 235 6309
Dean Rogers 705 264 5200 x 8280



**NORTHWESTERN ONTARIO MINES AND MINERALS SYMPOSIUM
DISCOVER NORTHWESTERN ONTARIO'S DIVERSE MINERAL POTENTIAL
Valhalla Inn, Thunder Bay
April 5 & 6, 2005**

Northwestern Ontario is a vast area, with an immensely complex geology and diverse mineral potential. The 2005 Symposium will focus on where to explore for the numerous mineral commodities found within this region.

Workshops featuring GPS, GIS, Diamond Exploration and a Field Trip into the Lac des Iles open pit are tentatively planned.

The Prospectors Tent is wide open and ready for your presentations. Companies can begin to apply for Booth and Poster Displays.

For Registration Forms contact:
Ontario Prospectors Association
1000 Alloy Drive
Thunder Bay, ON P7B 6A5
Telephone 807-622-3284 Fax 807-622-4156
Email: gjclark@ontarioprospectors.com

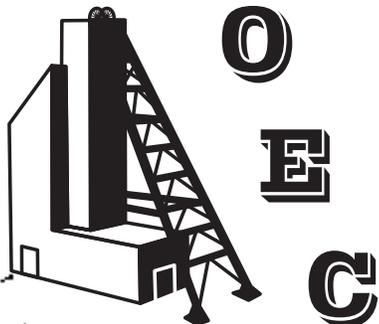
For information contact NWOPA President - John Halet
Telephone: 807-475-4142
Email: jhalet@tbaytel.net

WANTED

**PROSPECTORS
\$6,000.00
REWARD**

**Ontario
Exploration Corporation**

If you have properties
in Ontario we want to
help explore them



Forms available at
www.ontarioprospectors.com
or
Ontario Resident Geologist Offices