

News views and opinions on the mineral exploration scene in Ontario

January 2006 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 A YEAR IN REVIEW

The OPA has been extremely busy over the last year. I completed a review of issues we are following and trying to influence and see certain issues never seem to die. The Liberal government continues to move issues forward but the rate on some issues is extremely slow. Some of the issues we have been following include:

1. ACCESS ISSUES:

The need for access for explorers is the most critical of all issues these include access to capital, lands, geoscience data and labour.

Capital: The Federal government had set a sunset date on the "super" flow through tax program at the end of 2005. This meant that most companies and funds scrambled to take advantage of the last year. In a question I put to a financial house on where we are going this is the response I received "The 15% "super flow through "Federal Investment Tax Credit has not been renewed yet, however there is a proposal before the government in Ottawa to do so which did not happen before the election was called. It may be renewed after the new government takes office.

The 100% CEE deduction for Flow through is still available as well as the 5% provincial credit for funds spent in Ontario. Many of the flow through funds are getting ready to raise capital based on these figures".

The PDAC and OPA actively lobbied to get

an extension to the "super" portion of the flow through. Most provinces kept their top off portion and also lobbied for an extension. The PDAC was active in trying to get the "super" portion as a constant that would not have a sunset.

I spoke with some people who believed the Province should increase the provincial credit to a level that would increase the funds staying in Ontario. Obviously, funds from Ontario that are invested in Juniors would then be directed to Ontario projects?!

Lands: The Ontario Living Legacy Disentanglement continues to move forward. Yes it is slow, but it is happening. Additional Room to Grow exercises are few and far between which means we are not as active as other years on direct Parks consultation.

Changes to the Parks Act are presently in the Legislature. The OPA is part of a Resources Mangers committee that includes most of the associations that actively use the Crown Land base for economic or recreational use. This group is addressing the parts of the changes to the Parks Act that may effect each of us. The OPA's biggest concern with the proposed changes actually comes from the initial press release announcing the changes. Within the press release there was a statement that we interpret as the development of buffer zones around protected areas that would be directed by policy not legislation. This is troubling because "policy" especially within MNR can be



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interpreted differently by different Regional Managers. Also to work across the province we need transparent, consistent rules.

Recently there has been another flurry of First Nation community moratoriums stating the desire not to have exploration or development on their traditional lands. The OPA awaits the Federal and Provincial governments solutions to these conflicts.

Bill 97: An Act Respecting the Sharing of Resource Revenue with First Nations. This Bill is still within the Legislature and the industries that wish to and already operate on traditional lands await the Legislatures decision.

Northern Boreal Initiative (NBI): NBI is another issue that will effect access north of the present line of forestry activity. Various dates for this MNR driven process, have come and gone. The OPA continues to be at the table as this process proceeds and will inform members when events occur.

The OPA continues to work on the Minister's Mining Act Advisory Committee. The committee had a busy year proposing various changes to the Mining Act that would assist in diffusing conflict between Surface Rights and Mining Rights holders specifically in Southern Ontario. Portions of these recommendations to the Minister, are incorporated in the governments Mineral Development Strategy.

Geoscience Data: Over the past year significant contributions to, and plans to enhance the provincial geoscience database have occurred. The Discover Abitibi and Lake Nipigon Region Geoscience Initiatives both produced significant data. These data sets lead to increase staking and exploration in both areas and will assist explorers for years to come.

The other significant geoscience announcement was the MNDM's Far North Initiative. This program of \$5.0 per year over 3 years was announced amid a Provincial Budget of cuts. Congratulations must go to our Minister and his behind the scenes staff for prying cash from a fiscal process that usually doesn't see past Parry Sound. This funding will allow the explorers of the Far North to target exploration and enhance the northern economy.

Other projects the OPA have been involved in include the Geoportal project. This project is an internet based system that will allow users to

access land, claims, geoscience and assessment databases in a more seamless and friendly method. The OPA is extremely excited about this project as it will move Ontario back to the forefront of information transfer. Watch for this new system to be launched soon!

Labour: There has been various studies on the industries employment replacement needs over the next few years. In a recent presentation to the Ontario Mineral Industry Cluster Council (OMICC) (OPA holds a seat on the council) numbers like 80,000 skilled labourers in 10 years will be required across the industry. Geologists alone are in extreme demand, the OPA gets weekly calls looking for trained geologists. OMIC and the Ontario Mining Association are committed to making these needs public and hopefully proactively solving the needs. The OMA recently completed a publication for High School students called Rock On. The magazine formatted document highlighted employment opportunities within the industry. The high tech nature and potential salary structure is documented very well. The magazine is located on the OMA website.

Please visit: OMIC at <http://www.omicc.ca/> and Ontario Mining Association at <http://www.oma.on.ca>

2. MINERAL DEVELOPMENT STRATEGY

Mineral Explorers of the province have been pushing for a Mineral Policy for over 10 years. Once in a meeting a previous Minister related a story about seeking experts on ground water and geology. He stated his government ended up talking with a consulting group in Texas. Later when he became Minister of NDM he realized the experts he needed were already on staff in Sudbury. The need for a Mineral Policy goes further than a method of informing government on what MNDM does it also defines the industry and lays a format on how our interests are treated and respected in multi ministry decisions.

The OPA provided comments to the proposed Strategy and looks forward to working with the Ministry on delivering the final product.

3. NORTHERN DEVELOPMENT POLICY COMMITTEE FOR THE PC PARTY

The OPA was invited to submit issues that effect explorers of the province to the opposition. This document listed our present concerns and recommended the direction we thought would assist us best in the future.

4. PROFESSIONAL LIABILITY INSURANCE AND WORKERS SAFETY AND INSURANCE REQUIREMENTS

The OPA was contracted, in the fall, by PDAC, to prepare a document that review the requirements and rates of both Professional Liability Insurance and Workers Safety and Insurance. This survey reviewed the various rates and requirements across the provinces and internationally. The survey was presented to the PDAC Board in December. Once accepted by the Board OPA will ask that we can publish the results on our website for our members to review.

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

ONTARIO EXPLORATION AND GEOSCIENCE SYMPOSIUM Toronto, December 2005

The OPA presented another successful Symposium in Toronto at the Delta Chelsea. The attendance this year seemed a little less than last year but there were close to 360 participants. We had over fifty speakers presenting in two rooms throughout the event. This year we introduced a new event "The OPA Prospector Award". The award was presented by Minister Bartolucci and Vivienne Cote, OPA President to Mickey Clement for his tireless work on promoting the diamond potential of the Wawa Area. Accepting the award was John Halet President of NWOPA.

The Minister of Northern Development and Mines Rick Bartolucci addressed the attendees at the opening ceremonies and toured the more than 40 booths and 40 posters. The 50 speakers presented informative and current talks on new geophysical developments, exploration results

and recently collected geoscience data.

The OPA would like to thank all the attendees, sponsors, speakers and presenters for making the event a success. Please view some of the pictures of the event on the OPA website: www.ontarioprospectors.com

Again this year we had an early bird registration draw and the following people were the winners: 1) Pat Lengyel, 2) Ruth Debicki 3) Mike Hailstone

Hi Wally:

It was nice talking to you at the OGS Symposium! The section on the Nipigon Project was awesome and really well organized - a lot of work must have gone into synchronizing the numerous projects. Several people at the conference commented on it, and were very impressed.

Wish you a very Merry Christmas and a Happy New Year!

Best regards, Eva (Schandl)

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

The Auditor General has delivered his 2005 report. Please see http://www.auditor.on.ca/en/reports_en/en05/309en05.pdf for a complete copy of the comments on the Ministry of Northern Development and Mines. Below please see the part of the summary of the Auditor's comments on the MNDM that effects us.

SUMMARY

—Due largely to the quality of the maps and advisory assistance it provides, the Ministry is generally seen by its stakeholders as contributing to the success of the mining industry in Ontario. However, the Ministry did not have adequate procedures in place to ensure compliance with legislation and its internal policies or to measure and report on its effectiveness. There are a number of operational areas that the Ministry can focus on to improve its delivery of the Mines and Minerals Program:

—To maintain a mining claim in good standing, the holder must perform certain exploration work, referred to as assessment work, and must report this to the Ministry. We found that the

Ministry reviews most assessment reports for reasonableness, but this process was not sufficient to ensure that only allowable exploration expenditures were approved. As well, the Ministry had performed a detailed expenditure verification on only 31 of 5,200 reports submitted since 1999, and had carried out only one inspection of a claim site to verify that the work had actually been done. Such verification is necessary, as we noted cases where claim-holder had falsified assessment and expenditure information.

—Geological information provided by the Ministry is used by prospectors and mining companies to select areas in which to conduct exploration work. Based on input from its clients, the Ministry determined that a mapping productivity benchmark of 20 years, or about 15,000 square kilometres a year, was a target for areas of high mineral potential to keep geological information current and relevant. However, due to difficulties in completing projects on a timely basis and to resourcing and capacity issues, from 2002 to 2008 the Ministry had mapped or planned to map only 8,000 square kilometres annually. For example, of the 46 Precambrian projects that were to be completed by December 2004, 10 were still ongoing and 15 were completed late. In addition, the Ministry did not have a project management system to periodically report on the status of active projects.

—At the time of our audit, the Ministry had identified more than 5,600 abandoned mine sites dating from the early 1900's. The Ministry had estimated that 4,000 of these sites were potentially hazardous to public health and safety and that approximately 250 of these sites might pose an environmental risk due to the potential for the leaching of minerals and other contaminants from mine tailings. However, the Ministry did not have adequate information on the chemical contamination that is often the by-product of mining operations. This information is necessary to assess the risk of water and soil contamination around abandoned sites.

The Ministries Response are included in the Auditor's Report.

SAULT PROSPECTORS TRIP TO ELLIOT LAKE 2005 PICTURES ON THE SAULT WEBSITE:

<http://hosting.soonet.ca/eliris/sdpa/elliottlakefieldtrip/elliottlakefieldtrip.htm>

Institute on Lake Superior Geology

The 52nd Annual Meeting of the Institute on Lake Superior Geology will be held in Sault Ste Marie, Ontario from May 8 to 12, 2006. Co-chairs for this meeting and field trip leaders include several geologists from the Ontario Geological Survey (OGS) as well as two recently retired OGS geologists.

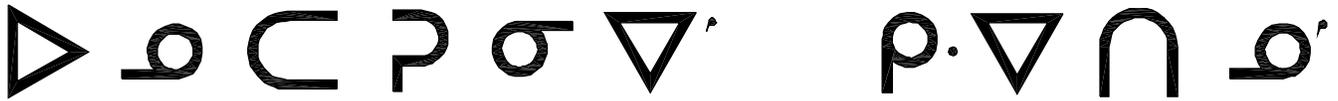
Right on the international border Sault Ste Marie, Ontario is easily accessible for registrants from both Canada and the United States. The city is an ideal location from which to base day-long field trips investigating topics as diverse as the stratigraphy of the Paleoproterozoic Huronian Supergroup in the Elliot Lake area, the bedrock shoreline features of Mackinac Island and Archean diamond occurrences in the Wawa area. A technical session highlighting diamond exploration in the Lake Superior basin is planned. The ILSG returns to Sault Ste Marie for the first time since 1974. Two of the proposed field trips reprise excursions featured then. Although the rocks may not have changed, the ideas about them certainly have and we anticipate plenty of inspired geological discussions.

Please visit www.lakesuperiorgeology.org or Ann Wilson Co-Chair 705-235-1614 for further information

**ONTARIO EXPLORATION CORP.
FORMS ARE AVAILABLE THE OPA
WEBSITE AND RESIDENT GEOLOGIST
OFFICES, Due Date March 31st.**

**UPCOMING SYMPOSIA
NORTHWESTERN ONTARIO
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NORTHEAST: KIRKLAND LAKE
APRIL 10-13th
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Boreal Prospectors Association



2006 Northern Ontario Mines and Minerals Symposium
"Building a Sustainable Future on Bedrock"



Sunset Inn and Suites, Sioux Lookout, Ontario
February 21st and 22nd, 2006

Contact us at: BorealProspectors@hotmail.com
or phone the OPA toll free @ (866) 259-3727

BOREAL PROSPECTORS ASSOCIATION

Economic Sustainability through Mineral Development

What is the Boreal Prospectors Association? The BPA has been established as a member group of the Ontario Prospectors Association. It 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).

What is the purpose of the Association? It is the intent of this Association to engage and support individual northern prospectors and to facilitate community-industry interaction by encouraging capacity building and mutual understanding. The BPA will represent and further the interests of its members in order to promote a sustainable mineral industry in Northern Ontario.

Why was this Association created? The concept of the association was first proposed by the leadership of Kasabonika Lake First Nation in an effort to encourage capacity building and understanding of the mineral industry in northern communities, improve engagement of the mineral industry with residents of the north and increase local participation in the industry.

Who should join the Association? Everyone with an interest in benefiting from the economy of the mineral industry in northern Ontario can participate in the association. Individuals, community leaders and planners and those directly involved with the mineral industry all have an important role to play in this association.

What is the current state of the Association? The Association has established a functional executive including: Thomas Tookate (Attawapiskat), Doug Parker (Independent Prospector), Luc McKay (Shibogama), Mike Fox (NADF), David Duchesne (IFNA), Michael Cunningham (De Beers) and Mitch Diabo (Kasabonika). Currently there are 36 members of the association approximately half of whom reside in northern communities and the remainder are involved with industry and government.

How can I become involved? You can become involved with the Boreal Prospector Association by becoming a member, attending our annual general meeting and symposium (planned for February 21st and 22nd, 2006 in Sioux Lookout) or by providing financial support.

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

Contact us at BorealProspectors@hotmail.com

SPONSORSHIP OPPORTUNITIES

in support of the

THE BOREAL PROSPECTORS ASSOCIATION

and

THE NORTHERN ONTARIO MINES AND MINERALS SYMPOSIUM FEBRUARY 21st & 22nd, 2006

We are seeking sponsors for both the establishment of the Boreal Prospectors Association and the presentation of the Northern Ontario Mines and Minerals Symposium. These initiatives are not possible without your support.

All Symposium Sponsorships provide you as a sponsor with the following basic benefits: Your name with recognition of sponsorship level on the Symposium Page of the Boreal Prospector's website, listing as a Sponsor on the Symposium Program and listing on the Sponsor Poster Board at the event.

Founding Sponsors of the Boreal Prospectors Association, in addition to basic benefits, will be recognized in perpetuity on the Boreal Prospector's website.

Please make your sponsorship donation payable to "Ontario Prospectors Association". Your sponsorship request should be forwarded to Susan Warren, Special Projects Administrator, Ontario Prospectors Association, 1000 Alloy Drive, Thunder Bay, ON P7B 6A5. If you have any questions or need further details please contact Susan or Garry at 866-259-3727 or via email at oeqs@ontarioprospectors.com

<u>Level of Sponsorship</u>	<u>Amount</u>
Silver Symposium Sponsor	\$50 - \$99
Gold Symposium Sponsor	\$100 - \$499
Platinum Symposium Sponsor	\$500 - \$999
Diamond Symposium Sponsor	\$1000 or more
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SYMPOSIUM REGISTRATION

THE NORTHERN ONTARIO MINES AND MINERALS SYMPOSIUM

“Building a Sustainable Future on Bedrock”

February 21st & 22nd, 2006

Sunset Inn and Suites, Sioux Lookout, Ontario, Canada

Fax a copy of this application to the OPA at 807-622-4156 before February 17th, 2006 to ensure your registration.

Registration after February 17th, 2006 must be completed by participant at symposium site.

Limited space is available for participants and presentations; register early.

****PLEASE PRINT CLEARLY****

Name: _____

Affiliation: _____

Address: _____

_____ City: _____

Province: _____ Postal Code: _____

Telephone: _____ Fax: _____

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You will be included in the 2006 OPA Membership Directory
IF you do not want to be Please Check Here

PAYMENT INFORMATION

Cheque _____ Visa _____ MasterCard _____

Card #: _____

Expiry: Month _____ Year _____

Cardholder Name: _____

Signature: _____

SYMPOSIUM REGISTRATION: \$100.00

***Symposium Registration includes:** 2006 OPA and Regional Association Membership; an Evening Reception on Tuesday, February 21st; and GST.

REGIONAL ASSOCIATIONS

The Ontario Prospectors Association supports local prospecting associations in mining communities across Ontario. These organizations represent the local voice of the OPA and its members as a whole on local issues.

Please check the group of your choice (**one only**)

Please register me as a member of the Boreal Prospectors Association (BPA) or as indicated below _____

Northern Prospectors Association (NPA) _____

Northwestern Ontario Prospectors Assoc. (NWOPA) _____

Porcupine Prospectors & Developers Assoc. (PPDA) _____

Sault & District Prospectors Association (SDPA) _____

Southern Ontario Prospectors Association (SOPA) _____

Sudbury Prospectors & Developers Assoc. (SPDA) _____

Non Affiliated _____

No Membership _____

Cheques should be made payable and mailed with this application to:

Ontario Prospectors Association

c/o Susan Warren,
1000 Alloy Drive
Thunder Bay, ON P7B 6A5

Fax a copy of this application to the OPA at 807-622-4156 before February 17th, 2006 to ensure your registration. A confirmation will be sent to you either by email or fax once payment has been received.

For more information visit us at www.ontarioprospectors.com or email us at oegs@ontarioprospectors.com.

WE LOOK FORWARD TO SEEING YOU AT THE NORTHERN ONTARIO MINES AND MINERALS SYMPOSIUM