WHERE ARE WE AND WHERE ARE WE GOING?

Reviewing my stock holdings at this time of the year compared to last year is the furthest thing from my mind. I don’t need to see the numbers to tell me things have come off.

With the sub-prime mess we were originally told that Canada was insulated. In mid-July I started getting emails and calls of drills available after 2 years of being laughed at when asking for a drill!

Then in early August resumes of geologists started appearing! And then we started the long slide of say most juniors drop to 10-20% of earlier year values.

That is where we are now. Some juniors still have cash which will be great once the investors come back. The other juniors are looking at projects that need expenditures and just won’t make the commitments!

Where are we going? Investors are greedy! Once we get to a certain point investors will start putting money back into the markets even those investors that are really down from the collapse! Why would they? Because the past few years (for some and others numerous cycles before) they had great returns in the junior sector, even if they were just paper and not realized. They will be back because juniors are better then casinos when it comes to gambling.

Exploration continues, when we have a new discovery (and we will) in the investors will come, running back. We’ve seen it before and will see it again.

2008 ONTARIO EXPLORATION AND GEOSCIENCE SYMPOSIUM

The event went off without many problems again this year! We had approximately 10% lower attendance (great considering the weather and economy), a full compliment of booth, posters and speakers.

The OPA would like to thank all the participants and volunteers for their time.

The OPA Award recipient for 2008 was Bob Middleton. At the banquet, Tuesday night, Bob recounted being involved in the early geophysical surveys used in the Province and on operating as a consultant out of Timmins, Thunder Bay and Vancouver. Our keynote speaker was accomplished author Michael Barnes. Michael is a real wealth of mining history as can be seen within his numerous books on prospecting and mining. He recounted a delightful series of exploration and mining stories that had the crowd mesmerized. He has sent on his thanks to the prospectors for their kind reception and their positive reaction to his speech. He also introduced the new book he is starting called FORTUNES FOUND - Canadian Mining Success. This book will promote the industry by telling the story of great mines and the wealth they have brought to the country. The prospector was first on the ground. The
meminbership will be interested and I encourage them to get in touch with their suggestions and input. Again let me thank Michael for his great talk at the Awards Dinner and for being a continuing champion of our industry. You can get in touch with Michael via email michaelbarnes53@hotmail.com

ONTARIO EXPLORATION CORPORATION
During the Symposium the new format of the Prospectors Support Program was released. The new format is to provide $10,000 toward grassroots exploration on claims held in Ontario. Further support $25,000 and $50,000 is available to advance projects once they complete the first stage. PLEASE VISIT www.ontarioprospectors.com for more information. During these economically challenging times this support can help advance your projects to the next level.

MINING ACT REVIEW and FAR NORTH LAND USE PLANNING
The OPA continues to work at lobbying the government on these important issues. Now that consultation period on the Mining Act Review (January 15th) has past we look forward to legislation in the spring. Once the legislation is past the hard work starts: REGULATIONS. The regulations are the most important piece of the changes as they will direct how the Mining Act changes will operate. I encourage all members to provide comments to their Minister’s Mining Act Advisory Committee so you are heard. The OPA and the Regional Associations are well represented. The Far North Land Use Planning Council has been moving forward to provide suggestions to the MNR on Framework and Direction of land use planning. This is all expected near the end of January. Enabling legislation for the Far North Planning is expected in the spring also. These two issues need to be focused on by our industry as the future methods of exploration will be governed by it.

Alberta best in the country at creating positive investment climate; Ontario floundering in fifth spot
VANCOUVER, BC—Alberta continues to set the pace and leads the country in terms of creating and maintaining a positive investment climate, while Ontario is struggling, according to the 2008 edition of the Canadian Investment Climate Report, released today by independent research organization the Fraser Institute. Alberta was Canada’s top province with a score of 8.5 out of a possible 10 in the Institute’s annual index that objectively evaluates the public policies that create and sustain a positive investment climate. Saskatchewan and British Columbia ranked second and third in a virtual tie (Saskatchewan scored 5.9 out of 10, BC 5.8).

But the most striking result is that Ontario, Canada’s most populous province and largest economy, ranks fifth overall with a score of 5.0, behind fourth place Newfoundland & Labrador which scored 5.4. The complete report is available at www.fraserinstitute.org “ Alberta is clearly in a league of its own among Canadian provinces in terms of creating a positive investment climate, while Saskatchewan and BC also have strong showings,” said Niels Veldhuis, Fraser Institute director of fiscal studies and co-author of the report.
“Much more troubling for the nation is the poor ranking for Ontario. Historically, Ontario has ranked first or second but in recent years the province has implemented policies that are not conducive to attracting investment.”

The remainder of Canada’s provinces all scored below 5.0, indicating relatively poor performance in terms of creating and maintaining a positive investment climate. Manitoba scored 4.3; New Brunswick scored 3.7; Quebec scored 3.5; Nova Scotia scored 3.3 and Prince Edward Island ranked last with a score of 3.1.

“Quebec’s dismal score is very troubling given that it is one of Canada’s most populous provinces and of great importance to the Canadian economy,” added Keith Godin, co-author of the study and Fraser Institute senior policy analyst.

The index is composed of seven areas identified by Canadian investment managers as the
most important policies contributing to investment climates: corporate income tax, fiscal prudence, personal income tax, transportation infrastructure, corporate capital tax, labour market regulation, and burden of regulation.

Alberta ranked first on most indicators including corporate income taxes, corporate capital taxes, personal income taxes, fiscal prudence, and labour market regulation. It ranks second on the overall burden of government regulations or “red tape.” However, Alberta ranked seventh out of 10 on transportation infrastructure with a score of 5.7 out of a possible 10. This component assesses the transportation infrastructure in each province, including highways, urban transit, air, rail, and marine service by examining the extent, use, accessibility, accessibility, cost, and condition of each mode of transportation.

Saskatchewan and British Columbia also receive high ratings on tax and fiscal prudence measures. BC and Saskatchewan rank second and third respectively on personal income taxes and third and fourth on corporate income taxes. Saskatchewan (3rd) beats BC (4th) on fiscal prudence which measures how well provincial governments have managed their budgets and whether government spending is sustainable. Saskatchewan (2nd) and BC (3rd) also rank well on corporate capital taxes. Unfortunately, the overall scores of both provinces were dragged down by their performance on transportation infrastructure (Saskatchewan ranked 9th and BC 10th).

Newfoundland & Labrador’s ranking on the overall Canadian Provincial Investment Climate Index was greatly aided by its first place ranking for burden of regulation and second place ranking for fiscal prudence and labour market regulation. However, it was ranked last for personal income tax.

Ontario scores well in transportation infrastructure and labour market regulation (2nd in each category). It ranks in the middle of the pack on personal income taxes (4th), corporate capital tax (4th), fiscal prudence (5th), and the overall burden of government regulations (5th). However, its overall ranking is brought down by its low score in corporate income tax (7th).

Quebec scored well on corporate income taxes (2nd), but poorly on all other indicators. Most critically, the province ranks ninth in corporate capital tax and last on fiscal prudence and the overall burden of government regulations. The remaining Atlantic provinces – New Brunswick, Nova Scotia, and Prince Edward Island – generally trail the rest of the country in fiscal prudence, burden of regulation, and with the exception of Prince Edward Island (6th), corporate capital tax. Nova Scotia is also ranked first for transportation infrastructure.

“The allocation of investment capital, both internationally and domestically, is increasingly acknowledged as a leading contributor to a jurisdiction’s economic success or failure. Provinces that receive low scores in the index are pursuing policies that are failing in terms of providing their citizens with increased economic opportunities and higher standards of living,” Veldhuis said.

**PROTECTING ONTARIO’S BOREAL FOREST**

I’m not sure where this is going and neither does the Premier. I believe that this is the government’s attempt to deal with FN consultation issues and the duty of the CROWN to consult. I think that this is their attempt to buy time because they have no idea how to solve the constitutional dilemma that they are in. It looks as though they would like to find a way to give the FNs sovereignty over this vast territory. In effect people will need FN permission to do any kind of economic development on "their land". I don't know how this will be legislated or if it is even legally possible so we will just have to wait and see.

But for the meantime they have created this subterfuge: The government's statement/proposal is filled with contradictions. On one hand they want to permanently protect this territory (turn it into a park?) and on the other create a broad plan for sustainable development. About the only chance for sustainable development in this remote land with no virtually no infrastructure is mining exploration.

The government says that First Nations are to be given a share of revenues from any new projects on their traditional lands, but we all know that it takes a hell of a lot of exploration/dollars before
a mine is found. How this move will affect mining exploration remains to be seen.
Here is the most ludicrous statement of all. This territory is a "globally significant carbon sink (plants), so we need to protect it/protect the plants", protect the plants from what? the forestry industry is closing mills all over Northwestern Ontario, so what makes the government think that this industry would ever want to harvest even one tree from this remote area, especially with fuel costs going up the way they are. And we all know that mining exploration does virtually no damage to either flora nor fauna.
Another part of the plan is for "scientists, First Nation and Métis communities" to collaborate and map this immense territory (almost half the size of Ontario) to determine the areas that need to be protected and that this will take 10 to 15 years to accomplish. They also imply that business enterprise will have to wait until this is done. This is a ridiculous proposal, it will cost hundreds of millions of dollars, huge manpower and decades to map this area and the government has neither the time nor money to do this.
The OPA supports the concept of consulting with First Nations with the reservations that were discussed at our last board meeting. The Board of Directors have no official position regarding the Boreal Forest Plan. As for me, I think that it is poorly thought out and will have no part of it.
John Halet, President, NWOPA

ANDY HOFFMAN
FROM FRIDAY'S GLOBE AND MAIL
SEPTEMBER 18, 2008 AT 11:20 PM EDT
Barbara Henderson, the vice-president of investor relations at Pacific Rim Mining Corp., isn't just answering shareholder questions these days, she's also answering the phones. In a desperate bid to preserve cash, the junior mining company has been forced to lay off about half of its head office employees including the receptionist. Ms. Henderson is now fielding incoming calls to Pacific Rim's Vancouver office in addition to her regular duties.
"Cash is king and preservation is the name of the game right now," Ms. Henderson said in an interview.
Pacific Rim, which has endured unexpected delays obtaining the permits needed to build its El Dorado gold project in El Salvador, announced more cost-cutting measures Thursday. In an effort to reduce overhead even further, it let its chief financial officer and chief operating officer go.
The company has $2-million in cash right now, but, as with most junior mining companies, access to funds through traditional debt or equity financings has disappeared. Tom Shrake, Pacific Rim's president and chief executive officer, said that with the trying circumstances, the company needs to keep costs as minimal as possible. "We're protecting our asset," he said.
The credit woes wreaking havoc on the financial markets have been particularly savage for the junior mining sector. Hedge funds and other institutional investors facing redemptions have been forced to unload their positions in mining stocks. As the credit crisis has intensified, development companies who need to raise money to build mines have been severely punished as investors bet that financing deals won't get done or terms will be exceedingly onerous.
Shares of the once high-flying Mirabela Nickel Corp., which is developing a promising nickel deposit in Brazil, have plunged 30 per cent in the past month. In addition to a falling nickel price, investors are worried about whether a $280-million (U.S.) term loan will be successfully syndicated. Similarly, Katanga Mining Ltd., which is developing a massive copper mine in the Democratic Republic of the Congo and also has to complete major financing, has seen its shares skid 40 per cent in a month.
"Anything that smells like heavy capital expenditure is getting flogged," one analyst said.
However, junior mining companies focused on exploration have suffered even worse. according to research compiled by Canaccord Adams, the small-capitalization mining industry has been hit with most precipitous decline since the crash of 1987.
Over the past four months, the TSX Venture Exchange has plummeted 43 per cent and is off 54 per cent since April, 2007.

“This market is not your average hammer-to-thumb miscue – the sledge has slipped and junior mining is currently close to unconscious,” Canaccord analysts said in a recent note to clients.

Awash in excess capital less than a year ago, junior mining firms have suddenly had to become penny pinchers. Orezone Resources Inc. has secured a $330-million debt facility to help fund the construction of a gold mine in Burkina Faso. But the Ottawa company needs to raise roughly $100-million more in equity to complete the deal. Unwilling to issue shares at such low price levels, the company is looking for alternative ways to raise the capital, including trying to tap high-net-worth investors from the Middle East and Asia or striking a deal with a gold royalty company. In the mean time, construction at the mine site has slowed. “Right now we're running at half speed,” Orezone's CEO Ron Little said.

Pacific Rim is also looking at finding cheaper office space in Vancouver or subletting the extra space it now has to another company. It intends to rehire both a COO and CFO once market conditions improve.

Ms. Henderson, meanwhile, remains philosophical about her expanded office duties. “It's just a matter of the market turmoil filtering down to the nitty-gritty of everyday business,” she said.

Orezone Resources (OZN) Close: 91 cents, down 5 cents

EXPLORATIONIST EDITOR NOTE
December 29th 2008

Native property off limits
First Nation communities want to be included in mining talks
Posted By Chesley Romain, The Daily Press

First Nation communities on the James Bay Coast are putting a stop to new mining and exploration projects on traditional land, saying their rights have been ignored for too long.

Members of Mushkegowuk Council recently passed a resolution stating they will no longer accept any new mining activity on their Native homelands.

“The key ingredient that’s missing is the issue of consent,” said Mushkegowuk Council Grand Chief Stan Louttit.

Louttit said some companies have been very accommodating to First Nation communities, having discussions as to what will be done, but many have not.

“It's a very simple thing to do,” said Louttit. “If no consent is given, that company should pick up and leave. If consent has been achieved, then we can work with that company to further that development.”

The resolution passed by the council states that banning new resource development projects will last until the province’s new Mining Act includes provisions for the full consent of First Nations and First Nation-approved land-use plans. Also, the resolution asks that companies are obligated to enter impact benefit agreements, where profit sharing, along with other community benefits, are achieved.

“Right now there is no legal obligation that says they have to negotiate revenue sharing,” Louttit said.

One example of how a community can benefit from mining activity taking place on traditional lands, Louttit said, was the De Beers Victor Diamond Mine in Attawapiskat.

He said with both federal and provincial governments, as well as the company, benefiting from the project, the only way the people of Attawapiskat would see any of the benefits would be to enter in the impact agreement.
“There was no obligation on De Beers’ part to seek consent and enter the agreement, but they did,” Louttit said. He added that the community has seen opportunities in the form of jobs, training, revenue sharing and partnerships. Supported by a number of Ontario environmental groups, including CPAWS Wildlands League and the David Suzuki Foundation, Louttit said the resolution also is being supported by a majority of First Nation communities under the Mushkegowuk Council. “There is quite a bit of activity in most of the territory along the James Bay and Hudson Bay coasts,” Louttit said. “For the most part, we don’t know who these companies are and very few have come forward.”

In terms of various environmental groups coming forward with their support, Louttit said it helps make their case stronger. Having the groups included also ensures plans are environmentally sound. “We believe is is in the best public interest to support the Mushkegowuk Council resolution,” said Anna Baggio of CPAWS Wildlands League in a press release. “It has all the right ingredients and will position Ontario as a national leader.”

While mining activity has been taking place on traditional First Nation land, Louttit said now is a good a time to show First Nation communities will no longer sit by and wait for companies to come to them. “It’s getting to the point where our lands are being invaded, and we’ve been very patient up until this point,” Louttit said.

As far as companies currently on Native land for mining activity, Louttit said he is hopeful they will be respectful of the council’s decision. “If they respect our desire, they would come forward after receiving our notification and want to meet,” Louttit said. “What we’re hoping is they will do the right and moral thing and respect our desire to be consulted.”

OPPORTUNITY TO CHANGE THE MINING ACT REGULATIONS

The Ministry will be changing the Regulations to meet the proposed Mining Act changes. This is a prime opportunity for us to get changes to the operational section of the Regulations to make the system more user friendly. Some of the possible changes could be completed within the assessment system allowing new types of work or streamlining the system further. Please send any suggestions on to your Minister’s Mining Act Advisory Committee representative.

ONTARIO GEOLOGICAL SURVEY NEWS

It is my pleasure to announce that Jim Ireland is the new Senior Manager, Resident Geologist Program, Ontario Geological Survey. Jim has been with the Ministry since 1985 in various capacities, including Staff Geologist, Resident Geologist (Cobalt), Acting Manager Temiskaming Testing Laboratories, and most recently as Regional Manager Northeast Ontario, Resident Geologist Program. Jim also played a key role in the MNDM Mining Act Modernization process as Chair of the Land Use Planning in Ontario’s Far North working group. Jim has a long history of mineral industry engagement and inter-ministry collaboration. Please join me in welcoming Jim in his new leadership role within the Ontario Geological Survey. Jim can be reached in Timmins area at 705.235.1612 or at the South Porcupine Government Office (Hwy 101 E., P.O. Box 3060, South Porcupine, ON P0N 1H0)

Andy Fyon, Director, Ontario Geological Survey 705.670.5924

ONTARIO EXPLORATION AND GEOSCIENCE SYMPOSIUM THANK YOU!

Thank you to all Sponsors, Speakers, Volunteers and Participants for helping make the 2008 Ontario Exploration & Geoscience Symposium event a success!
The Far North Planning Process is an Ontario initiative that has the potential to alter the social and economic landscape of the northern half of the province to a far greater degree than any other initiative since the signing of the Treaties more than 100 years ago. This process involves setting aside more than half of the land base as parks and planning for sustainable development over the remaining fraction of the land. It is the intent of this symposium to provide opportunities for open dialogue and information sharing that will promote prosperity in northern Ontario.

What is on this year's agenda?

State of the Mining Industry in Northern Ontario  
Far North Land Use Planning  
Mining Act Review  
Resource Benefit Sharing  
Case Studies in Land Use Planning and Community Process for Effective Engagement  
Opportunities in Capacity Building, Education, Training, Support Services and Funding  
Annual General Meeting and Director Elections

Who makes up the Boreal Prospectors Association?

Today the Association membership reflects a diversity of voices in northern Ontario with members coming from many communities including:

Armstrong, Aroland First Nation, Big Island First Nation, Burlington, Calstock, Cat Lake First Nation, Chapleau Cree First Nation, Chief Eagle Lake First Nation, Constance Lake First Nation, Copper Cliff, Deer Lake First Nation, Destor, Dryden, Eabametoong First Nation, Fort Francis, Fort Severn First Nation, Garden River, Gogama, Hudson, Kasabonika Lake First Nation, Keewaywin First Nation, Kenora, Kingfisher Lake First Nation, Lac des Mille Lacs, Lac Seul First Nation, Long Lake #58, Mattagami First Nation, Mattagami First Nation, Mishkeegogamang First Nation, Missinabie Creek First Nation, Morson, Muskrat Dam First Nation, Naicatchewenin First Nation - Treaty #3, Nesakantaga First Nation, Nigigoonsiminikaaning First Nation Treaty #3, Nester Falls, North Caribou Lake First Nation, North Spirit Lake First Nation, NW Angle No. 37, Ojibways of Onigaming First Nation, Poplar Hill First Nation, Sachigo Lake First Nation, Shoal Lake #39, Sioux Lookout, Sioux Narrows, Slate Falls Nation, Sudbury, Thunder Bay, Toronto and Wabaseemong First Nation.

The Association is guided by its membership and all interested individuals are encouraged to become members, participate in the symposium and have their voice heard.

For more information visit www.ontarioprospectors.com/Boreal or email borealprospectors@hotmail.com.
Northern Ontario Mines & Minerals Symposium (Boreal Prospectors Association)  
**February 24 & 25, 2009**  
**Sioux Lookout**, Ontario

Northwestern Ontario Mines & Minerals Symposium (Northwestern Ontario Prospectors Association)  
**April 7 & 8, 2009**  
**Thunder Bay**, Ontario

Northeastern Ontario Mines & Minerals Symposium (Northern Prospectors Association)  
**April 14 & 15, 2009**  
**Kirkland Lake**, Ontario

Ontario Exploration & Geoscience Symposium  
**December 15 & 16, 2009**  
**Sudbury**, Ontario

For further information on any or all of the above Symposia please visit our website at [www.ontarioprospectors.com](http://www.ontarioprospectors.com) or call the OPA office at 807.622.3284 or toll free 866.259.3727