

THE EXPLORATIONIST

The Newsletter of the Ontario Prospectors Association

MARCH 2012

THE PUSH IS ON!

The Plans and Permits structure and another assortment of Regulations have been posted on the Environmental Registry. It is imperative we get involved in the next phase of the Regulation implementations!

Access to the changes and a chance to respond are presented at:

Proposal for a new regulation under the Mining Act "Exploration Plans and Permits"

<http://www.ebr.gov.on.ca/ERS-WEB-External/displaynoticecontent.do?noticeId=MTE1ODY1&statusId=MTczNDY5&language=en>

Proposal for amendments to the Mine Development and Closure under Part VII of the Mining Act (O.Reg. 240/00)

<http://www.ebr.gov.on.ca/ERS-WEB-External/displaynoticecontent.do?noticeId=MTE1OTQ1&statusId=MTczNTgx&language=en>

Proposal for amendments to the Assessment Regulation (O.Reg. 6/96) under the Mining Act

<http://www.ebr.gov.on.ca/ERS-WEB-External/displaynoticecontent.do?noticeId=MTE1OTQz&statusId=MTczNTc5&language=en>

Proposal for amendments to General Regulation (O.Reg. 45/11) under the Mining Act

<http://www.ebr.gov.on.ca/ERS-WEB-External/displaynoticecontent.do?noticeId=MTE1OTQy&statusId=MTczNTc4&language=en>

RR link for the 4 postings above can be found here:

<http://www.ontariocanada.com/registry/quickSearch.do?searchType=current>

Proposal for amendments to the Claim Staking and Recording Regulation (O.Reg. 43/11) under the Mining Act

<http://www.ontariocanada.com/registry/view.do?postingId=8603&language=en>

Proposal for amendments to the regulation "Proceedings Commenced by Certificate of Offence" (RRO 1990, Regulation 950) under the Provincial Offences Act

<http://www.ontariocanada.com/registry/view.do?postingId=8604&language=en>

It is critical to get your input as this will be how we are going to have to operate from in the future!

I am under the opinion that the Ministry has continued to bungle the process of developing Regulations. As usual they are "Listening" but continue to set deadlines that are either too short or are totally missed!

We now have a posting of the "direction of Regulations" with 50 days to comment on the most bare bones of a process. Then the Regulations will be written by ???? and implemented so the Plans and Permit process will be operational for next December! As always the devil is in the details (as we have been told by Ministers and Ministry staff) but we will have no input on the details!

PLEASE GET INVOLVED AS WE NEED TO PUSH TO GET THIS RIGHT!

LET'S REMOVE THE AREA OF SOUTHWESTERN ONTARIO FROM EXPLORATION!

As a precedent there can't be one any larger! Over 23,000 square kilometres of exploration lands deemed Kitchenuhmaykoosib Inninuwug (KI) traditional lands and claimed as their land. KI now has requested permanent withdrawal of their lands! The issue at the heart of the land withdrawal is a set of claims held by a Junior explorer who just wants to work the land! KI asserts, though will not show where, that there are burials on the Junior's claims. The Junior and KI can't come to agreement! Solution: withdraw all supposed traditional lands from exploration, but let the offending claims continue to be explored!

http://www.wawataynews.ca/archive/all/2012/3/16/ki-rallies-toronto-chief-mobilizes-north_22542

There are lots of articles on this issue. The main thing that is being reflected here is that a huge section of land is not open for exploration. If you were looking into exploring in Ontario and there was a First Nation upset with someone working on "their lands" would you be looking over your shoulder for a blanket withdrawal! If there is a withdrawal did you just get frozen into a restricted land base!

MINERS UNITE

Ok so you want to explore on “my lands”! Easy just enter into an agreement and pay me! I'll take cash, shares or warrants!

Ok you are going to operate a service company on “my lands”! No problem partner, just sign here and we'll split the profit and I'll make you the preferred contractor.

These are some of the stories related by a group of frustrated explorers in the Province. An inaugural meeting occurred as part of the PDAC and another meeting is planned for April 5th in Thunder Bay at the Valhalla Inn.

The group is composed of Junior company representative, contractors and explorers that want some clarity to the “payments” that occur from the exploration industry and the First Nations who assert their rights to the traditional lands. The group is looking for government to provide some sort of guidance or for the exploration industry to come together and set some standards for dealing with First Nations!

March 8, 2012

McGuinty has no interest in Mining Exploration

(Queen's Park) Northern Development and Mines Critic, MPP Norm Miller today asked why Mr. McGuinty did not bother to show up at the Canadian Prospectors and Developers conference, underway in Toronto this week. It is estimated that more than 30,000 mining and exploration representatives from around the world attended the conference.

Miller pointed out that Quebec Premier Charest made an appearance at the conference and was actively promoting PlanNord, an aggressive resource development plan spanning 25 years and allocating \$85 billion dollars. Mr. McGuinty did not attend the conference; nor was he prepared to offer any explanation for why he neglected to represent Ontario at the event.

“This government is famous for issuing press releases about the Ring of Fire and about the revenue generated by mineral exploration but does precious little to support the industry,” said PC Northern Development and Mines Critic Norm Miller. “But policy after policy signals that Ontario is closed for business.”

Quick Facts:

- According to the Fraser Institute mining survey Ontario now ranks 25th in the world for mineral potential, having ranked 6th in 2003.
- The McGuinty government has implemented a series of detrimental policies such as removing one quarter of a million square kilometers from exploration through the Far North Act; increasing mining taxes and drastically increasing energy rates.

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Mediator called in for Solid Gold talks

Mining firm, First Nation and provincial government continue discussions

By Ron Grech, *The Daily Press*

A facilitator has been brought in to help mediate discussions involving Solid Gold Resource Corporation, Wahgoshig First Nation and the provincial government.

Solid Gold is a mineral exploration company that was forced by an injunction to halt drilling on a 200 square-kilometre claim outside the boundary of the Wahgoshig reserve.

Darryl Stretch, president of Solid Gold, said the discussions held in the presence of a facilitator were an “attempt to honour the court order that says we need to do consultation” with Wahgoshig.

However, it appears both sides are still far from reaching an agreement.

“In their Statement of Claim, the First Nation is asking for a declaration that no one will explore on that Crown land there unless they get written permission from that First Nation,” said Stretch.

“That’s going to be very hard to make that fly because that in a sense gives the First Nation a veto over Crown land. That’s a very tenuous position in my view.”

Stretch said his company spent significant dollars to conduct mineral exploration on its mining claim around Lake Abitibi area only after receiving the green light from the provincial government.

“That 200 square kilometres that we have claimed up there at Lake Abitibi is probably one of the most important pieces of real estate on the planet with respect to mineral deposits,” said Stretch. “We feel very fortunate to have made a discovery there. We expect to make several more.

“This is not nickels and dimes we’re talking about here. There is a very significant region of Ontario that produces very significant gold deposits. That’s what it is we’re after and we believe the government gave us the right to discover and exploit that exploration activity so that’s why we’re very strong in our defence of our position on that ground.”

Wahgoshig Chief Dave Babin acknowledged there will likely have to be several discussions “before we come up with some sort of finalization that all parties can agree to.”

Babin said, “At the end of the day, I think we want respect from the industry. They got to start looking at our interests. We have values in that territory.

“We’re not saying it’s all of that area. What I’m saying is we want to make sure certain areas with our values are covered.”

Wahgoshig has alleged Solid Gold was drilling in areas that included “traditional territory” where there may be ancient burial sites, historical artifacts and areas where elders collect traditional medicine.

Mining companies, First Nations clashing over Ring of Fire, MPs told

The conflict between mining companies hungry to exploit the vast riches of northern Ontario and the poverty-stricken First Nations that live there came to Parliament Hill on Tuesday.

The federal regulatory system is failing in the region’s mineral formation known as the Ring of Fire, First Nations representatives and mining executives told MPs at the House of Commons natural resources committee. One aboriginal group has even put one mega-project on hold through court action.

The legal obligations of miners to nearby First Nations are so difficult to discern, it’s denting Canada’s reputation as a politically stable place to do business, said one mining executive.

“The bar has been shifting to a point where I’m wondering what our legal rights are as an exploration company,” said Ronald Coombes, president of White Tiger Mining Corp., a junior exploration firm with assets in the region. “Right now, we’re looking for financing abroad and we have to explain to shareholders where the money is going and it’s really putting us in a bind to discuss what we’re dealing with.

“They’re political issues. They’re not the business issues we should be dealing with,” he said.

White Tiger Mining is one of the smaller companies to stake claims in the Ring of Fire, tucked into the northwest corner of Ontario. Yet the region is also home to many current and potential projects that are rubbing their aboriginal neighbours the wrong way, from the De Beers Victor Diamond Mine near Attawapiskat to the Big Thor Chromite Deposit, owned by U.S. industrial metals producer Cliffs Natural Resources Inc.

Historically underdeveloped, the Ring of Fire is believed to contain vast amounts of iron, copper, nickel, zinc, gold, platinum, cobalt and diamonds. However, the vast wilderness is also the ancient territory of dozens of First Nations that have been unable to develop economically due to their remote setting and suffer from poor social infrastructure.

In recent years, mining companies have been trying to ease their arrival with ad hoc agreements that cover such areas as jobs and training. Yet in many cases, these agreements have backfired and led to protests, including De Beers’ Impact and Benefit Agreement (IBA) with the Attawapiskat First Nation.

First Nations are also upset about their lack of input in the regulatory process, which determines the permissible degree of environmental impact.

The Matawa First Nations, an umbrella group that represents nine smaller nations, took the regulators of Cliffs’ Big Thor project to federal court on Nov. 7. “What we’ve seen in the past is that we’ve heard enough talk. What we want are actual agreements,”

Raymond Ferris, who was representing the Matawa First Nations, told the committee Tuesday.

Cliffs has a memorandum of understanding with the Matawa First Nations, but no formal agreement on issues like jobs and royalties.

The court battle is over the type of environmental assessment Big Thor will receive from the Canadian Environmental Assessment Agency (CEAA), its regulator.

The CEAA has chosen to do a comprehensive review of the project instead of a more-intensive joint review panel. The Matawa First Nations argues Big Thor triggers all three requirements for a joint review panel: adverse environmental impacts, infringement of treaty and aboriginal rights, and significant public concern.

A joint review panel, such as the one done for the Mackenzie River and Northern Gateway pipeline projects, requires oral testimony from the affected parties, while the comprehensive review does not. "We feel the process doesn't take into account our concerns," said Ferris.

Also at issue is money.

First Nations rarely have enough money to conduct their own environmental assessments, a perennial problem in the regulation of resource projects in rural and remote Canada. Federal funds are usually allocated to help First Nations hire environmental consultants, but these monies are much harder to come by under a comprehensive review, said Ferris.

Money approved for the Matawa First Nations' study of the Cliffs project last April has yet to reach them. "We're going on almost a year now," he said.

Another major plank is providing skills training for First Nations.

A facility built by De Beers for the Attawapiskat First Nation is standing idle because of bad planning, said Les Louttit, the deputy grand chief of the Nishnawbe Aski Nation, another regional umbrella group. "There's no training being done there at all," he said.

All of these factors – jobs training, a say over environmental impacts, funding for assessments – are owed to First Nations because of their aboriginal rights and title to the land, say their representatives. Yet that's debatable, since First Nations have varying degree of powers over their natural resources, based on the kind of land claim they have and whether or not they're completed.

The patchwork of legal situations across the country is unavoidable in Canada. First Nations are culturally, politically and economically distinct and are under no obligation to function uniformly.

What have arisen in this uncertainty are agreements signed without any reference to aboriginal rights and titles. In these cases, First Nations can sometimes decide later they disagree with the terms and walk away, creating a whole new round of uncertainty.

Cliffs has a program to provide the Matawa First Nations with prescription drugs used to wean people off Oxycontin addiction. The First Nation requested the program, said William Boor, senior vice-president of Cliffs Natural Resources Inc., who also attended the committee hearings.

Cliffs did have IBAs with two of the First Nations in the project's vicinity during the exploration stage, but those are no longer in effect as the project prepares for production, said Boor.

The Ring of Fire is not the only place where aboriginal rights and titles are ambiguous. A brief survey of resource companies on the federal lobbyists' registry reveals dozens are asking Ottawa for clarity on their duty to consult aboriginals near a project.

The government is performing a review of the federal regulatory regime for major projects.

"We need some direction from the Canadian government," said White Tiger's Coombes. "What I'm seeing right now disturbs me."

White Tiger Mining's two properties in the region, Norton Lake and Marshall Lake, are in the very early stages of exploration.

Cliffs is an Ohio-based iron ore producer and its Big Thor project will mine ferroalloys, a family of metals used to produce stainless steel. The project's environmental imprint is expected to be large and a 260-kilometre highway to the CN Transcontinental rail line north of Lake Superior will have to be built to transport the ore.



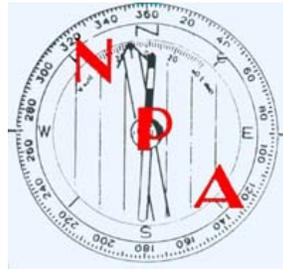
2012 Northwestern Ontario Mines & Minerals Symposium

">25 Million Ounces Au"

April 3 & 4, 2012

Valhalla Inn, Thunder Bay, Ontario

<http://www.ontarioprospectors.com/2012-northwestern-ontario-mines-minerals-symposium-25-million-ounces-au/>



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"ABITIBI GOLD 2012"

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Northern College, Kirkland Lake, Ontario

<http://www.ontarioprospectors.com/2012-northeastern-ontario-mines-minerals-symposium-abitibi-gold-2012/>



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