

A BRIEF HISTORY OF THE PDAC 1932-2002

**Prepared for the PDAC Retreat April 19-21, 2002
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Introduction:

Well, this all started on Tuesday night of the Convention when Bill Mercer said to me “I have found this big blue book about prospecting and the PDA and your name is in it. What’s it about.” Well, I was a little disappointed that our incoming President had not read it, but I had had several drinks by that time so responded brightly “Bill you should read it. I put the book together as part of our 50th celebration 20 years ago and it includes a history of the association as best we know it and stories on 20 mining camps and profiles on some 50 mining personalities at that time.

“Oh!” he said, “Don’t know how I got it and can’t remember reading it. Maybe you could give us a talk at the retreat on the history of the PDAC. We have a lot of new directors who only know the PDA through the convention. From a quick glance at it, I think many of our problems are reoccurring.” He is right on that point.

Before I start, this was the book he was talking about. Some of you probably have it and maybe even some of you have read parts of it. (Saley has some copies to give out to all of you that want one and, for a small fee, I will autograph it.)

The compilation of this book all started some 21 years ago when at a directors meeting, in a moment of indiscretion, I suggested that we should publish a mining book for our 50th which would include the association’s history. Well most everyone liked the idea except for the potential cost and who would do it. I must have been a little slow that day for I piped up and said, I know George Lonn who has done several mining books, I’ll see if he will take it on. And after some quibbling I was given a budget of \$20,000, full authority and god-speed (This was April of 1981).

When I contacted George he was a tad ambivalent. He was doing some paintings (famous portrait painter) my budget didn’t impress him, and it looked like a lot of work; but he did offer

some good advice. I had briefed him on my ideas and he said “You had better raise another \$30,000 and you can have my assistant Monica to help.

So, there I was. The problems were several (1) the association had no records of the period 1932-1965. Whatever was available was at Viola’s farm (2) I didn’t have the time and Viola didn’t want me out there living with her (3) who was I going to get to write up some 50 short stories and profiles and (4) I had no experience in putting together a book. I almost abandoned the project.

Well, Franc Joubin was becoming a good friend of Viola’s and he agreed to go through the boxes and see what he could put together and I talked to a few old timers as well for their input. I contacted everyone I knew across Canada who were living in mining towns and pressed them into service and I started work. As usual, we received good support and 15 companies came through with donations. Well, the summer went by and by September there seemed to be little progress. Great panic by Oct-Nov selecting pictures, re-writing script, etc. We had 40 some writers and trying to have some consistency and accuracy with dates, etc., was a challenge.

However, Monica was a gem and the document went in for draft in early Jan. and then the usual proofreading, etc. but the first two boxes make it to the Convention Sunday afternoon and more on Monday. People that bought the book that year had everyone autograph it as a remembrance of the 50th.

Well, the book covered the first 50 years of the Association, stories on 17 mining camps and some 50 personalities in the exploration business.

This year was our 70th Anniversary, and you will notice I kept my mouth shut about any histories (until now). If you review the challenges we have faced over the 70 years, you will see that they are recurring ones.

- 1) Securities regulations that inhibit raising funds
- 2) Taxation matters of many types
- 3) Access to land-under many forms
- 4) Bureaucratic/expensive regulations of many genre i.e. Prof. Eng. to sign assessment reports in 1932 to QP’s for various reports in 2002.

I will only mention a few examples, many more are in the book and in our records over the past 20 years.

This is our story. As you know, history is created by the writer and this is our version.

The year is 1932, early in the Great Depression. Copper is 5¢ a lb. and the US have a 4¢ lb. duty. Gold is \$20.67 oz. Millions of men are out of work. The Ontario Government in their infinite wisdom, decided that to file assessment work, the report had to be signed by a Mining Engineer. No one is sure what triggered this move although there were a lot of unemployed young mining engineers. However, the prospectors were barely surviving and had no extra money to pay a mining engineer for a report (like our legal bills today). They were upset.

And surprisingly, their organizer and saviour was a highly respected Mining Engineer named Walter Segsworth then in his early 50's. (Grandfather to the Walter Segsworth many of you know).

On February 29, 1932, Segsworth called a meeting of a dozen prospectors and they decided to fight the Engineers Bill. The thirteen original founders were Walter Segsworth, Fred Bidgood, Peter Graham, T. H. Rae, Bill Fairburn, Arthur and Bob Cockeram, Karl Springer, J. A. Lindsay, Ed and Bill Cochenour, Ed Rutherford and Fred MacLeod.

I don't know how they did it, as this was before e-mail, but the next day they rounded up 132 prospectors for a meeting at the King Edward and founded the Ontario Prospectors Association.

They passed around the hat and raised \$168.45 – a fair amount of money in the Depression. Arthur Cockeran was elected President and Karl Springer Secretary and under the direction of Segsworth, they lobbied the government and the proposed bill was defeated and although revised several times, never passed in Ontario (now we have the concern that they will legislate QP or geoscientists).

Next year, 1933, the name of the Association was changed to the Ontario Prospectors and Developers Association. That year membership had swelled to over 900 and was still growing.

On a monetary note, there was no fee in the first 10 years to be a member in good standing and we have always kept our fees modest.

In describing the purpose and objectives of the PDA (Mission Statement) in a paper written in 1933 Walter Segsworth pointed out that the Association was:

“non political and non partisan. It desires to work with the government to improve the mining business, ...is devoted to the interests of the prospectors, claim owners, mining financiers, developers and small non-producing operators in Ontario”.

He pointed out that practically every industry has an association looking after their rights and if you didn't you would suffer from bureaucrats taking power and legislation being passed discriminating against our industry (p. 17).

They must have been busy because by Nov. 1933 Mr. Segsworth was able to report “The following matters have been successfully disposed of during the past year: The Professional Engineers' Bill, The Dominion Profits Tax, the Ontario Securities Act (I am not sure what part), the Mechanics' Lien Act, the North-West Staking Regulation and the charges for timber on mining claims.

Our library was set up in 1934 and was still available to our members until recently. The Hospital and Health Acts were amended so as not to close down 95% of the mining regions in Ontario. We had our first joint dinner with the C.I.M. The financial report showed receipts of \$2,340 and expenditures of \$2,105.

The annual meetings in the 1930's were followed by dinner and a dance, usually held in the Oak Room at the King Eddy with the charge for dinner being \$1.25 per person. A couple of the more well-to-do prospectors would buy tickets to give to the less successful ones.

In 1936 we made representation to the Ontario government about all the patented mining claims that were keeping good ground out of circulation. The problem never has been corrected.

In 1937 the new “National” securities act created a great deal of furor in mine financing circles and with prospectors trying to raise a grubstake. After months of meetings a new short form prospectus was approved for small financings.

In 1938 we fought and defeated Section 32-B of the Income Tax Act that proposed to treat prospectors equity in a property as income and taxable immediately as well as any shares he might receive.

In 1941, a group of 8 or 9 of the association's most active members gathered at the MacMillan's house for an informal bull session and talk over business for the upcoming annual meeting. Walter Segsworth was there and apparently everyone regarded him as the Father of the Association, although he never served as President. He insisted that the Association leader should be a Prospector (not an Engineer) and this remained true until I became President in 1977. Anyway, Murdoch Mosher nominated George MacMillan and Walter replied "No, we haven't had a good President yet and George is too soft. Viola was coming into the room with some sandwiches and said "George will make a very good President. I'll see that he does" (and she did).

So at the annual meeting in 1941 George became President and Viola Secretary-Treasurer. and they donated a corner of their office on 67 Yonge Street and Miss Graham and Mrs. Doris Drewe from Viola's staff donated their time to running the association.

In early 1942 with the tenth anniversary coming up Viola was asked to organize "a suitable commemoration". Up to that time the meetings had been half-day affairs with a general bull session on current topics, the election of a President, an occasional. guest speaker but no social functions except a little drinking in your room.

Viola changed all that. She organized a full day's program with several prominent speakers, a four course banquet and dance (150 people) to end the day and invited the women whose husbands were away to attend. She rounded up sponsors to finance a printing of a program as the association had no budget as it charged no dues. She announced a \$1 membership fee and signed up 73 members. However, word spread and by year-end we had about 600 members.

The 10th Anniversary was the turning point for the Association. Although it was the darkest days of the war and prospecting was in the doldrums, our luck had changed. In Viola we got an intelligent, tough, sparky woman who had office staff and funds to do things.

As Secretary she had gone to Ottawa to lobby for incentives and in 1942 the government announced a deduction of expenses from income for exploring for strategic minerals (type of flowthru).

At that time most prospectors explored for gold but the war effort needed other metals. She proposed to the G.S.C., prospector training classes and by April 9, 1942, three days of classes attended by 150 prospectors, took place at the Royal York and later in Kirkland Lake and Sudbury. The government estimated that 600 prospectors in Ontario hit the bush that summer. Three PDA members including Viola were appointed to the War Metals Advisory Committee.

The prospectors classes were so popular that they went Canada-wide in 1943 and 1944 and George and Viola organized the meetings and Viola, not missing a beat, sold memberships and received a lot of radio and press publicity. (She was quite a novelty in the business.)

Anyway, getting back to the convention in 1943, it was a two day affair (Feb. 12 & 13) in combination with the prospector's classes. On May 19th of that year the first edition of the PDA bulletin came out with the motto: "We Lead".

Well by the 1944 convention which was held on Jan. 11 & 12th, and with Viola selling memberships across the country, we had 1,700 members and had outgrown the King Eddy. Viola tells the story about going over to see the manager of the Royal York about hosting the convention. They were not impressed by the Association of Prospectors with no money and they worried about getting paid and suggested getting a big company to sponsor. Viola got her back up. She told George "we will put up our life insurance policies and my diamond ring for security, which they did. All the bills were paid that year and we never had a problem with the R.Y. since.

George was President for three years from 1941-3 but Viola was running the show and finally in 1944, she became President and for twenty years ran the association out of her office pretty much as a One Woman Show and was nicknamed "the Queen Bee". (Video "Let me call you Sweetheart).

In a brief to the government in 1944, the Association recommended increased geologic mapping, establishment of resident geologist's offices, reopening of the Haileybury School of Mines and believe it or not "higher pay for government geologists.

In 1945 we had our first three day Convention.

In 1946, the second Wednesday in March was declared Mining Day in Canada and for several decades our convention ended on this day (as it did this year). Viola's idea was for a Mining Day Fund to support publicizing the importance of mining in the school system. In 1947, CBC radio carried part of our Wed. events but the day gradually died out.

We tried again in the late 1970's to get information into the schools on the Importance of Mining. However, we were not successful until Pat Dillon took up the cause which I urge everyone to support.

Over the years a number of important announcements were made at the Prospectors'. At the 1948 Convention George Bateman, the Canadian Wartime Metals Controller, announced that we could go out and explore for uranium (and it didn't take our people long to start finding it). This was the first year that there was an organized social program for the ladies and they took over quickly. Mrs. Mary Richardson won the gold brick and had to immediately sell it to the mine – you may recall we couldn't own gold in those days – and Mrs. Anston Cartwright won the Prospector IQ Quiz. The very important Emergency Gold Mining Act that Mrs. MacMillan worked so hard on was also announced. Her most important contribution was persuading CCF Leader M. J. Coldwell to not oppose the bill. She spent two months in Ottawa lobbying for help. (expand story) The 1948 convention also had another innovation, as it was the first time that new government geological and geophysical maps were displayed.

In 1954 Viola moved her office from 67 Yonge Street to a new building on 25 Adelaide St. and of course the PDA moved with her.

In 1957 we had a 25th anniversary party (1,650 in attendance) and we were well into the geophysical era and a number of papers were delivered on geophysics. The Bathurst area was the exploration hot spot. Tuzo Wilson presented a paper on continental drift – not generally

accepted at the time. We have a picture in our book of the Wednesday night party and those of you who were there will find it interesting to find yourself and pick out friends. (My first year)

The 1959 Convention was a joint meeting with the GAC and the MAC, both organizations which the PDA had encouraged and assisted in being formed in 1947 and 1955, respectively.

In 1964 there was sad news for the Association when Mrs. MacMillan stepped down late in the year after 20 years of being President. 1964 was a very active year for the exploration business – the big exploration news that year, of course, was the TGS discovery in Timmins which resurrected the exploration industry. Before leaving the Viola years I would like to reiterate that for almost ¼ of the century, she was the PDA. She contributed immensely her time, energy and money, as the association had no funds. I would suspect that she and George never submitted an expense account.

You can almost break down the history of the Association as BV and AV. In my opinion, she was an unjust victim of circumstances and if we have a spare 10-15 minutes sometime, I would like to give you my rendition of L'Affair Windfall.

1965 was a bad year for us conventioners as there was no Convention that year and the Association almost went under before rescued by Alec Mosher, Bill Dennis and a few other people. Also negative for junior mine financing which was essentially eliminated in Ontario. The OSC had been wanting to eliminate junior mine financing prior to Windfall, and moved with a vengeance once they had an excuse and we didn't have a financing mechanism for 20 years.

In 1966 we got our Federal charter and the Mission statement was to “facilitate and promote the activities of prospectors and developers of the mineral resources of Canada”. The ten directors who signed the charter were Bill Dennis, Karl Springer, Alec Mosher, Bob Campbell, Evan Donaldson, Murdoch Mosher, Joe Rankin, John Wood, Fred Jowsey and Gordon Miller. The Association listed 36 directors later that year.

1966 was also the first year that we had our famous hockey game at Maple Leaf Gardens between the Prospectors No-Stars and the Keevil team, the Teck Terrifics. The game was sponsored by Teck and all funds raised from the lucky draw go towards bursaries. I played for the Teck Team for many years and the game is now played East vs. West.

1967 was Canada's centennial year and, as part of our celebrations, tribute was paid to Gilbert Labine and Thayer Lindsley, two of Canada's great Prospectors and Developers. This was also the year of the infamous Carter Commission on taxes which made a lot of trouble for the mining industry and I and others worked on a strong opposition, which I am happy to report was quite successful.

1968 was the first year that we had a Provincial Day – this was a full day devoted to reports from the Provincial Department of Mines. Those were the good old days when we used to have provincial departments of mines. Interesting, we had revenues of \$65,500, expenses of \$50,000 and a surplus of \$15,000.

1969 was an auspicious year for us, as it was the first time that we had a full-time General Manager. That was Claude Taylor who served the Association faithfully until he died just after the convention on March 29, 1975. Also first issue of PDA Digest.

At the 1970 Convention we had 1,630 members and the main bone of contention was the Benson White Paper which we fought for several years. I went on the Board in 1970.

E. G. T. Involvement

My involvement in the Prospectors started with going to the Convention in 1957 and later in 1959 when I started with Teck, one of my jobs was managing the 15-20 prospectors grubstakes that we participated in. I grubstaked and dealt with many of the Toronto based prospectors and became friends. In fact looking at the list of Presidents from 1932, there were only 3 that I didn't know and their lawyer Clarke Campbell was an old friend.

When the Prospectors reorganized in 1966, Jim Walker and I were asked to participate. Jim went on the Board and I soon got into writing briefs on taxes and O.S.C. problems. Bill Dennis who was the first President after Viola in 1965-6 was a friend as were later Presidents Joe Rankin, Bob Campbell and Bill Plexman and they urged me to get involved. They were a senior group and were looking for new blood. Several representatives from major mining companies went on the board and I finally joined the board in 1970 and was busy on briefs and organizing the Convention. On the financial side, in 1973, registration fees were increased from \$2 to \$5

and our yearly budgets were around \$100,000 in the early 1970's. In 1972 a record 2,830 people registered for the Convention plus 350 students.

In March of 1975, Jim Walker was elected President and myself as Vice President and I thought there would be a nice run-in period. Well, fate decided otherwise.

Our first GM., Claude Taylor died within two weeks and Jim, being a geophysical contractor, was away a lot of the time. The Association had some volunteer help (Jim Geddes from Art White's office as Treasurer and Marjory Grassick as a Secretary. No regular meetings (2-3 per year) only a Convention Committee, no budget and little money. Most of the decisions were made by the Manager and President, usually on short notice. The Directors did not always feel informed or part of a team.

As Jim Walker recalls, one of the first things we did was to have regular monthly meetings on the 2nd Tuesday of the month. Previously we only met a few times a year. We organized some Committees and submitted briefs to a Royal Commission in Newfoundland on mineral taxation, a brief to Saskatchewan who were nationalizing the potash mines, etc., but briefs to the OSC dominated the agenda. We even had Garnet McCartney appointed as a Commissioner but few financings. The Board was increased from 32 to 48 in order to increase representation from all areas of Canada. Directors would be elected for 3 years with 16 elected each year. This allowed for openings as well as continuity. There was a minor exploration boom in uranium and German tax dollars kept us going. However, in general, the late 70's were a horrible time for junior companies.

The provincial governments were all re organizing their tax acts and mining acts and several provinces were nationalizing mines and setting up exploration divisions like SOQEM in Quebec and other groups in Manitoba and Saskatchewan. A busy and frustrating time for the various mining associations.

We put together a new brochure and Mission Statement "The promotion of the Common Goal of its Membership through the support and advancement of the Mineral Resources and Related Industries with Special Emphasis on the Grass Roots Sectors.

At the Association we had a part time General Manager in Andy Troup and Frank Roach as Convention Manager compliments of Noranda.

I was elected President in March of 1977 and was an old hand by then. The PDA participated in 3 educational programs: (1) "Face to Face" a speaking program coordinated by MAC, (2) the Education Foundation sponsored by the CIM and (3) "Prospectors Certification program in conjunction with Ontario Ministry of Natural Resources. Our campaign to get a 100% flow-through write-off was successful and was passed in Feb. 1977 for a year until July 1, 1979. We kept pushing for a larger percentage (150) initially and for a longer time.

In early 1978, I remember preparing our recommendations to the Mines Ministry Conference and we were not happy campers. They got an earful. We were fighting taxation problems (8) high costs, Patrick Hart Royal Commission on the North, etc. In our brief we urged a 5 year extension of the 100% deductibility of exploration expenses plus an increase to 150%. We finally achieved close to this in 1983.

One innovation Jim and I were proud of was the instigation of the Association of Associations meeting which we held on Tuesday night (caused me to miss some hockey games). We invited all the Provincial Associations and others that were involved in our industry for a Discussion and Info sharing session on Tuesday nights. It was the VP's job to organize and chair this meeting. We had some 20 groups across the country and we exchanged information on what each group was doing. Very informative. Lasted at least 10 years.

In 1977, after going to a CIM Convention and sitting through a long Awards Dinner I thought it was time for us to have some Awards, so in 1978 we instituted the Bill Dennis "Prospector of the Year Award" in honour of Bill who had died suddenly that year. A great guy and a long-time PDA worker. We subsequently added other Awards to Honour the people and companies in our industry.

For many years, the Ontario Ministry of NR and the PDA had a week of mineral exploration classes pre-Convention as well as a week of Special Topic Classes on various metals and exploration methods.

Also, in the 1970s we made a big effort to have federal and provincial politicians to attend the convention for obvious reasons.

In summary, up to the end of the 70s we were pretty much a volunteer organization with the lobbying, brief preparations, etc., being done by the people who were affected. I guess the companies had more staff then.

1980's

We started the 80's with a short lived boom with gold prices reaching \$850/oz and silver reaching \$45. This triggered an exploration boom for these two metals for a short time. The PDA was still pretty much a volunteer organization. President Dit Holt was preparing to hand things over to John McAdam. Alan Klarer was hired as full time Manager and Frank Roach was still running the Convention. Our fees were low at \$20 for membership and \$25.00 for the Convention. Our theme was "Mineral Venture Capital – the 80s (appropriate as you will see when I talk about the flow-thru boom later on).

Jumping ahead to our 50th in 1982, you have already heard about my saga with the book. Our Convention theme was "You've come a Long Way, PDA". John McAdam was in his second year was President, Bill Griffith was full time General Manager, Bruce Burton had just replaced Jim Geddes after a 25 year stint as Treasurer and Frank Roach was in his last year of Convention Manager. I see from the program that we had a Past President's Panel all Monday morning and have no idea how it went. The theme was historical – Discovery of the Decade. Stories on 5 Great Prospectors over the last 50 years etc. Fees were still cheap: \$25 for members and \$35 for the Convention. The big production was John Hansuld's "The Millenium Mining Corporation". A great look into the future at a new mine in Cobalt in 2007.

The Mining Women were still running the registration and the Ladies Program and we would get 1,000 people out to our Monday night affair (overflow into the Ontario Room), (four times our current turn-out.)

Doug Hume's Recollections

From the mid-70's right through the 80's financing for junior exploration companies was indeed difficult. This was the era when The Club of Rome was predicting that the world was running out of mineral resources as well as gas and oil – prices were expected to go sky-high

reflecting such shortages. Starting with the NDP in B.C., all our Provincial Governments were going to solve all their financial problems by going into the mining business. Canada's romance with socialism was in full bloom. Much risk capital was driven out of Canada through confiscatory taxes and expropriations. Exploration funding dried up putting all small companies under extreme pressure. There was a great deal of agitation right across the country but particularly in the north. Rallies were organized to protest to governmental authorities at every level. In the mid 70's, an organization was set up by heads of junior explorers called "Natural resources People Canada Inc.", which became very active and aggressive in seeking policy changes.

The PDAC was frail financially in insipid in response to industry concerns – discord from members on many issues created problems for the PDA board members. All mining lobbying associations were aimless with their stand on issues and often were working at cross purposes. In order to get a coordinated "voice" in our approaches to legislators, the PDA confronted executives of the MAC, OMA and the CIMM in order to harmonize our debates. This was not an easy task since our relations with all these groups were fragile. We first made a sympathetic contact with Merv Upham who was then President of the MAC. Also a strong alliance was established with the Centre for Resource Studies at Queens. Over time, all our mining alliances with 'sister' associations were strengthened and submissions were generally harmonized and became much more effective with strength from unity in content and purpose.

This tumultuous era inspired a number of studies on our problems, financed by Provincial and Federal governments and NRPC – some very good studies were produced. Some of these were:

- *Financing of the Junior Mining Company in Ontario (1978) – Kalymon, et al.*
- *The Role of Smaller Enterprises in the Canadian Mineral Industry (1979) – Freyman, A.J.*
- *Menzel Committee Report; OSC Policies Affecting Jr. Natural Resource Companies (1981).*

I served as a Director from 1974 to 1987 and was Vice President and President of the Association from 1982 to 1985. Served as Chairman of the PDA Tax and Regulatory Committees from 1978 to 1983, during which time the flow-through tax incentive for mining was introduced by Revenue Canada.

The PDA became much more active in lobbying for tax and regulatory reform while I was Vice President in 1982. I then also Chaired the Tax and Regulatory Committees. Relations with all taxing regimes were antagonistic in the extreme. Meetings with officials, particularly in Ottawa were totally unproductive. It was obvious to me that on our side we were not fully informed and our deficiencies made bad things worse. We were losing at every encounter. When preparing for a critical meeting with Revenue Canada policy makers, I approached Bob Parsons for help. Bob had all the tax answers and I asked him to come to the meeting, which he did. Having been properly armed and represented, the meeting went extremely well and for the first time I could see progress. At this point I asked Bob to come on the PDA Board to represent us in all tax issues, etc. Bob got PW's consent and joined us. Keith O'Brien, a CA tax expert from Inco also aided and abetted our efforts. Without Bob Parson's help throughout this period, I have grave doubts that we would ever had got the flow-through incentives. With Judy Erola as Federal Mines Minister from Sudbury, we had a strong ally who managed to open all doors.

Was a member of the Menzel Committee (1981) which studied securities regulations and made recommendations to the Ontario Securities Commission. Was one of two representative of the PDAC who worked with the Task Force commissioned in 1985 b the O.S.C. to devise new rules for shareholder communications, recommendations from which were enacted into law as National Policy #41. Also served (1987) on the Thompson Committee, whose recommendations for new securities laws in Ontario were enacted into law during 1989, as N.,P. #5.2.

We started to computerize the PDA in 1983 – a contentious issue at the time. In this era the oil companies piled into the business to show us how to do it – the result of all their activities were predictable but that did not help the juniors. Near the end of my tour of duty as President, initiated steps to bring in professional management and proposed the Past Presidents Advisory Council. Motivation was to create vacancies on board for more rapid turnover of board members and to consolidate pool of experience. I believe both proposals came into force during Lionel Kilburn's presidency. The PDAC has matured and is respected all over the Globe. A marvelous progression!

Flow-Through

It a funny old business, when things look darkest, there is often a saviour in sight.

1982 was a lousy year in the exploration business. The majors were losing money, gold prices had crashed from the \$800 peak in 1980 and no money was being raised.

The saviour was going to be flow-through. John Hansuld and Canamax can be credited with doing the first mining big one and popularizing it. They had prepared a prospectus and sold \$24 million in early 1983 but had to pull the issue with legal problems but when Marc Lalonde announce transferring the depletion allowance on April 19th, 1983 (to appease the oil and gas industry), the box blew open. They rejigged the prospectus and raised \$29 million easily and could have done more.

Everyone got religion (Jesus!) and fired up the lawyers, and the money rolled in.

Flow-through Financings (from paper by Fenton Scott)

1984	\$139 million
1985	\$274 Million
1986	\$703 million
1987	\$1,183 million
1988	\$850 million (last year of depletion
1989	\$350
1990	<u>\$250</u>
	\$3,749 billion (3.75 billion)

The exploration business and the PDAC prospered. And, thanks to Dave Comba and the PDAC we have a new edition in 2001.

As the association started prospering in the mid 1980's, we finally moved into the modern era when we hired Tony in September o f 1987 and Saley in 1988. With management and money we were in business big time. We gradually took on all the problems in Canada and later on, other parts of the world.

The Ontario government was concerned about the junior mining industry and David Petersen asked me as a PDA Past President, to chair a Commission to make recommendations. Some of you worked with me on the Commission and we produced a long wish list as well as a new Securities Act for brokers dealer deals. It was supposed to be a Living Act to be amended with experience but as usual we were stonewalled and through misinterpretations, the new Act was virtually unusable and finally abandoned last year. My files are full of meetings over the last 15 years on Securities issues, with even more activities after BreX.

I am going to try to review the last 15 years or so briefly for two reasons (1) we did so much it would take too long to cover in any detail and (2) many of you were there and know parts of the story. Mainly a brief mention of the issues and please excuse me if I have skipped over projects that some of you have laboured long and hard on.

In 1988, Bob Ginn implemented the idea of a Past Presidents' Council to get rid of the old Past President's on the Board and open up room for new directors. But Bob remembers his most satisfying experience as finally seeing the Ontario Mining Act passed after some 15 years.

We help started the CMHF in 1988 with first inductees in 1989.

In 1989 with the end of the MEDA part flow through we again worried about our future as we moved into the 90's. However, other saviours were waiting in the wings.

On a financial note, in 1990 our revenues and expenses were approximately \$500,000 per year. In general we had a boom from 1992 to early 1997 (Bre-X) and downhill post Bre-X.

1990's

Impossible to summarize all our activities so I will try to hit a few highlights and look at a couple years in more detail.

- 1) International – our business went international and so did the Convention in a big way by 1996. Profitable but creates the problem of how to service and keep international members.
- 2) We moved to the Convention Centre for the 1996 Convention and the Investors Exchange took off and is now a major part of the Convention.

- 3) Our yearly income and expenditures went from \$500,000 in 1990 to the current \$2.7 million.
- 4) Mining Millennium 2000. A tremendous success.
- 5) Retreats in 1994 and 1998. Result of many new directors not knowing the history of the PDAC and the major changes in our business. International focus.
- 6) In the 90's your name didn't have to start with an H to be President but it helped – Hansuld, Heslop and Harper.
- 7) Big effort on WMI in 1994 and resultant fall-out.
- 8) Mining Matters in 1995 – a great success story which we must keep going.
- 9) Lands for Life
- 10) The fight for funding for various geological surveys
- 11) OSC, TSE Mining Standard Task Force plus many other issues.
- 12) Numerous environmental issues.
- 13) Land withdrawals for Parks, natives, Windy Craggy in 1992,

By a strange coincidence, 1992 was our Diamond Jubilee year and the start of the diamond exploration business in NWT and later Canada. Our convention theme was “The Canadian Mineral Industry in a Competitive World”. We were still at the Royal York and still in the slides era – although sessions were videotaped and put on a screen half way back the big Conference Hall. Cary McLeod our previous Convention Manager resigned and Rita Plaskett took over. Fenton was President that year and Ted Urquhart Program Chairman.

Membership Fees were \$69.00 and convention fees \$80. I see from my notes, that we asked Pat Sheahan to set up a diamond session and my letter to Anglo American asking for a speaker. I was just finishing up my short career at Anglo.

In looking at the topics and format, the main change to-day is the addition of the Investors Exchange and the 4 simultaneous sessions.

Mac Watson won the Prospector of the Year Award and Barrick, the Developer's Award. Walter Holyk and Jack Kentish received our DSAs. And we had Save our North Campaign sessions when we lobbied Premier Bob Rae, Shelley Martel, Ruth Grier and others.

I was Chairman of the Securities Committee and we had 4 issues. Things never change! The Ontario Government released a paper “Improving Ontario’s Mining Incentives” which created a lot of work for us.

Also in 1992 a comprehensive government and industry study entitled “The Canadian Mineral Industry in a Competitive World” was completed under IGWG.

In the three year period 1993-95 John Hansuld as President, presided over the explosive growth of the exploration industry and the Convention changed into an International event. In 1994 we started to focus on the International aspects (started in 1993) and even had an international reception on Tuesday night. The convention grew rapidly every year and finally we had to move to the Convention Centre in 1996. As a result of the tremendous growth in the Convention, we had for the first time an almost full time Convention manager and added over \$1 million to our Emergency Fund (note nothing added in last 3 years despite record attendance at the Convention).

Many new directors were added and we worked hard to improve our image with both the federal and provincial governments. We concentrated on fewer issues.

The first strategic Planning Session was held in 1994 with a facilitator. A new mission statement was developed (similar to past ones). One of the main points made and agreed on was that most of the work done was done voluntarily by the members, mainly directors, who were involved and knowledgeable about the issues as opposed to hired staff. A lot of discussion on how to organize and run committees and prioritizing issues.

For our staff, a more formal staff salary and review system was implemented.

1998

In reviewing the minutes and looking at the main issues Gerry Harper and the staff were involved in, I noted:

Sec. Matters – 43-101

Mining Millennium

Lands for Life

National Parks

NWT Protected Areas

Licensing of Ontario Geoscientists

Strategic Review Meeting November 98

OSC, TSE Mining Standards Task Force that was formed in July of 1997.

Funding for Geological Survey Groups

Total Landscape Management

Peru

Canadian Network for Sustainable Development

Mining Matters

Mines Ministers Conference

Land and Claim Agreements in Labrador

Mining Regulations Committee – Map staking in Quebec. Red Tape issue in Ont.

Gerry remembers his highlights as:

- Enhancement of national and international focus of association.
- Initiation of understanding by Provincial Associations of “new” relationship including access to Board meetings, etc.
- Creation of profile for the organization in the national and international community.
- Development of Association’s ability to focus on advocacy full time rather than just part time. e.g. confirmation of position of Issues Director, approval of concept of use of “lobby” groups and initiation of use of same, budgets for retention of tech/legal support capabilities as part of an evolution of issues funding to re-allocatable parts rather than all pre-allocated parts

Our fees were still very reasonable: Registration \$150, Annual Fees \$80.

Summary

A few summarizing thoughts based on my historical review and 35 years involvement with the Association.

- 1) For 70 years our mandate has been to represent the exploration industry in Ontario, and for the last half of our history, in Canada. Question the last few years is “the World”.
- 2) The main issues have been: (a) Securities Matters

(b) Taxation mainly as it effects exploration

(c) Access to land.

- 3) The Convention has been our focus for the last 60 years and our source of funding.
- 4) We have changed from an association of rather primitive prospectors and developers to better educated prospectors and developers.
- 5) As Walter Segsworth feared, our directors changed from prospectors to engineers, geologists, lawyers, etc.
- 6) The PDAC until the last few years, was mainly run by Volunteers who were vitally interested in the success of their endeavours and knew the subject matter well.
- 7) In the last decade we have experienced an exponential growth in our funding and problems to tackle but in my opinion, we have never been better prepared to meet these challenges.

Kudos

In closing, I would like to mention some of the people and companies that freely contributed so much to the success of the PDA over the past 70 years. Chronologically:

Walter Segsworth, founder and guiding hand for the first 10 years.

George and Viola MacMillan who for 23 years contributed their time, energy, money, office space and staff – without recompense.

Arthur White who, after buying some of Viola's companies and staff in 1960, continued to donate office space and staff like: Jim Geddes, our Treasurer and partial Convention Manager for 25 years and Ruth Kykos who used to look after registration.

On the legal side – Clark Campbell who donated his time for 30 years and more recently, Steve Vaughan.

Andy Troup as G.M. in the tough 1976-80 period

We should remember all the Presidents who gave freely of time, intellect and usually money in a good cause. We have also been blessed with many hard working Directors and Regional VPs, many with more than 25 years of service.

Finally several companies that stick in my mind, two of my old employers, Teck and Lacana who not only donated my time but other staff as well and contributed funds and Noranda who have been good supporters the last 30 years.

And finally, I would like to mention a characteristic that seems to be the Hallmark of the PDAC. In the 35 years I have been involved with PDA activities, I always encountered a team spirit (unusual for prospectors who are notoriously independent). Everyone parked their ego and worked for a common goal. We had great fun and I enjoyed most of it.

I restate the old motto that I included in the foreward of the 1982 book: “In a good cause – there are no failures”, and I know we have a good cause.

Thanks for your attention.