



## PDAC Activities and Canadian Exploration News

# PDAC files objection to CUB

The PDAC has filed an objection with the Ontario Securities Commission (OSC) regarding the Canadian Unlisted Board (CUB), calling it a “step backwards for securities regulation” and a detriment to the exploration industry.

Last October, the Canadian Dealing Network (CDN) was transferred from the Toronto Stock Exchange to the Canadian Venture Exchange (CDNX).

Some CDN issuers moved to CDNX; others became part of the over-the-counter market. These latter companies have assumed unquoted status and since Oct. 1, the public has had no access to market information about them.

Since most exploration issuers depend on equity financing to conduct their activities and often experience prolonged periods of inactivity, their shares may trade only in the over-the-counter market.

As part of its agreement to serve the junior securities market, CDNX began operating CUB as an Internet reporting facility, used by registrants to report trading in unlisted and unquoted equity securities. CUB collects data on trading activity for surveillance and enforcement purposes only.

In its written objection, the PDAC deplores the absence of visible quotations,

saying that provided an issuer meets continuous disclosure obligations, it should be entitled to post bids and asks.

The PDAC points out that not only are shareholders and the investing public entitled to all information about exploration issuers, such information is essential for attracting equity financing.

“It is vital to the life cycle of exploration issuers and the maintenance of a vibrant exploration industry in Ontario and Canada that trading in the securities of exploration issuers be visible and public,” the PDAC adds.

The association charges that CUB

falls short of the requirements of the Ontario Securities Act by failing to protect investors from unfair, improper and fraudulent practices. It also fails to foster fair, efficient capital markets and confidence in capital markets.

Efficient capital markets reduce the need for detailed regulation and policing of securities markets, the PDAC says. CUB lowers the standard of information available for over-the-counter securities, thereby diminishing the capital market efficiency of the over-the-counter market and exposing investors to risk.

## *Dimmell elected second vp*

Peter Dimmell has been elected by the board of the PDAC as its second vice president. He is the first officer of the association to come from beyond the Toronto area.

The mid-term election arose because of the resignation last summer of first vice president Ted Urquhart. Second vice president Bill Mercer of Noranda Inc. then became first vice president, creating a vacancy in his position.

Winner of the PDAC's Distinguished Service Award in 2000, Dimmell has been involved in mineral exploration in Canada, the United States and overseas.

He has been an active member of the PDAC for 30 years, serving as regional representative for New Brunswick, Newfoundland and Labrador, and was elected a director in 1995.

A volunteer with many professional associations, Dimmell was first executive director of the Newfoundland and Labrador Chamber of Mineral Resources and has been a member of the Newfoundland and Labrador Explorationists since its founding, serving as president from 1993 to 1995.

*PDAC in Brief* is a quarterly newsletter published by the Prospectors and Developers Association of Canada. The newsletter is designed to inform the association's members of the activities of the PDAC and also of current issues and events of interest to the Canadian exploration and development industry.

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*Peter Dimmell addresses the PDAC board of directors. From left to right, directors Maureen Jensen, Patricia Dillon, Peter, Jacques Trottier, and Kelly O'Connor*



# Exchange actions concern PDAC director

A PDAC director has raised concerns about Canada's two major stock exchanges and asked the PDAC securities committee to investigate.

Ron Netolitzky alleges the Toronto Stock Exchange (TSE) and Canadian Venture Exchange (CDNX) have exacerbated rather than resolved problems for junior resource companies and accuses the TSE of abandoning its resource roots for trading opportunities in other sectors. The longstanding practice of encouraging companies to reorganize and, when necessary, consolidate shares to facilitate the acquisition and financing of new opportunities has been deliberately changed, Netolitzky says.

Consequently, shareholders investing in resource issuers have significantly less chance for a second opportunity through reorganization – historically one of the attractions of investing in the sector.

The brokerage community obtains a disproportionately higher return from junior capital pool and initial public offering activities because they or their employees are permitted by the exchanges to have interests in junior pool companies and to take all or a portion of their financing fees in shares. Resource companies, whose fees have largely built the exchanges, have no representation on the boards of such exchanges and appear to be considered a nuisance factor, Netolitzky says.

He also charges that the TSE's tightening of disclosure

requirements has added significantly to the cost of doing business yet has increased protection from fraud only minimally.

The use of a company's market capitalization as a criterion for continued listing may appear reasonable, he says, but the decimation of resource sector value on the exchanges has led to many companies trading well below the book value of assets. This is not necessarily the fault of listed companies, he adds, but attributable to the mining sector's cyclical nature.

To meet continuing listing requirements on both exchanges would require that companies complete transactions dilutive to existing shareholders, Netolitzky says. At the same time, other companies that have been active for a long time and are still reasonably active are being removed from the exchange because of arbitrary continuing listing changes that are enacted without considering the current state of the industry, he says.

Netolitzky also states that the merger creating CDNX has reduced competition and its policies are detrimental to shareholder value for established companies. Unlike the TSE, he says, CDNX has long trading halts, resulting from various business transactions, that affect the momentum of companies and result in unfounded shareholder concern.

Because of its national voice and membership, Netolitzky has asked the PDAC to play a significant role in addressing these concerns. The matter has been referred to the association's securities committee.

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## *Industry survival tops list of member needs*

In order to remain responsive to member needs, the PDAC has identified eight major issues that are important to its membership and require association support.

The issues emerged after an evaluation exercise designed to ensure the PDAC is in tune with its membership, their needs and priorities.

By prioritizing the issues, and reviewing them regularly, the association will be able to allocate budget and personnel appropriately.

Listed in order of importance to members, the issues and PDAC supporting actions are: survival of the exploration industry; proactivity and reactivity; PDAC activities; national and international mandate; convention; education; standards and ethics; and cooperation.

Because of the current crisis in which the industry finds itself, survival is the top priority. The PDAC is called to act in several areas, including exploration financing, working with brokers and analysts and cooperating with stakeholders.

Proactivity and reactivity encompass a number of issues, such as the need for the PDAC to develop both a proactive mindset and the ability to anticipate issues and act immediately. The association needs to understand the politics of the industry and to make more effective use of the Internet as a proactivity tool.

PDAC activities occur within four categories: advocacy, facilitation, information and services. Since all four are vital to the membership, the association needs to develop better knowledge of the industry in order to undertake appropriate activities.

The PDAC has accepted a national and international mandate to represent the interests of members wherever they are. To support this mandate, the association must increase membership, develop better liaison with provincial associations, improve its knowledge of the industry and become a more visible presence across Canada.

Since the convention is one of the association's most important activities, the

PDAC should ensure it remains the most important exploration convention in the world, striving for attendance of 10,000 or more. The association should also develop links with other major exploration conventions and other similar associations.

Education comprises three areas of service: public awareness, education of members and education of future generations of exploration practitioners. PDAC activities could include endowing exploration chairs at universities or working with member companies to develop intern programs for students.

Another priority for the PDAC is to support and educate members in standards and ethics. As part of its responsibilities, the association should develop generic information on best practices and share it with members.

The final priority, cooperation, requires the association to facilitate dialogue with other groups, both supportive and opposed, and with other associations.

# Geoscientists' association gets set for members

By the end of March, geoscientists in Ontario should be able to apply for membership in their new professional association, the Association of Professional Geoscientists of Ontario (APGO).

"We're coming down the home stretch," says Bill Pearson, interim executive director of APGO, after a two-year effort to get the association up and running.

APGO was created by provincial legislation last summer and received first proclamation in August. A second proclamation, relating to parts of the act

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## PDAC objects to proposed NP 54-101

The PDAC has filed a written objection to National Policy 54-101 (NP 54-101) with the Ontario Securities Commission.

The proposed policy, Communication with Beneficial Owners of Securities of a Reporting Issuer, is intended to replace current National Policy 41 and was published for comment by the Canadian Securities Administrators in September.

The PDAC says that NP 54-101 represents no change from National Policy 41 since it retains a distinction between objecting and non-objecting beneficial shareholders,

Without full information on all its shareholders, an issuer will still be obliged under the new policy to conduct a two-pronged proxy solicitation process, the PDAC says.

This incurs additional costs for the issuer and often results in confusion and inaccuracy in the voting process, the association adds.

The association wants a single list of beneficial and registered shareholders so that an issuer can conduct a single proxy solicitation.

Such a list would permit issuers to deal more effectively with their shareholders and facilitate communication, the association says.

dealing with registration provisions, is expected before March, says Pearson.

Last fall, Ontario's Minister of Northern Development and Mines, Tim Hudak, appointed APGO's first council. Its primary task is to assist in the development of regulations governing the profession, including establishing professional qualifications.

The 18-member council comprises representatives of the Ontario geoscience community, the Toronto Stock Exchange and the Council of University Departments of Geology of Ontario, and four public members appointed by the provincial government.

Following appointment of the council, APGO published for comment the results of its public consultations on the proposed regulations governing registration and a code of ethics.

Recommendations based on those comments were sent to the minister for consideration as he draws up the final regulations for the association. Once those regulations are in place, application forms for membership will be sent out, says Pearson.

Continuing developments in the formation of the association can be found on APGO's web site at [www.geosci.on.ca](http://www.geosci.on.ca).

## PDAC board invites visitors

In a bid to establish closer ties and improve communications with sister organizations, the PDAC has opened its board meetings to representatives of those associations.

Visitors receive the meeting agenda in advance and attend meetings in person or by teleconference call.

Sister associations include all national and provincial mining associations in Canada, the Alaska Mining Association, the U.S. Northwest Mining Association, the U.S. National Mining Association, the Canadian Geoscience Council and the Canadian Council of Professional Geoscientists

## Open Houses filled calendar

Mining open houses were a highlight of last year's fall calendar in many provinces and territories – Yukon, Northwest Territories, Quebec, Ontario, Newfoundland, Alberta, Manitoba, New Brunswick and Nova Scotia. British Columbia's Cordilleran Roundup was held in January.

PDAC representatives were able to attend several of the events, where they spoke about stimulating new exploration investment in Canada.

PDAC issues director David Comba says the Open Houses were well attended and the mood was upbeat.

"Everybody seems to feel that we may not have turned the corner yet but there's light at the end of the tunnel," he says.

## News from the Toronto Stock Exchange

A committee on analyst standards, made up of representatives of the Toronto Stock Exchange, the Investment Dealers Association, and the Canadian Venture Exchange, will be publishing a series of proposed standards governing the supervision and conduct of research analysts. A 60-day comment period will follow the release of the report, expected in February 2001.

Also due out in February 2001 will be a TSE mining guidebook, containing full reporting requirements and disclosure standards for TSE mining companies. Listed companies will receive a complimentary copy of the guidebook. Copies can also be purchased from the TSE.

Visit [www.tse.com/listed/mining/index.html](http://www.tse.com/listed/mining/index.html) for further information about these documents.

As **In Brief** went to press, National Policy 43-101, which provides a new framework for mining disclosure and reporting, was expected to take effect on Feb. 1, 2001. The new policy will replace National Instrument 2A.

### TSE APPOINTMENTS

Fran Manns has been appointed TSE mining specialist – market regulation. Fran replaces Maureen Jensen who has become director of strategic development. Elaine Ellingham is now TSE mining specialist – listings marketing and company services.

# Mining giants inducted into Hall of Fame

Six men, whose achievements range from major mineral discoveries to increased knowledge of Canada's geology, are this year's inductees into the Canadian Mining Hall of Fame. The Hall of Fame honours individuals who have made outstanding contributions to the mining industry and to Canada. It is sponsored by the PDAC, the Canadian Institute of Mining, Metallurgy and Petroleum, the Mining Association of Canada and *The Northern Miner*. Portraits and profiles of the inductees are displayed in the Mining Building at the University of Toronto and in the Pearson Centre, Elliot Lake.



**William Guy Brissenden**

*Born 1915*

During a lengthy career with Noranda, Brissenden specialized in problem-solving.

At Gaspé Copper in Quebec, he developed a room-and-pillar approach to mining the huge, gently dipping orebodies. He helped Brunswick Mining & Smelting become the major zinc-lead operation in eastern Canada and convinced Noranda's board to invest in new technology that extended the life of Quebec's Horne smelter. He later became a mining executive and consulting engineer with the Patino organization and its affiliated companies.



**Marsh A. Cooper**

*Born 1912*

A former president of Falconbridge, Marsh Cooper is best known as the driving force who transformed the

company into a global nickel giant. Guiding Falconbridge through one of its strongest periods of growth between 1968 and 1980, he arranged for the acquisition of deposits in Chile that eventually formed the massive Collahuasi copper project, as well as properties in northern Quebec that now comprise the Raglan nickel project.



**John Fairfield Thompson**

*(1881-1968)*

John Fairfield Thompson led Inco through a period of phenomenal growth, first as president, then as

chairman. He began his 50-year career with the company as a researcher and contributed to the development of the stainless steel sink. Later, under his leadership, a major discovery in Manitoba in 1956 led to the development of the world's first fully integrated mine, mill, smelting and refining complex. In 1961, Inco named the newly established town and mine in Thompson's honour.



**Richard Geren**

*Born 1917*

A geologist, Richard Geren was a key member of the team that delineated high-grade iron ore in

northeastern Quebec, leading to the formation of the Iron Ore Co. of Canada (IOC). Geren led preproduction studies and became manager of IOC's operations before leaving to establish his own consulting firm. He participated in the Syncrude project in Alberta and then returned to IOC in 1974 to oversee construction of a plant at Sept-Iles and the Carol project expansion at Labrador City. From 1976 until he retired, Geren was an executive vice-president of IOC.



**Alexander Stewart Dadson**

*(1906-1968)*

Exploring the Yellowknife region in the early 1940s, Stew Dadson saw potential beyond

the small, high-grade gold showings known to exist since 1898. In 1944, he discovered the biggest and richest gold deposit in the Northwest Territories and in 1998, the Giant mine passed the 50-year mark with a total output of about 7 million ounces of gold. Dadson confirmed his extraordinary ability as a geologist by guiding Lake Dufault Mines to the discovery of its Norbec and Millenbach polymetallic (copper-zinc-silver-gold) mines in the Noranda region of Quebec.

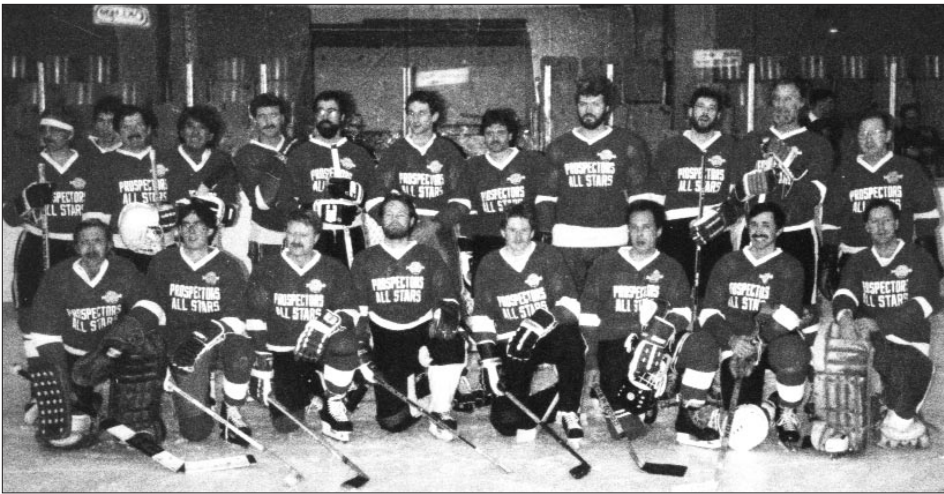


**James Merritt Harrison**

*(1915-1990)*

During the 17 years James Merritt Harrison spent with the Geological Survey of Canada (GSC), the

scientific organization enjoyed one of its most successful periods. After he became director in 1956, the GSC more than doubled its staff, greatly increased its budget, moved to new headquarters and decentralized, creating new divisions across the country. A variety of new challenges were met, including mapping the Canadian Arctic and studying the huge continental shelves and slopes.



*Prospectors All Stars Champions, pictured here in 1987 at Maple Leaf Gardens, Toronto*

## It's East vs West in annual hockey game

For some delegates at the PDAC Convention this March, the highlight of the week will be the 36th playing of the Annual Dr. N.B. Keevil Memorial Hockey Game.

There's no pretence about political correctness or national unity in this game. There's a Team East, based in Toronto, and a Team West, best in Vancouver, and the winner of the rock 'em sock 'em game skates away with the highly prized Dr. Norman B. Keevil Trophy.

Each team is made up of about 20 players, average age 35, who are connected with mining. Both teams practice avidly throughout the fall and winter simply to participate in the Memorial Game.

Dr. Norman B. Keevil, who led Teck Corporation for many years, not only organized the games, he played in every one. In what was to be his last game in 1989, he scored two goals.

Keevil arranged for the games to be held in Maple Leaf Gardens and over the years invited many professional players to play in the game – All Stars such as Phil Esposito, Red Kelly, Jim McKenny and Carl Brewer.

Teck provided a post-game hospitality suite in the Royal York Hotel and other corporate support came in the form of door prizes, such as copper, silver and gold bars.

In contrast to the intense rivalry exhibited in today's games, those early matches were played for fun and play was often interrupted. Priest recalls one year, at the start of the third period, when Keevil was corralled by a bevy of figure skaters, and whirled away from the puck and across the ice.

"The score was never important," says Jim Priest, one of the original players. "It was mostly a fun thing."

The playing, however, was up to Don Cherry's most demanding standards – Priest decided to quit as a player and manage Team East after he had broken several bones in the games.

In 1990, the year following Keevil's death, the teams played the first Memorial Game. Norman Keevil Jr. and Priest paid tribute to the founder of the game and with the 48th Highlanders playing their pipes as they marched across the Gardens ice, Keevil's number, 99, was retired.

During the 1990s, the game moved to other venues in the city but last year it returned to the Gardens ice for the last time before the building was abandoned.

This year's Memorial Game will be played on Tuesday, Mar. 13 at Upper Canada College, 200 Lonsdale Rd., Toronto, and all hockey fans, whether from East or West, are urged to come out and cheer their teams on to victory.

## Speakers announced

Gary Ralfe, managing director of De Beers, and Jay Taylor, president and CEO of Placer Dome Inc. will be featured luncheon speakers at the 69th PDAC convention.

Running from Mar. 11 to 14 at the Metro Toronto Convention Centre, the convention features a technical program, trade show, Investors Exchange and core shack. Of particular interest will be a three-hour keynote session that examines the impact of change on the global minerals industry and discusses future prospects.

Registration and program information has been mailed to members. The information is also available on the association's web site at [www.pdac.ca](http://www.pdac.ca).

## Guests offered full program

The Women's Association of the Mining Industry of Canada is providing entertainment and education for guests accompanying registrants to the PDAC convention.

The program, coordinated by Norma Ogryzlo, includes a daily breakfast program featuring three presentations: Patricia Ferguson, assistant curator of the Gardiner Museum of Ceramic Art, discusses 18th century dining; author and earth scientist Laura Clinton discloses the geological phenomena underlying Toronto's streets; and John Kerastamatis, director of communications for Mirvish Productions, talks about the Mirvish family's influence on Toronto's theatrical life.

The program also offers tours and a visit to the theatrical production, *Mamma Mia*.

## PDAC sponsors short courses

The PDAC convention features three short courses this year.

The first, offered jointly by the PDAC and the Society of Economic Geologists, examines structural controls on ore genesis.

PDAC vice president Bill Mercer, exploration manager for Noranda Inc., leads the second course, a seminar examining modern methods and new technologies in exploration drilling.

Lawyers Steve Vaughan and Michael Bourassa will chair the third, which will discuss the role of National Instrument 43-101 in making Canada a world leader in mining standards.

# behind the scenes behind the scenes

**June 20-22:** Executive Director Tony Andrews and Director of Issues Management David Comba attended meetings of the Intergovernmental Working Group on the Mineral Industry (IGWG) and the Mining Association of Canada in Quebec City. The IGWG meeting was to make preparations for the upcoming Mines Ministers' Conference in Toronto.

**June 30:** Past President Gerald Harper and David Comba met with federal Finance Minister Paul Martin to discuss the association's focused flowthrough proposals, in Montreal.

**July 25:** David Comba and Pierre Gratton, Vice President, Public Affairs & Communications, Mining Association of Canada, made a joint presentation to Peter Pearse during his hearings on compensation issues arising from the federal government's proposed endangered species legislation, in Ottawa.

**July 26:** David Comba met NRCAN Minister Ralph Goodale's senior political aides, Marten Burns and Vincent Klassen, in Ottawa to discuss and review the upcoming Mines Ministers Conference.

**August 10:** Tony Andrews met with Hiram Beaubier, Director General of the federal Department of Indian Affairs and Northern Development, to discuss issues affecting the investment climate of northern Canada.

**August 16:** Gerald Harper and David Comba, supported by Daniel Bernard, Executive Director of the Quebec Prospectors Association; Donald McInnes, President of the B.C. and Yukon Chamber of Mines; and Dan Paszkowski, Vice President, Economic Affairs, Mining Association of Canada, met with senior officials from Finance, NRCAN and CCRA (Revenue). Under discussion was the government's response to a House of Commons Industry Committee's recommendation that ways be sought to make flow-through shares more attractive to potential investors.

**August 18:** Gerald Harper and David Comba met with federal Finance Minister Paul Martin in Stoney Creek, Ontario, to follow up on the focussed flowthrough program.

**August 29:** Director Ron Gagel represented the PDAC at a meeting with senior officials from Finance, NRCAN and CCRA to address issues around the size of bulk samples and other revenue classification issues with respect to eligibility for CEE or CDE treatment.

**August 29:** Gerald Harper and David Comba presented a paper on the focused flowthrough program to the Economic Policy Committee of the Liberal Party during its annual National Caucus meeting, in Winnipeg.

**September 6:** Tony Andrews met with Richard Howarth, Assistant Deputy Minister, Natural Resources Canada, to discuss current exploration issues in Canada.

**September 10-12:** PDAC President John Steele, Vice President Bill Mercer, Directors Eira Thomas and Jon Baird, Tony Andrews, and David Comba attended the Mines Ministers Conference, in Toronto. Mr. Steele presented the PDAC's brief on behalf of the Canadian exploration and development sector. Ms. Thomas gave a presentation on the subject, "Climate for Mineral Investment by Junior Companies in the Northwest Territories and Nunavut." Mr. Baird addressed the open session luncheon on the topic "Canada Benefits from Trade and Investment in the Global Mining Industry." At the same conference, Mr. Baird and federal NRCAN Minister Ralph Goodale unveiled a new NRCAN study entitled "Canadian Suppliers of Mining Goods and Services: Links between Canadian mining companies and selected sectors of the Canadian economy".

**September 19-22:** President John Steele and Tony Andrews attended the Mining 2000 convention in Melbourne, Australia, where they both presented papers in the main technical program and manned a booth in the trade show.

**September 27:** David Comba met with Walter Lastewka, MP and Vice Chair of both the House of Commons Standing Committee on Industry and Liberal Party National Caucus Economic Policy Committee, in Ottawa. Comba also met with Benoît Serré, MP and newly appointed Parliamentary Assistant to Minister Ralph Goodale.

**September 28:** David Comba attended a consultation session on NRCAN's *Sustainable Development Strategy 2000*, in Hull, Quebec.

**October 8-11:** David Comba attended MINE EXPO 2000 in Las Vegas, USA.

**October 23:** Ron Gagel, Past President Edward Thompson and David Comba met with officials from the Ontario Finance Department to discuss the province's possible harmonization of its tax credit with the federal government's incentive program.

**October 27:** Past President John Larche presented retiring Timmins Mayor Vic Power with a certificate of appreciation for his longstanding support of exploration and mining, in Timmins, Ontario.

**October 31-November 1:** David Comba met with Natural Resources Minister Fage and his senior aides to discuss the focused flowthrough program, in Halifax, Nova Scotia. He also presented a paper on the same topic to the *Mining Matters* delegates and met with provincial officials from Nova Scotia's Finance and Natural Resources ministries.

**November 2-4:** Gerald Harper was an invited speaker at the Newfoundland & Labrador Review of Activities, in St. John's. During his visit, he also met with the provincial Minister of Mines & Energy, Paul Dicks. This meeting was organized by the Newfoundland Chamber of Mineral Resources.

**November 6-7:** Tony Andrews met with Yukon premier Pat Duncan; Dan Miller, the outgoing British Columbia Minister of Mines; and Glenn Robertson, the new B.C. Minister of Mines, in Victoria. The meetings with Messrs. Robertson and Miller were accompanied by representatives of the B.C. and Yukon Chamber of Mines.

**November 6-8:** David Comba addressed delegates at the opening session of the New Brunswick Department of Natural Resources annual *Review of Activities* held in Fredericton. He attended a reception for Natural Resources Minister Volpé and was a head table guest at the 25th Anniversary Banquet.

**November 9:** Director Mike Taylor represented the PDAC at a workshop hosted by the New Brunswick Department of Natural Resources & Energy to discuss a recently commissioned *Study of The New Brunswick Mining Industry*. The report's recommendations covered subjects such as exploration incentives, mineral taxation, and smelter modifications in the province.

**November 13-15:** David Comba attended the *Randol "Global Mining Opportunities" Conference* in Vancouver, BC. He addressed the gathering on the 13th. Along with Bruce McKnight, Executive Director of the British Columbia and Yukon Chamber of Mines, Comba met with MLA Daniel Jarvis, Liberal natural resource critic in the B.C. Legislature on the 14th.

**November 16-18:** David Comba met with officials from the Manitoba Department of Finance, attended a meeting of the Mining Association of Manitoba's Exploration Committee, and, together with MAM members Tom Lewis and Ed Wynne, met with Minister Mihychuk. He was also a head table guest at the Outlook Luncheon and a session speaker at the Mining and Minerals Convention, in Winnipeg, Manitoba.

**December 4:** David Comba accepted an invitation from Ontario Mines Minister Tim Hudak to sit in the guest gallery of the Ontario Legislature while Finance Minister Eves introduced his Economic Statement.

## OUR VOLUNTEERS

# PDAC director says land access is major concern

When he looks back on his 30 years as an exploration geologist, Ron Netolitzky reflects that it is much more difficult to be in the industry today than when he started out.

“I look at our industry and the people in it,” he says, “and we’re having a lot of challenges – the challenges of metal prices, the challenges of dealing with an ever more complex regulatory regime. And if you get lucky and you find a deposit in North America, you fight the challenges of actually getting it through permitting and development.”

The chairman of Viceroy Resource Corporation and a PDAC director, Netolitzky believes the PDAC plays a vital role in addressing the issues that challenge the industry.

It is the only national voice for individual explorationists and prospectors and the junior companies, he says, and it was for this reason – and the fact that he considered it to be a honour to be asked – that he agreed to serve as a director of the association four years ago.

Raised in Edmonton, Netolitzky got his master’s degree in economic geology from the University of Calgary in 1967 and after building up a consulting business went on to become one of Canada’s best known prospectors.

In 1986, as president of Delaware Resources, he took an option on Cominco’s Snip Mine and found 700,000 ounces of gold. He sold the company and reinvested some of the proceeds in another search for gold that resulted in the discovery of the massive Eskay Creek deposit. The achievements earned him the PDAC’s Prospector of the Year Award in 1990.

As an exploration geologist, Netolitzky quickly identifies the most important issues facing the industry today: access to land and the right to mine. Defending these



Ron Netolitzky

rights is the work of the PDAC, he says.

“If these issues are not dealt with, we can’t finance the exploration for the new mines, so everybody including the operators is affected.

“Everybody in the mineral industry recognizes that without the ability to have new mines develop, there is no cash flow for any of us to continue what we like doing.”

From his west coast perspective, Netolitzky regards the PDAC as a truly national organization that connects well with local concerns. It has achieved this by working closely with regional groups such as the B.C. and Yukon Chamber of Mines, he says, and by electing directors from across the country to its board.

Changes in technology have also been important to the PDAC’s national reach, he adds, with e-mail eliminating the differences between time zones.

Netolitzky applauds the way the association has been able to change itself with the changing times. As the Canadian

resource exploration business has become more global, the PDAC has re-examined its role and determined where it should grow and who its client base should be.

“Our number one business is looking after our ability to be explorers in North America, especially Canada, and to be the organization that the bureaucrats and various federal, provincial and territorial jurisdictions look to for input,” he says

He admits, however, that he is not optimistic about the industry’s future in this country.

If resource development and exploration are to survive in Canada, there must be proactive government policies, with governments recognizing that they are the industry’s partners, not its adversaries, he says.

“It’s interesting that a country that has had its wealth so strongly tied to resources – forestry, minerals, agriculture – is totally divorced from considering these to be important in the new economy,” he says.

“They’re all interested in looking at high technology as a solution but the reality is the utilization of technology in our industry is very high tech.”

One of the things that speaks most highly for the industry, in Netolitzky’s opinion, is its high level of volunteer participation.

At both the PDAC and the Chamber of Mines meetings, he is impressed by the number of retirees who are devoting hours of time to the organizations.

“For most people, the last thing they want to do when they retire is to hang around the group they’ve been working with,” he says. “But these people really love the exploration game. They love what they’ve done for a career, and they’re helping it even after they retire.

“And I think that’s really saying something positive about the industry.”

# Lobbying campaign hinged on PDAC-CDDA alliance

The return of a premium on flow-through shares, announced by Finance Minister Paul Martin in October, came only after the mining and minerals industry developed a strategy for mounting an intensive lobbying campaign.

A key element in the strategy was the pooling of resources by the PDAC and the Canadian Diamond Drilling Association (CDDA) which enabled the hiring of registered professional lobbyists.

It became evident early on that previous tax shelter schemes, and particularly the 1983 to 1987 Mineral Exploration Depletion Allowance (MEDA), carried negative connotations for explorationists, industry leaders, government officials and politicians.

In trying to reintroduce a MEDA clone, the industry was doomed to failure and it soon recognized this. Instead, it had to develop and introduce new proposals, and be prepared to compromise as the needs of other stakeholders became apparent.

The strategy called for simultaneous lobbying of industry leaders and federal, provincial, territorial and municipal politicians and government officials. For their part, politicians and officials provided support and advice, identifying problem areas that the PDAC-CDDA alliance needed to address and vetting proposed solutions.

A significant milestone was passed when the Ontario government gave its support and momentum increased when the Mining Association of Canada also backed the campaign. Assistance from the

British Columbia and Yukon Chamber of Mines with a national letter-writing campaign proved decisive.

Although the PDAC-CDDA alliance did not get all it asked for, the new incentive program is better in some respects than MEDA, says David Comba, issues director of the PDAC.

“It is more inclusive of the general public,” he explains.

The two associations have also achieved a level of recognition never before reached.

“It is critical that the relationships we’ve established be maintained,” Comba says.

He adds that the challenge now is to make the program known to potential investors.

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## Students offer VMS course

The University of Toronto Student Chapter of the Society of Economic Geologists (SEG) is offering a short course on all aspects of exploration for VMS deposits.

The one-day course will be held on Mar. 9 in Room UC179 and Croft Chapter House at University College Building on the main campus.

The morning session will be conceptual, covering various aspects and models for VMS exploration, while the afternoon will be dedicated to case studies, highlighting some of the more recent VMS discoveries.

Six speakers have been confirmed. They are:

- Gerald River, Inmet Mining Corp. (risks and rewards of VMS exploration: economic guidelines)
- Tucker Barrie (heat and fluid flow modelling of VMS-forming hydrothermal systems: practical applications)
- Jim Franklin, Franklin Geosciences Ltd. (principal tectonic settings of VMS deposits);
- Harold Gibson, Laurentian University (volcanic controls on VMS deposits: a guide in exploration)
- Frank Santaguida, Carleton University (hydrothermal alteration mineral assemblages); and
- Mark Rebagliati, Hunter Dickinson Inc. (the multiple Campo Morado precious metals-rich VMS discoveries: how they happened).

Fees for the course are \$180 for industry, \$100 for private prospectors and \$25 for students. The registration deadline is Feb. 5.

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