

NEWS RELEASE

NORTHERN PROSPECTORS ASSOCIATION

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PROSPECTORS SUE MNR FOR 3 MILLION

Three Thunder Bay prospectors have filed a statement of claim in Superior court claiming 3 million dollars damages as a result of the Ontario Living Legacy/Lands for Life process. The prospectors held a group of mining claims in the Nipigon area that were designated as parkland in the biggest park creation exercise ever to take place in Ontario. Subsequent to the designation, the exploration company that held an option on the property abandoned the claims.

This latest development is part of an ongoing battle between the exploration industry and the Ontario government over the effects of the Living Legacy park creation process. Prospectors have contended that the creation of new parks over their pre-existing mining claims has created an encumbrance that has seriously affected their ability to option the claims or to maintain existing options. Once a group of claims has been “parked”, they say, future development proposals will be fraught with objections by environmentalists who oppose mining. Such opposition could be costly to fight and might result in the defeat of the proposal. Mining companies are reluctant to spend exploration money on such properties due to the unpredictable and possibly catastrophic risk attached to development in these areas.

The Ontario Government, however, continues to wallow in denial. They contend that everything is “business as usual” on “parked” claims. The government has refused to admit that they have caused any damages to the exploration community because they are unwilling to pay compensation. The Living Legacy process has been a nightmare for the exploration community since its inception. Instead of creating certainty as claimed by the MNR, it has been a long story of flip-flops and broken promises. The exploration community has tried to participate in good faith but appear to have reached the end of their patience.

Twelve other parties have filed notices of intent to sue the MNR and MNDM over the Living Legacy fiasco. These new lawsuits could amount to several million dollars over and above the 3 million dollar suit filed last week in Thunder Bay. In the recent similar Robinson case, Judge Pierre D. Brunelle stated:” ...I have no choice but to find the Plaintiff's (Robinson's) two mining claims are now worthless and he is entitled to compensation for his portion of the claim.”

Mike Leahy, Director of the NPA, says that all this would go away if the government would admit it has caused damages and enter into negotiations that would result in a fair compensation package for the affected parties.

Contact Mike Leahy at 705-642-1982 for further information