Mineral Exploration and Mining Sector Strategic Plan

Prepared for:

DRYDEN DEVELOPMENT CORPORATION

Prepared by:

McSweeney & Associates
ECONOMIC DEVELOPMENT

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for

Dryden Development Corporation

Prepared by:

McSweeney & Associates
900 Greenbank Road
Suite 201 Ottawa Ontario
CANADA K2J 1S8
Tel: (613) 825-2896
Or 1-866-304-2896
Fax: (613) 825-2889
Or 1-877-825-2889
E-MAIL:
consult@mcsweeney.ca
WEBSITE:
www.mcsweeney.ca

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1 Overview of the Mineral Exploration and Mining Sectors

1.1 Canadian Overview

Canada is a global leader in the mining industry. The value of Canada's mineral production is one of the highest in the world and accounts for approximately 3.5% of the country's real GDP. Demand for commodities has increased significantly in the past decade and remains strong as a result of the highly augmented demand in emerging markets. The economic downturn in 2008-2009 led to a significant decrease in the demand and price of commodities; however, economic growth has since resumed in the mining sector. Nevertheless, the mining sector is highly sensitive to sudden shifts in global demand[1].

The worldwide economic crisis led to a 39% decline in Canadian mineral exploration and deposit appraisal expenditures in 2009 (down from $3.3 billion in 2008 to $2.0 billion in 2009). However, in 2010 this investment increased to $2.6 billion, quelling any concerns regarding the long-term impact of the crisis on the sector[2]. In 2011, expenditures reached $3.9 billion and forecasts indicate this could reach $4.2 billion in 2012[3].

As a result of the economic downturn in 2009, all Canadian mining jurisdictions experienced significant reductions in exploration and deposit appraisal expenditures; however, in 2010, 10 out of the 12 Canadian mining jurisdictions reported an increase in spending, reversing the situation. Ontario, Quebec, and British Columbia were the overall leaders in exploration and deposit appraisal spending for 2010. In 2011, historically high levels of spending were reached in a number of jurisdictions, including Ontario, where expenditures were over $1 billion. Overall spending is forecast to continue trending upward in 2012; however, decreases could be seen in Ontario, Saskatchewan, the Yukon, Alberta, and New Brunswick. On the other hand, British Columbia is expected to see an increase of approximately 43%, and Nunavut, Newfoundland and Labrador, and Quebec should also record significant increases in spending. Although Ontario will likely see a decrease in expenditures in 2012, the province is expected to still rank first in Canada in terms of overall expenditures[4].

Canada has historically been a world leader in the production of potash, uranium, and nickel. In 2009, the top mineral-producing provinces were Ontario, Quebec and British Columbia[5]. In

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[1] Mining Industry Human Resources Council, Canadian Mining Industry Employment and Hiring Forecasts: A Mining Industry Workforce Information Network Report 2011. www.mininghrforecasts.ca/en/index.asp

[2] Natural Resources Canada, Mineral Exploration, Information Bulletin February 2011: Canadian Mineral Exploration and Deposit Appraisal: Recovery in 2010, Back to Record Territory in 2011. www.nrcan.gc.ca/minerals-metals/publications-reports/3850

[3] Natural Resources Canada, Information Bulletin March 2012, Mineral Exploration and Deposit Appraisal Expenditures in Canada: Spending Continues Its Record-Breaking Trend With More Than $4 Billion Expected in 2012. http://www.nrcan.gc.ca/minerals-metals/publications-reports/4413

[4] Natural Resources Canada, Information Bulletin March 2012, Mineral Exploration and Deposit Appraisal Expenditures in Canada: Spending Continues Its Record-Breaking Trend With More Than $4 Billion Expected in 2012. http://www.nrcan.gc.ca/minerals-metals/publications-reports/4413

[5] Mining Industry Human Resources Council, Canadian Mining Industry Employment and Hiring Forecasts: A Mining Industry Workforce Information Network Report 2011. www.mininghrforecasts.ca/en/index.asp

2012, it is expected that precious metals such as gold, silver and platinum group metals will account for 45% of spending, while base-metals such as nickel, copper, zinc and lead will account for 18%. Renewed interest in iron ore has resulted in billions of dollars of actual and potential investment in developing mines and related infrastructure in Quebec, Newfoundland and Labrador, and Nunavut, and it is forecast that iron ore will account for 11% of total spending in 2012. The "other metals" group (chromium, molybdenum, rare earths, lithium, etc.), nonmetals (mainly potash), and coal will combine for another 19% of total spending in 2012, while uranium will account for 4% and diamonds for 3%[6].

Deloitte Inc. identified several key trends that may affect the mining industry in 2012. Among these were increasing costs of doing business, a lack of stability with regards to commodity prices, an increased demand for heightened corporate social responsibility, and a shortage of key talent[7]. The Mining Industry Human Resources Council also identified human resource challenges as one of the largest threats to the future competitiveness of the mining industry in Canada. Baby-boomers are retiring, it is difficult to attract and engage younger workers, and diverse groups (i.e. women, new Canadians) are under-represented. In addition, it is essential that First Nation communities become increasingly engaged as they represent a large labour source close to a significant number of mining operations. The industry has been working to address these gaps, however finding experienced and skilled labour is becoming increasingly difficult[8].

1.2 Overview of the Ontario and Northwestern Ontario Sectors

Ontario was Canada's leading jurisdiction in the value of mineral production in 2010, as metal prices recovered and production increased. Ontario accounted for 19% of Canadian mineral production in 2010. In addition, Ontario has been the leading jurisdiction in Canada for the value of mineral production over the last decade.[9] Mining is one of Ontario's economic pillars employing approximately 75,000 people directly and indirectly.[10]

Dryden is located within Northwestern Ontario in the Kenora Mining District. Mining in Northwestern Ontario is dominated by the gold sector. In the fall of 2011, there were four operational mines in Northwestern Ontario which included three gold mines - Hemlo Deposits, Musselwhite Mine and Red Lake Mines - and one platinum group metal mine, Lac des Iles Mine. In addition, in Northwestern Ontario, 60 major exploration projects were listed

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[6] Natural Resources Canada, Information Bulletin March 2012, Mineral Exploration and Deposit Appraisal Expenditures in Canada: Spending Continues Its Record-Breaking Trend With More Than $4 Billion Expected in 2012. http://www.nrcan.gc.ca/minerals-metals/publications-reports/4413

[7] Deloitte Inc., Tracking the trends 2012. www.deloitte.com/assets/Dcom-Canada/Local%20Assets/Documents/EandR/Mining/ca_en_energy_Tracking_the_trends_2012_113011.pdf

[8] Mining Industry Human Resources Council, Canadian Mining Industry Employment and Hiring Forecasts: A Mining Industry Workforce Information Network Report 2011. www.mininghrforecasts.ca/en/index.asp

[9] Ontario mineral production facts March 2011 http://www.mndm.gov.on.ca/mines/ogs/ims/ documents /facts/production_ facts_e.pdf

[10] Ontario Mining Association Anniversary Issue October 2010.

by the MNDM in the fall of 2011.[11] Additional potential in the Kenora District includes the recent mineral discoveries in the highly prospective Ring of Fire area. These discoveries include Cliffs Chromite Project (Cliffs Natural Resources Inc.) and the Eagle's Nest Project (Noront Resources Ltd.). Cliffs Chromite Project and the Eagle's Nest Project are currently undergoing environmental assessments.

Major gold exploration projects located in Northwestern Ontario that have been forecasted to produce in the next 3 – 5 years include:

- Hard Rock Gold Project (Premier Gold Mines Limited) at Greenstone
- Hammond Reef Gold Project (Osisko Mining Corporation) north of Atikokan
- Rainy River Gold Project (Rainy River Resources Ltd.) northwest of Fort Frances
- Phoenix Gold Project (Rubicon Minerals Corp.) at Red Lake
- Bruce Channel Deposit (Goldcorp Inc.) at Red Lake
- Cameron Lake Gold Project (Coventry Resources Limited) southeast of Kenora
- Pickle Crow Gold Project (PC Gold Inc.) at Pickle Lake
- Goliath Project (Treasury Metals Incorporated) east of Dryden.[12]

[11] Mining and Mineral Exploration Northwest Ontario – Fall 2011. MNDM. http://www.mndm.gov.on.ca/mines/ogs/resgeol/rfe/documents/nwsum.pdf
[12] Gold Mining and Exploration. Accessed April 2012. http://www.thunderbay.ca/CEDC/Business_Sectors/Mining/Gold_Mining_and_Exploration.htm

2 Competative Benchmarking

The use of competitive benchmarking will help identify strategies that Dryden should adapt while developing the mineral exploration and mining sector strategic plan. Benchmarking also illustrates and indicates strategies or paths which Dryden should try to avoid. For this project, four communities have been selected as benchmarks:

- Kirkland Lake, Ontario
- Elliot Lake, Ontario
- Black-River Matheson, Ontario
- Thompson, Manitoba.

These communities have been selected because they all have unique characteristics and aspects that will help develop Dryden's mineral exploration and mining sector strategic plan.

2.1 Distinctive Characteristics

While Canadian resource towns have a great deal in common both with each other and with towns in other countries, it is possible to delineate several distinctive characteristics.

One basic distinction involves the origins of the population. The work force and management of the resource towns of Ontario and western Canada are drawn from populations remote from the town or from outside the country. "New towns" created in largely uninhabited areas have no physical or cultural rural connections.

A second major distinction is based on the decision-making process involved in creating and maintaining the community. Some towns are the products of decisions made by a single company or a government; others represent the outcome of a number of decisions made by a number of companies or by the residents of the community itself.

The two types of towns that result are service and supply towns (e.g., Sudbury, ON), which sometimes begin as boom towns, and company towns (e.g., Red Lake, ON), which are generally small, static communities closely attached to one industry's operation.[13]

2.2 Overview of Resource Towns

Characteristically the resource town is an adjunct of an industrial enterprise, lacking control over its own economic development. The economic base is controlled by outside corporations or governments that determine the nature and extent of the extractive or processing activity and thereby determine the size of the local work force and the degree of local prosperity or growth.

[13] Resource Towns. Accessed April 2012. http://www.thecanadianencyclopedia.com/articles/resource-towns

Because raw materials are usually shipped elsewhere, often outside Canada, for processing, most resource towns are excluded from the ultimate economic benefits derived from the resources. Boom and bust fluctuations depend on the vagaries of the international market for resources, or upon government or corporate decisions, and not on local initiative. Recurring fluctuations generate feelings of insecurity and impermanence in the community, feelings accentuated in mining towns by the knowledge that the resource base will eventually be exhausted.

Several factors discourage the development of a diversified economy that would generate a more heterogeneous work force. Isolation from major markets, relatively high wages paid by resource industries and high development costs combine to prevent the influx of secondary industry. One result is that the male-female ratio in resource towns is usually slanted heavily in favour of men, since there are fewer employment opportunities for women.

Another result is that most (but not all) resource towns remain small; only a few are over 10 000 in population. Therefore, they share many of the features of any small town, regardless of its economic base. A final common characteristic is physical appearance. Although recently built resource towns tend to resemble the new suburbs of large cities, older towns are generally unattractive, ramshackle communities with a townscape dominated by a mine or mill.

2.2.1 Kirkland Lake, Ontario

Kirkland Lake is a resource town that relies heavily on the mining industry. Once a booming centre with over a population of nearly 25,000 in the 1930’s, the population has been on a decline ever since, and in 2003 experienced the third largest population drop in the country.

The Toburn mine closed in 1953, followed by the Kirkland Minerals in 1960, Sylvanite in 1961, Lake Shore and Wright-Hargreaves in 1965, Teck-Hughes in 1968 and Macassa Mine in 1999.[14] The population in 2011 was 8,133.

Observations:

- Lack of economic diversity – historically and currently the town is heavily reliant on the mining industry
- Not recognized as a service and supply town – the Town has a desire to diversify into mining supply and services
- Traditionally has relied heavily on local tourism industry
- Limited long-term planning - economic development department and plans not well advanced
- Housing and infrastructure deteriorating
- Poor image and reputation – Town leaders are currently trying to rejuvenate the community
- Lack of housing for recent mine re-opening and neighbouring exploration activities

[14] Northern Prospectors Association. History of the Area. Access April 2012. http://northernprospectors.com/history.html

Moving Forward:

- Recent upgrades to high schools and health centre have been made to attract young professionals
- Northern College has a satellite branch in Kirkland Lake
- Currently diversifying into the forestry industry (Rosko Forest Operations Ltd. in 2006)

Lessons Learned:

- Need long term planning
- Housing is a major issue that needs to be addresses
- Continued efforts are needed to diversify a local economy

2.2.2 Black River–Matheson, Ontario

Black River-Matheson is a small township located in Northern Ontario with a population of 2,410 in 2011. Black River-Matheson has relied on the surrounding mining, forestry and agricultural industries. Until recently, the population has been declining and it has been difficult to attract new businesses to the area. Today Black River-Matheson's mining sector is booming with five of the surrounding mines bearing gold and mineral exploration underway in the surrounding areas. However, the township does not appear to be prepared to meet the current supply and demand needs of the mineral exploration and mining sectors.

Observations:

- Being closely located to Timmins, much of the suppliers for the mineral exploration and mining sectors are not located in Black River–Matheson
- Local housing stocks are over consumed and some residential areas of the community are deteriorating
- Many tourist accommodations are being turned into long-term housing for mining companies
- The Township has excellent health-care facilities and long-term senior's housing
- Recent upgrades have been made to community assets such as their arena and community hall

Moving Forward:

- The local Home Hardware store is expanding in an attempt to meet current and projected demand
- The Township is seeking investors to activate a local mineral processing facility
- Lack of adequate housing still remains a major issue within the community

Lessons Learned:

- Need to be proactive with long-term planning and development
- Housing shortage needs to be addressed as a community priority
- Diversification of local economy – need a diverse economy in order to smooth out the highs and lows of the mining sector
- Understanding business retention and expansion needs are critical
- Need to positively promote the community to attract young professionals and businesses – help diversify the local community make-up as well as the economy

2.2.3 Thompson, Manitoba

Thompson is a city in northern Manitoba and is termed the "Hub of the North" as it serves as the regional trade and service centre of northern Manitoba. Thompson is located approximately 740 km north of the provincial capital of Winnipeg. It has a population of 12,829 residents, and also serves as a trade centre for an additional 36,000 - 65,000 Manitobans.

Observations:

- Mining is the prominent industry in Thompson – nickel production and processing
- Revitalization of the community has been a long-term objective
- Large retail sector is present and supports the needs of local residents and neighbouring communities
- Diversity has been the key – Manitoba Hydro, transportation companies, provincial and federal government offices are located within Thompson.
- Tourism plays a vital role in the local economy
- There is a well establish Economic Development department and is supported by local community and industries
- Lack of affordable housing has been an issue

Moving Forward:

- Currently Thompson is a supply and service town for the mining industry – there is a focus on business retention and expansion
- A shortage of affordable housing is being addressed
- University College of the North has a main campus in Thompson – the current and future work force is being trained

Lessons Learned:

- Economic diversity helps to ease drastic shifts in the economy
- Long-term economic planning and support is critical to economic success
- Focusing on supplying regional services helps in diversification efforts
- Housing is an issue that needs to be addressed

2.2.4 Elliot Lake Ontario

The City of Elliot Lake owes its existence to the uranium mining industry. The Provincial Government created a special agency to ensure the development of Elliot Lake as a viable community. This agency known as the Planning and Development Department of the Ontario Ministry of Housing was formed in October of 1955. Controlled and planned development ensured that Elliot Lake would not turn into a shack town. For the next 40 years Elliot Lake produced most of the world's uranium. The city withstood many ups and downs related to a one-industry community but in past years diversification plans stabilized the economy. A few of the diversification successes include a treatment centre for substance abuse, a thriving tourism industry, forest products harvesting and a very successful retirement living program that has attracted 2,000 retirees from all over Canada, the US and Europe.[15]

Observations:

There is a need for change:[16]

- Lack of Economic Diversity - greater diversity is required from the local economy that is currently focused on providing services to retirees only; but this must be strategically focused on viable economic prospects
- Community Appearance - higher standards of development and maintenance for the downtown, parks and other community features needed to create a positive image
- Perceptions/Images of the Community - foster understanding and acknowledgment among residents and outsiders of the new and emerging Elliot Lake as a community that is progressive, proactive and prospering
- Retail Services - existing services must be expanded and enhanced
- Limited Population Growth - population growth is necessary to support retail expansion and economic development
- Isolation - the City must overcome constraints of isolation and geographic separation with greater connectivity through improved technology

Moving Forward:

- The City of Elliot Lake is in the process of preparing an Economic Development and Diversification Strategy to better define the actions required to truly diversify their local economy

Lessons Learned:

- Need to truly diversify a local economy. Shifting community dependence from one single industry (i.e. mining) to another single industry (ie. retirement community) does not ensure long term economic well-being.

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[15] History of Elliot Lake. Accessed April 2012. http://www.cityofelliotlake.com/en/cityhall/history.asp

[16] City of Elliot Lake Strategic Plan. Accessed April 2012 http://www.cityofelliotlake.com/en/cityhall/strategicplan.asp?_mid_=3741

3 Input Gathered from Project Stakeholders

The information contained in this brief report summarizes:

1. Findings of the Strengths, Weaknesses, Opportunities, Threats (SWOT) and the Political, Economic, Social, Technological, Legal & Environmental (PESTLE) online survey.
2. Additional input gathered during the March 28th workshop.
3. The results of an online survey gauging the reactions of the stakeholders to the draft Strategic Actions.

SWOT & PESTLE Online Survey
The survey was conducted as part of the Dryden and Area Mineral Exploration and Mining Sector Strategic Project and was sent out to all stakeholders participating in the project. The workshop was held with stakeholders representing mining companies, public agencies, First Nations and municipal and provincial governments.

March 28th Workshop
A half day workshop was held with regional mineral exploration and mining sectors stakeholders. The purpose of this working session was to verify the SWOT & PESTLE and develop initial draft Strategic Actions

Draft Mineral Exploration and Mining Strategic Actions Online Survey
An online survey was conducted between May 2nd and 11th, 2012 with the purpose to gauge stakeholders' reactions and gather input and verification of the draft Dryden and Region Mineral Exploration & Mining Sector Strategic Plan.

3.1 Strengths, Weaknesses, Opportunities and Threats (SWOT)

The following information has been compiled with input obtained from the online survey, collected on March 22nd as well as the workshop held March 28th. Please note, the responses are based on perceptions and were provided by stakeholders when asked specific questions. The responses are not listed in any specific order and hold no true statistical value.

What are the key strengths of the greater Dryden area that will advance the development of the Mineral Exploration and Mining Sector?

Location
- Central Canada
- Proximity to producing mines and the exploration potential in the surrounding area
- Proximity to major centers - Thunder Bay and Winnipeg
- Proximity to several early stage mining developments

Infrastructure
- Supplies
- Food
- Accommodations
- Rail
- Highway
- Airport
- Effective transportation connections (truck, rail, major couriers)
- Highway 599 in Ignace offers access to Ring of Fire through Pickle Lake and winter roads
- Ignace has civic infrastructure and amenities to support increased demand for affordable housing
- Supply company to service
- Medical facilities – Dryden, Ignace and Sioux Lookout
- Employment centre
- Adult education programs
- Training Centres:
    - Confederation College
    - Primary & secondary schools

Other
- Political and administrative will to engage and promote / support mining related business
- Friendly community
- History of old mines in the area (i.e. Falconbridge and Noranda Mines in the 1970s and '80s)
- Strong youth population
- Diversified
- Transferable Skills
- Local knowledge is a resource

- Bending Lake Iron Group advances on plans for iron mine near Ignace
- Nuclear Waste Management Organization exploring plutons in Ignace area gathering geotechnical data as part of feasibility study for underground repository of spent nuclear fuel
- Development initiatives in place
- DDC
- Mining workforce living in Ignace and commuting long-distance to mines such as Musselwhite Mine and North American Palladium

What are the assets of the greater Dryden area that would support the development of the Mineral Exploration and Mining Sector?

Labour/work force

- Work force and training availability
- Skilled labour force

Location

- Location within the Wabigoon geological subprovince - UNDER-EXPLORED
- Infrastructure such as highways, abundant logging roads, hydro, wireless/cellular
- Close to major highways, close to US border
- Geology - several mineral deposits within 3 hour drive, various stages of development
- Located on highway 17 and serviced by rail and air
- Municipal Airports
- Highway 599 provides access to Ring of Fire
- Easy access to main CP Railway, hydro and gas pipeline

Infrastructure

- Local supplier of equipment and mechanical services
- Equipment such as trucks, loaders, pumps, crane trucks, utility and personal vehicles, hydraulic hose and fittings, oil, etc.
- Support companies such as :
    - Helicopter services (Superior helicopters)
    - Scheduled passenger air service - flights (Bear Skin)
    - Precision Drilling
    - ACT (Activation) Labs
- Established mining equipment supplier(s)
- Civic infrastructure for increased workforce - schools, health centre, arena
- Good prospects for other resource economy projects in forestry
- Communications infrastructure (telephone, mobile, high-speed broadband)
- Available real estate (serviced and non-serviced)
- Dryden’s relationship with the First Nations People
- DDC

What competitive advantages does the greater Dryden area have with regards to the Mineral Exploration and Mining Sector?

Location
- Central location for services
- Location within the Wabigoon geological subprovince
- Location with respect to the world-class Red Lake mining camp
- Reasonable proximity to mineral exploration and development in the three districts of NW Ontario

Transportation
- Airport
- Trans-Canada Highway linkage and secondary road linkage to rural and remote areas
- Major roadways
- Easy access via logging roads, winter roads to remote areas
- Railway

Labour Force
- Skilled
- Available labour for mineral and mining jobs
- Community economic development agencies

Communities
- Friendly, room for growth!
- Existing strategies and focus
- Existing infrastructure

Other
- Nearby exploration is advancing
- Critical mass of support services
    - Heightened interest in the area
    - Incentive to locate in the Dryden region due to surplus of mining activity
- Many families want to move back to the area and growth in the mining sector may present an opportunity for them to move back
- Dryden has assets to support families and workers (i.e. Health care, schooling, recreation, etc.)

What are the key weaknesses (gaps that need to be filled) in order to advance the greater Dryden area's Mineral Exploration and Mining Sector?

Workforce/Labour
- Employees
- Skills training for mining related work (miners, diamond drillers, trades, etc.)
- Skills, mining knowledge
- Apprenticeship opportunities need to be promoted
- Lack of mining expertise in workforce

- Dwindling work force
- Aging population and workforce
- Education gap between First Nations and public communities
- Advertising job availability – mining companies need to communicate needs with Training & Employment Centres
- Linking the local/regional labour pool to the market

Community
- Services gaps
- Shopping gaps
- Better service for the drill companies
- Limited/no small equipment (i.e. snow machines, atv's, pumps, etc.)
- Long distance to major supply
- Small population to capitalize on enterprise opportunities
- Connectivity between working groups
- Lack of housing in Dryden (condos, executive type houses, mid-range homes to accommodate families)
- Accessibility issues with commercial buildings
- Limited cell phone coverage in certain areas
- Limited public transit (i.e. Busing too expensive, private taxis are limited in number and area of reach

Other critical factors
- Awareness Development plan
- Out-of-date provincial datasets (geological, geophysical)
- Provincial consultation process
- Poor relationships with First Nations communities – in the Dryden area there are excellent relationships due to the DDC
- Mid-way between Thunder Bay and Winnipeg results in long distances to major urban centres
- Local business organizations (i.e. Chamber of Commerce) are limited in their capacities

What are the key opportunities for the development of the Mineral Exploration and Mining Sector in the greater Dryden area?

Development/growth opportunities in all fields
- Motel or lodging
- New housing (detached, semi-detached, apartment, etc.)
- Restaurants
- All services from electrical, plumbing heating, pipe supply welding, building supply and erection, trucking, excavating
- Promote growth of community owned science and technology enterprises
- Supplies and equipment sales, rental and repair facilities
- Room for growth - Dryden is development focused

Workforce/talent development

- Need for workforce and support
- Partnerships to develop people power
- Skilled labour incubator
- Safety, first aid and mining common core training
- Ability to attract young people back to rural communities

Mineral Exploration and Mining

- Be ready to supply the sector from grass roots exploration through mine development
- Vast majority of the Wabigoon subprovince remains under-explored, at least in recent decades
- Wabigoon subprovince is host to numerous gold deposits, as well as other commodities
- Market is currently strong - rapid growth in the surrounding areas

Community

- Link social needs with economic needs
- Local community control over future horizons
- Create multi sector leadership structures

What are the key constraints and threats that could hinder the development of the Mineral Exploration and Mining Sector in the greater Dryden area?

- Market - ups and downs
- Commodities price collapse
- Competition from surrounding areas
- Competition from established mining centers (Sudbury, North Bay, Timmins)
- First Nations land access issues
- Regulatory reform and the general over-regulation that Ontario seems prone to
- Knowledge of the general public on mining procedures to be carried out in a safe and environmentally friendly manner
- Lack of expertise
- Inability to build partnerships
- Degradation of environment
- Poor apprenticeship system to develop workforce
- Unprepared / unwilling / unable to invest in infrastructure or business retention / attraction
- Political leadership
- Increasing cost of commodities (hydro and energy costs)

3.2 Political, Economic, Social, Technological, Legal & Environmental (PESTLE)

This information has been compiled with input obtained from the online survey, collected on March 22nd as well as the workshop held March 28th. Please note, the responses are based on perceptions and were provided by stakeholders when asked specific questions. The responses are not listed in any specific order and hold no true statistical value.

What are the key political factors impacting the development of the Mineral Exploration and Mining Sector in the greater Dryden area?

Relationships

- Supportive relationships with area First Nation, Metis, and municipal governments
- First Nations relationships
- First Nations land access issues
- Eagle Lake support industrial development and have developed/established guidelines for communicating with their community

Regulations

- Regulatory reform and the general over-regulation that Ontario seems prone to
- Expediting environmental assessments and other requirements
- Regulatory environment

Resources

- Sharing resources/wealth with local communities
- Resources from government to undertake community economic development planning
- Political leadership

What are the key economic factors impacting the development of the Mineral Exploration and Mining Sector in the greater Dryden area?

Costs

- Commodity prices
- Rising costs associated with community consultations
- Cost of setting up for any new business
- Money is hard to borrow

Incentives

- Lack of tax incentives within the province of Ontario, compared to bordering provinces of Manitoba (http://www.manitoba.ca/iem/mrd/busdev/incentives/meap-off.html) and Quebec (http://www.mrnf.gouv.qc.ca/english/publications/mines/quebec-mines/20015018.pdf)

Resources

- Trained and available workforce
- Resource sharing - communities should benefit from the resources leaving their jurisdictions
- Local political leadership

Local/regional programs

- Stimulate supply and services sector
- Are there commitments to buying locally?

What are the key social factors impacting the development of the Mineral Exploration and Mining Sector in the greater Dryden area?

Labour/work force

- Skilled employees
- Workforce training availability
- Participation rate in the workforce and local schools (public vs. First Nation – First Nation participation rates are growing faster than public rates)

Other

- First Nations land access issues
- Opposition from hunting and fishing groups, as well as cottagers (although this is not as obstructive to exploration as it is in other areas)
- Delivery of education and health services to communities
- Communication gap between generations – what is the best approach to take to communicate
- Local political leadership

What are the key technological factors impacting the development of the Mineral Exploration and Mining Sector in the greater Dryden area?

- Trained workforce
- Take regional approach to training
- Access to affordable utilities, especially electrical
- Environmental consulting firms located right in Dryden
- Robotics

What are the key legal factors impacting the development of the Mineral Exploration and Mining Sector in the greater Dryden area?

Consultation and accommodations

- Clarity in duty to consult/accommodate
- Legal responsibilities of mining companies with respect to rights of local residents and for environmental protection

- Need for strong consultative process and effective representation of aboriginals and communities
- MNDM
- The Mining Act is being reformed

Other
- First Nations land access issues
- Regulatory reform and the general over-regulation that Ontario seems prone to
- More active international community in mining ventures
- Mining in parks

What are the key environmental factors impacting the development of the Mineral Exploration and Mining Sector in the greater Dryden area?

- Potential destruction of fish habitat during the development of a resource
- Environmental monitoring
- Increased regulation and control
- Effects on biodiversity - Large Lake System, Wabigoon already impacted!
- Closure phase of mining operations

Do you have any additional comments?

- Communications between mining companies and communities is a key factor to establish trust early on in the various phases of construction and operation and should not be overestimated
- Relationships with the community has to be viewed as a partnership with both sides striving for sustainable community development
- Revenue sharing is the most important factor overall - distribute tax money to local governments!
- Social spending by companies should be a legitimate royalty expense. Building local social capital is a prime consideration

4 Strategic Actions

The below actions have been identified as priority actions for the Dryden and Region Mineral Exploration and Mining Sector stakeholders to undertake in order to assist and stimulate growth within these industrial sectors.

4.1 Understanding the industry

- Identify a group of local champions to make up the Dryden Mining Council – the required leadership structure to move forward with different initiatives (both public and private champions) – engage the Chamber, Rotary Club, etc.

- Work with regional partners (public agencies, mining companies, supporting industries, etc.) to conduct an annual Mining Industry Showcase to better understand, promote and identify opportunities within the Mineral Exploration and Mining sectors – connect the general public, mining sector and support industries. Partners to include both public and private sector stakeholders and local support service (i.e. Chamber of Commerce) and service clubs (i.e. Rotary Club).

- Quantify the mining sector educational and skilled labour needs. Ensure this data and information requirement is compiled and shared with local stakeholders. Update as required.

- Document all types of information/data required by the mineral exploration and mining sectors and share this need with local stakeholders. Similar to investment readiness data and information.

- Dryden Development Corporation (DDC) to become the main point of contact for all inquiries focused on mineral exploration and mining.

- Develop a leads handling protocol for all inquiries related to mineral exploration and mining.

- Build and continually update a database of contacts of companies as well as specific individuals operating within the mineral exploration and mining. Ensure this information is up-to-date.

- DDC to provide monthly/regular updates to all mining sector stakeholders – DDC to become the main point of contact or seen as knowledge expert – the agency that is known by the community to be the main point of contact for any/all inquiries related to mining. DDC must be able to field all inquiries and connect relevant partners.

4.2 Supplying the industry

- Housing the workforce – update the *Area Housing Gap Analysis* with current year data, and incorporate transient and temporary housing needs identified by mineral exploration and mining companies – continue to remain engaged with mining companies as they move closer to operational phase to ensure their housing needs are understood.

- Post the updated *Area Housing Gap Analysis* online

- To address known housing needs, develop a detailed housing and accommodations action plan with targeted specific strategies, initiatives, outcomes, timelines and project leads and partners.

- Supplying industrial land – Dryden already seems to have an adequate supply of industrial land (see PACE Asset Report) – if in doubt undertake an industrial land supply analysis.

- Annually update the *Exploration Resources Guide.*

- Update the top ten reasons to locate in Dryden to be more focused on mineral exploration and mining operations.

- Undertake analysis on Dryden's local supply chain to determine if there is demand for additional support services (quantify the need to assist in the development of a business case for new support businesses) – continually update services and resources available *Exploration Resources Guide.*

- Analyze the local supply chain to identify gaps and opportunities – bring suppliers and buyers together with a mining trade show/speed dating. Existing gaps include:
    - Heavy equipment sales and rental
    - Food services and catering
    - Accommodations
    - Fuel, and
    - Transportation and freight.

- If needed, update the mining sector marketing materials. Continue to make available online.

- Ensure 2-way communication with local/regional stakeholders and mineral exploration and mining industry. DDC to provide monthly/regular updates to all mining sector stakeholders – where possible solicit feedback.

4.3 Labour force requirements

- Participate in the Mining Sector Labour Force Market Forecast for Northern Ontario being conducted by the Northwest Training & Adjustment Board.

- Prioritize/follow up on recommendations of the Market Forecast Study.

- Understand the data requirements of the mineral exploration and mining sectors – specifically around local and regional workforce.

- Develop an inventory of skilled labour available to demonstrate Dryden has the available labour force to support the growing sector.

- Engage local youth to ensure they are exposed to the mining industry and the local opportunities available
  - Organize and conduct site visits and youth camps (i.e. Discovery Camps) to give youth a better understanding of what a mining operation really looks like and how it functions – give them exposure to the industry.

- Partner with local/regional schools (post-secondary) and schools (secondary) to prepare the incoming workforce by developing apprenticeship programs in the following fields:
  - Miners
  - Mechanics
  - Electricians
  - Construction
  - Heavy equipment operation
  - Welders
  - Geologists, and
  - Administrative staff.

- Partner with local/regional post-secondary educational institutions to further the develop programs geared to applied sciences.

5 Online Survey Results – Draft Action Plan

The following online survey was conducted between May 2nd and 11th, 2012 and the purpose of the survey was to gauge stakeholders reactions and gather input on the draft Dryden and Region Mineral Exploration & Mining Sector Strategic Plan. The responses received were very favourable towards the approach, the themes and the actions in the Strategic Plan. The detailed responses are illustrated below:

5.1 Do you agree or disagree with the 3 main themes?

Themes	Agree	Disagree	Response Count
1. Understanding the Industry	**100.0% (22)**	0.0% (0)	22
2. Supplying the Industry	**95.5% (21)**	4.5% (1)	22
3. Labour Force Requirements	**95.5% (21)**	4.5% (1)	22

Additional Comments:

- Need to build an action plan that regularly determines the current industry needs with success measurement. Answer the question - where are we at right now?
- All three areas are important, and listed in the correct order from a priority perspective.
- Not familiar with the "Dryden Mining Council". Does this already exist? Could it not be called the Dryden AREA or REGION Mining Council?
- Working with partners will be important here so that all aspects of this industry are sufficiently covered.
- All three are okay as a simplification; however the difference between mining and exploration may not be properly grasped. First Nations issues, Ontario government over-regulation and lack of encouragement, and competition with other provinces and countries may in future decrease the amount of exploration in the northwest and this will have a negative down-stream effect on mine discovery and development.
- Timely and efficient supply will be key moving forward. One of the reasons small companies have to go out of region is that sometimes local suppliers are not able to provide the service quickly enough or the service support is inadequate.

5.2 Understanding the Industry

Actions	Agree	Disagree	Response Count
Identify a group of local champions to make up the Dryden Mining Council – the required leadership structure to move forward with different initiatives	**90.0% (18)**	10.0% (2)	20
Work with regional partners (public agencies, mining companies, supporting industries, etc.) to conduct an annual Mining Industry Showcase to better understand, promote and identify opportunities within the Mineral Exploration and Mining sectors – connect the general public, mining sector and support industries.	**90.0% (18)**	10.0% (2)	20
Quantify the mining sector educational and skilled labour needs. Ensure this data and information requirement is compiled and shared with local stakeholders.	**90.0% (18)**	10.0% (2)	20
Document all types of information/data required by the mineral exploration and mining sectors and share this need with local stakeholders.	**100.0% (20)**	0.0% (0)	20
Dryden Development Corporation (DDC) to become the main point of contact for all inquiries focused on mineral exploration and mining.	**100.0% (20)**	0.0% (0)	20
Develop a leads handling protocol for all inquiries related to mineral exploration and mining.	**95.0% (19)**	5.0% (1)	20
Build and continually update a data base of contacts of companies as well as specific individuals operating within the mineral exploration and mining.	**90.0% (18)**	10.0% (2)	20
DDC to provide monthly/regular updates to all mining sector stakeholders – DDC to become the main point of contact or seen as knowledge expert – the agency that is known by the community to be the main point of contact for any/all inquiries related to mining.	**80.0% (16)**	20.0% (4)	20

Additional Comments:

- Not sure if an annual mining industry showcase is needed or would be supported. An open house or workshop may also work well. Another option would be to explore joining into an existing showcase like the home and trade show.
- Agree that the town needs to have a better understanding of the industry and a somewhat central repository of information for both industry and town businesses and individuals would be helpful. In my mind, several groups could hold this information, based on subject matter, i.e. business or educational information. Important any data base type information be gathered and kept in a simple practical manner. I would be concerned that the last item on providing monthly updates may become burdensome and not particularly useful, actionable. Might just become "busy work".
- Dryden AREA Mining Council - what is mandate and purpose if DDC is main point of contact?

- Where I have indicated two "disagree" is where I feel that there are other partners that could assist with the information. The third point is an area where NTAB is going to invest a lot of time and resources and the seventh point seems a bit ambitious.
- These are mostly good ideas, but may be overkill for a community the size of Dryden. One knowledgeable person could do all this by themselves, without tying up a larger bureaucracy. And also, First Nations should be included in all aspects right from the start. They are the major stumbling block to access to land for exploration at present.
- Share resources and expertise with other regional development corporations. Ensure the region as a whole benefits and don't create unnecessary competition that could potentially harm growth.
- The Ministry of Northern Development and Mines (MNDM) Resident Geologist Program (RGP) with an office based in Kenora, monitors and promotes mineral potential in the western part of Ontario including the Dryden area. The following is the link which presents information of service provided: http://www.mndm.gov.on.ca/mines/ogs/resgeol/default_e.asp DDC hopefully will not be duplicating services which are already provided by MNDM.
- I would suggest Dryden Area Mining Council or Dryden Region Mining Council to encompass the surrounding areas. DDC as the main contact for Dryden, yes. Both Eagle & Wabigoon have Lands & Resource staff that should be contacted based on the nature of the inquiry.

5.3 Supplying the Industry

Actions	Agree	Disagree	Response Count
Housing the workforce – update the Area Housing Gap Analysis with current year data, and incorporate transient and temporary housing needs identified by mineral exploration and mining companies.	**95.0% (19)**	5.0% (1)	20
To address known housing needs, develop a detailed housing and accommodations action plan with targeted specific strategies, initiatives, outcomes, timelines and project leads and partners.	**85.0% (17)**	15.0% (3)	20
Annually update the Exploration Resources Guide.	**100.0% (20)**	0.0% (0)	20
Update the top ten reasons to locate in Dryden to be more focused on mineral exploration and mining operations.	**80.0% (16)**	20.0% (4)	20
Undertake analysis on Dryden's local supply chain to determine if there is demand for additional support services (quantify the need to assist in the development of a business case for new support businesses).	**95.0% (19)**	5.0% (1)	20
Analyze the local supply chain to identify gaps and opportunities – bring suppliers and buyers together with a mining trade show/speed dating. Existing gaps include: Heavy equipment sales and rental; Food services and catering; Accommodations; Fuel; and Transportation and freight.	**90.0% (18)**	10.0% (2)	20
If needed, update the mining sector marketing material. Continue to make available online.	**90.0% (18)**	10.0% (2)	20
Ensure 2-way communication with local/regional stakeholders and mineral exploration and mining industry. DDC to provide monthly/regular updates to all mining sector stakeholders.	**90.0% (18)**	10.0% (2)	20

Additional Comments:

- Regarding housing, it seems to me that individuals or businesses will have to make a financial decision to build or make accommodation available, should demand require it. Need to be careful that any goals or targets are achievable in terms of making a difference in having accommodation available, given it is others who will make the decision to invest. Monthly updates too frequent per previous page.
- Top 10 reasons to locate in Dryden AREA Area Housing Gap Analysis document could be more widely shared
- Exploration decisions are made province-wide, country-wide or world-wide, based on economics, political risk and geological potential. The best thing Dryden can do is be ready with info in case any local enquiries are made, and to be ready to facilitate/mediate any problems. First Nation involvement is key.
- The Housing issue can be inclusive of all sectors seeking the needs in the area. The Top 10 Reasons shouldn't be ALL regarding Mineral Exploration & Mining. There are many sectors in the area.

- Good start. Housing is going to be a critical piece of the puzzle.

5.4 Labour Force Requirements

Actions	Agree	Disagree	Response Count
DDC and regional stakeholders to participate in the Mining Sector Labour Force Market Forecast for Northern Ontario being conducted by the Northwest Training & Adjustment Board	**95.0% (19)**	5.0% (1)	20
DDC and regional stakeholders to prioritize/follow up on recommendations of the Market Forecast Study	**90.0% (18)**	10.0% (2)	20
Understand the data requirements of the mineral exploration and mining sectors – specifically around local and regional workforce	**100.0% (20)**	0.0% (0)	20
Develop an inventory of skilled labour available to demonstrate Dryden has the available labour force to support the growing sector.	**80.0% (16)**	20.0% (4)	20
Engage local youth to ensure they are exposed to the mining industry and the local opportunities available. Organize and conduct site visits and youth camps (i.e. Discovery Camps) to give youth a better understanding of what a mining operation really looks like and how it functions – give them exposure to the industry.	**95.0% (19)**	5.0% (1)	20
Partner with local/regional schools (post-secondary) and schools (secondary) to prepare the incoming workforce by developing apprenticeship programs in the following fields: Miners; Mechanics;Electricians; Construction; Heavy equipment operation; Welders; Geologists; and Administrative staff.	**90.0% (18)**	10.0% (2)	20
Partner with local/regional post-secondary educational institutions to further the develop programs geared to applied sciences.	**95.0% (19)**	5.0% (1)	20

Additional Comments:

- The most important labour force requirement is to ensure the potential employees are functioning at a level that will allow them to be successful no matter the path they choose - blue collar or white collar. The potential workforce in the region currently lacks the essential skills that are necessary to be successful in the workplace. Even recently graduated youth demonstrate a lack of fundamental skills. Before any apprenticeship or applied science programming is considered more attention must be paid to developing sound fundamental skills in mathematics, communications, sciences & life skills. Only then will they be ready & able to complete trades, technology or applied science programming.
- Specifically engage with Aboriginal groups to facilitate their participation in this sector
- Good area for the community and industry to partner is to raise awareness and get youth and others understanding of, and interested in the exploration and mining industry.

- Where the youth is concerned here is a chance to partner with Passport to Prosperity as that program is already very involved with co-op, Specialist High Skills Major program and involvement with teachers at public school and high school levels promoting trades, mining and other employment opportunities.
- Mineral exploration has different personnel requirements than mining. These are more of a short-term, support nature except for professionals (i.e. geologists).
- Presently there are no delivery of Mineral Exploration and/or Prospecting Courses. These have been delivered in the past by MNDM but was moved into the mandate of the Ontario Prospecting Association. The following is a link to .pdf of Prospecting Manual - scroll to 2009 and select Discover Prospecting Manual. http://www.ontarioprospectors.com/opa-publications/ These course are mainly targeting the Entrepreneurs type person who are interested in the business of researching, discovering, outlining and promoting mineral showings - this is a gap in the mineral sector industry.