

# ACTIVITY REPORT 2007-2008

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## MESSAGE OF THE PRESIDENT OF THE BOARD

### JACK R. BLACKSMITH

On behalf of the Board of Directors, I present the Activity Report of the Cree Mineral Exploration Board (CMEB) to the Cree Regional Authority (CRA) and the Ministry for the Natural Resources and Wildlife of Québec (MRNFW). This report summarizes the activities of the CMEB from April 2007 to the end of March 2008.

In this Mining “Boom” year, the CMEB laid down ambitious objectives which fit within the framework of a quinquennial work plan beginning this year 2008. This plan concentrates on the following topics: Awareness and promotion, training and employment assistance, assistance to prospectors, project development and assistance to entrepreneurs as well as expertise in the Earth Sciences and Technical Aid. The work plan that the Board adopted in November 2002 and modified in March 2003 is used as a base for strategies and action plans. This consolidates the basis of the CMEB which becomes an inevitable actor in the mining area and a solid entity to oversee the interests and the durable development of the Cree in Eeyou Istchee.

The financial resources available satisfied the requests for financing received during this business year. This constitutes more than ever a good index of the vitality of the mineral prospection sector. In spite of the multitude of requests, the CMEB decided to concentrate its efforts on assistance to prospectors and to entrepreneurs. The CMEB fixed as a long-term objective to stress the acquisition of competences, training, the expertise as well as the local entrepreneurship and partnerships. This will make it possible to provide solid bases and a structure of durable development to the mineral sector.

My thanks go especially to the members of the Board of Directors of the CMEB for the time, the knowledge and the efforts they devoted for the success of the programs of the CMEB. I particularly make a point of underlining their engagement to achieve the goals suggested which target nothing less than excellence with respect to participation of the Cree in the sectors of mineral exploration and durable development in Eeyou Istchee.

### HISTORY

The Cree Mineral Exploration Board was created pursuant to Chapter 5 of the Agreement Concerning a New Relationship between the Government of Québec and the Crees of Québec. Its mandate consists in encouraging and facilitating the development of mineral exploration companies on the Territory, in accordance with section 5.3 of the Agreement:

*Québec will promote and facilitate the participation of the James Bay Crees in mineral exploration activities on the Territory. In particular, Québec and the Crees will set up before April 1, 2002 a Mineral Exploration Board which will be largely composed of Cree representatives but with some representation from Québec.*

Subsection 5.3 of this Agreement also describes the principal objectives of the Board as well as the financial conditions:

*Beginning in the 2001-02 fiscal year, this Board will benefit from the regular program funding of Québec available for such purposes presently*

*set at three hundred thousand dollars (\$300,000) per fiscal year. The main purposes of this Mineral Exploration Board will be to:*

- a) assist the Crees in accessing mineral exploration opportunities;
- b) facilitate the development of mineral exploration enterprises with Cree entrepreneurship;
- c) help and encourage the Crees and Cree enterprises benefit from Québec's regular funding program as well as other provincial assistance allocated to mineral exploration activities;
- d) act as an intermediary between offers and demands of services made to Crees and Cree enterprises in matters relating to mineral exploration.

Furthermore, on December 5, 2006, the Cree Regional Authority (CRA), the Government of Québec and the CMEB signed another agreement entitled: "Second Agreement on the Development of Mineral Resources within the James Bay Territory". Section 6 of this Agreement highlights the CRA's engagement to defray the CMEB's administrative expenses. Accordingly, the CRA has respected this engagement, as it has subsidized the major part of the CMEB's operating budget in fiscal year 2007-2008 for the total sum of \$320,000.

## **ACTIVITIES OF THE BOARD IN 2007-2008**

### **Board of Directors**

The Board of Directors is composed of 5 members, including 4 Crees: Mr. Jack R. Blacksmith, President, Mr. Reggie Mark, Mr. James A. MacLeod and Mr. Alfred Loon, as well as a representative of the MRNFW, Mr. Robert Marquis.

### **Meetings and resolutions 2007-2008**

The Cree Mineral Exploration Board held four (4) meetings, the first of which took place in Toronto on March 6, 2007. This meeting was twinned with the Prospectors and Developers Association of Canada (PDAC) 2007 annual conference; the CMEB discussed administrative questions and financial statements. The Board also discussed the progress report of the final phase of the Cree Investment Fund. During this meeting, the participation of the members of the Board in promotional events for the year, such as Learning Together 2007, was approved. On May 25, 2007, in Montreal, the members of the Board put forward concrete action in the development and the execution of the training program named Attestation of Collegial Study in Mineral Resources. A strategy to encourage the Cree mining companies to undertake large scale exploration projects in Eeyou Istchee also animated this meeting in Montreal.

On September 4, 2007, in Val-d'Or, the CMEB met to discuss questions concerning the financing of Cree exploration companies and to evaluate new projects. An update on the Cree Investment Fund project and the projects developed by the Opinaca Mines and the Wemindji Cree Community was made.

On November 29, 2007, the CMEB was present at the Québec Exploration Symposium and took part with posters and presentations. The Board subsequently met to discuss new mineral exploration projects and new training program, the visibility of the CMEB in this important event was also discussed.

The last meeting of the CMEB was held on March 6, 2008 via teleconference. A postmortem of the participation to the PDAC 2008 was made, several subjects were discussed among others an update of the CMEB budget allocated by the CRA, a proposal for new actions in the communities and a training plan for the members of the CTA which aims to increase our interventions with them.

## **PROGRAMS OF THE CMEB**

In 2007-2008, the CMEB implemented the last year of its five-year plan 2002-2007. The following pages provide a summary of CMEB's activities carried out during 2007-2008 under the following programs: Awareness and promotion, training and employment assistance, assistance to prospectors and to entrepreneurs, project development and technical expertise in Earth sciences.

### **Awareness and promotion**

The representatives of the CMEB took part in several promotional events such as conferences and workshops. Mining events of great interest were held where the CMEB presented posters and various information connected to mining exploration in Eeyou Istchee. More particularly, the mining week in Chibougamau and the mining event in Wemindji both held in April 2007.

In the month November 2007, the Board members took part in the annual conference of "Canadian Aboriginal Mineral Association" (CAMA), in Vancouver. This gathering supported profitable exchanges of information concerning mining activities and mineral exploration in Eeyou Istchee and territories of the First Nations in Canada, more particularly in relation with vocational and technical training programs, recruiting activities and offers of service.

At the Québec Exploration conference, organized by the MRNFW and the Mining Association of Québec in November 2007, posters were displayed at the CMEB's kiosk. The CMEB distributed pamphlets explaining the programs and the objectives of the Board. The most surprising event of this Conference was the number of people interested in CMEB's publication entitled: «Mining Activity in Eeyou Istchee Report for 2007».

The CMEB also took part in Québec's delegation at the PDAC conference in March 2008. This year the PDAC event was more than ever an ideal occasion to establish business contacts and to attract investments in Eeyou Istchee.

The presence and increased participation from CMEB's members was greatly appreciated from the organizers of the Learning Together conference held in Winnipeg in April 2008. CMEB's expertise and experience with the Government of Québec serve as an example to follow in the field of mining exploration for other Native Nations in Canada.

During these events related to mineral resources, many junior exploration companies active in Eeyou Istchee showed great interest in the CMEB exploration and technical training programs. These conferences were an excellent occasion to promote the mineral potential of Eeyou Istchee and to network with the industry. The CMEB also intends to continue its advertising campaign in order to promote its programs in Cree communities by means of: Cree magazines (such as The Nation and Destination Air Creebec), various radio advertisements, as well as events which focus on sciences and careers in the Cree School Board establishments.

### **Training and employment assistance**

It is important to mention that the Cree Mineral Exploration Board employed and facilitated the hiring of more than 60 Crees to work in the mining sector and related sectors. The CMEB acts as an intermediary between the mineral exploration companies and the Cree labor force by recommending experienced Cree workers in the mining field. The CMEB works in close cooperation with the Cree Human Resources Development of the Cree Regional Authority and in this regard, Mr. Abel J. Trapper, Sectoral Officer for Mining and Construction, regularly attends the Board meetings. The CMEB works on setting up a certified training program in the field of mineral resources. A consultation table, composed from various members in the fields of education, government and mining industry was created to develop this program. The Board also implemented programs for prospectors' training and updating of current mineral knowledge of Cree trappers.

The CMEB believes in its ability to train the Cree youth in the mining field. In this regard, PowerPoint presentations and field excursions are regularly arranged in Cree communities in order to promote the Earth Sciences. Many information sessions aimed at popularizing sciences and explaining the operations of the mining industry are also presented to Cree communities' members.

### **Assistance to prospectors**

Newly trained Cree prospectors carried out mineral exploration projects funded by the CMEB. Some of these prospectors benefited from the CMEB summer training program. The CMEB pursue its efforts to attract Cree interest mineral prospecting in Eeyou Istchee, substantial work will be required to incite more Cree individual prospectors to submit prospecting projects. Nevertheless, the following agreements were executed by the CMEB within the framework of this program and the results are very encouraging:

- Lac à l'eau Jaune Project, Phase 3, Mr. Henry Salt;
- Assicana Project, Mr. Harry Meskino and Mr. Longchap;
- Stromatolites of the Lake Mistassini Project, Mr. John Shecapio phase 2;
- Northeast LG2 Project, Mr. Edward, Mr. Daren Bearskin and Mr. Derek Sutherland;
- Kaychiwapichu Project, Phase 1, Miniquaken family, phase 1

## **Development of the projects and assistance to entrepreneurs**

During the financial year 2007-2008, the CMEB entered into agreements with Cree exploration companies, Cree prospectors and two non-Cree organizations for exploration projects and technical training for a total amount of some \$190 000,00 in direct subsidies. Of these agreements, the CMEB finances 50% of the eligible expenditures related to the cost of mineral exploration. This means that more than \$300 000 was spent in mineral exploration activities in Eeyou Istchee. Some of these agreements provide for a royalty of 1% if the exploration project leads to the commercial exploitation of a mining deposit.

The above-mentioned agreements are as follows:

- Agreement 2007-01 between the CMEB and Prospector  
Project: Almungo Phase 1
- Agreement 2007-02, between the CMEB and Prospector  
Project: Kaychikwapichu
- Agreement 2007-03, between the CMEB and Wemindji Exploration  
Inc.  
Project: 32B
- Agreement 2007-04, between the CMEB and Nimsken Corporation  
Project: 32G
- Project of daily work allowances for prospectors
- CMEB Training and Exploration projects

There are also training programs in diamond exploration offered to Crees by Ashton, the SDBJ, other organizations active in Eeyou Istchee, participating Cree Nations and the CMEB; the latter provides expertise and coordinates various services in this regard.

The CMEB has also executed subscription agreements for the acquisition of stocks of Niogold Inc. (which has an exploration project on Waswanipi's Category II lands) and of Ressources D'Arianne Inc. (which has an exploration projects on Eastmain's, Nemaska's and Wemindji's Category III lands). These exploration projects created employment and economic spin-offs for the said Cree communities.

## **New projects**

The CMEB already received several requests for assistance and participation from Cree and non-Cree companies for the financial year 2008-2009. Always having economic development at heart, the CMEB is open to any serious proposal. The CMEB is often solicited for the participation or investment in new exploration projects in Eeyou Istchee.

Mineral exploration companies and universities are looking for partnerships for the carrying out of mineral potential studies in the Cree territory. They are very interested in creating business and geosciences development partnerships with Cree communities, which fall within the mandate of the CMEB.

## **Expertise in the Earth Sciences and Technical Assistance**

The CMEB successfully published the electronic and interactive geo-economic map of Eeyou Istchee (scale 1/500 000). The map is updated regularly and contains the most recent data that the CMEB, the MRNFW and mining industry produced. It also contains the boundaries of the Cree traplines and the necessary information to contact the tallyman of each trapline before conducting mineral exploration activities. This map also provides the mineral potential and the mines in operation in the Cree territory. Soon the mining claims owned in Eeyou Istchee will be added. This map proves to be a very useful tool for the prospectors and Cree tallymen, as well as for the internet users since it is available on our website at the following address: [www.cmeb.org/geoeco](http://www.cmeb.org/geoeco).

The CMEB continues collaborating with scientific institutions such as the University of Ottawa, the UQAM and the Canadian Geological Survey on various geological and geophysical research projects related to the maintenance and the gathering of data from new seismic stations. The CMEB also provided its technical expertise to the Grand Council of the Crees and to the local councils of Cree communities. Moreover, on a daily basis and from its offices in Wemindji and Mistissini, the Board answers questions from tallymen, the members of the Cree Trappers' Association and the exploration and service mining companies (Ressources D'Arianne, Virginia, Soquem, Matamec, Azimut, los, Sirios, Dios, Everton etc.) concerning access to Eeyou Istchee. These exploration companies also benefit from the CMEB's technical, coordination, and communication assistance, as well as support in hiring Crees for their projects.

## **PARTNERSHIPS**

The Cree Mineral Exploration Board established several partnerships with various groups such as the Québec Association for Mining Exploration, the Secretariat for Aboriginal Alliance, the Cree School Board and post-secondary training institutions (regional school boards, CEGEPs and universities).

The Board works closely with the MRNFW and its mining sector. The MRNFW, inter alia, undertook to promote the mission and the raison d'être of the CMEB by directly informing all the companies holding mining titles in the territory and by adding the CMEB on its Web site. The MRNFW also implemented a follow-up on the hiring of Crees in the mining sector. Moreover, it intends to take an active part in a table of dialogue between the industry and the CMEB. The MRNFW, moreover, established a mechanism of consultation with the CMEB concerning its cartography programs on the territory and the development of new strategies for mines.

The CMEB continues its collaboration with the CHRD and the CSB to develop and subsidize long-term training programs and to promote funding programs accessible to the Crees in the field of mineral resources. In this respect, the CMEB signed an agreement with CÉGEP of Abitibi Témiscamingue to develop a technical training program adapted to the Cree youth. This program, developed in close cooperation with the CSB, the CHRD, the MRNFW and the AEMQ, consists of a collegial technical training in natural resources which will give access to the employment connected to the fields of mining, hydrology and the environment. This program should meet the aspirations of the Crees and the needs of the industry.

The Cree Trappers' Association (CTA) and the CMEB established close links having for objective to inform the trappers on mineral activities on their trapline and to protect their

interests by informing exploration companies on the necessity to establish a good relationship with Cree users of a given trapline. With the close collaboration of the CTA, the CMEB developed a basic prospecting course adapted to the trappers so that they can take an active part in mineral exploration in Eeyou Istchee. This initiative is strongly appreciated by the CTA which collaborates with great interest in the delivery of these courses.

## FINANCIAL SUMMARY

### The Cree Mineral Exploration Board Financial Year Ending on March 31, 2008

<b>FUNDING FROM THE CRA FOR CMEB'S OPERATION</b>	
2001-2002	300 000 \$
2002-2003	300 000 \$
2003-2004	300 000 \$
2004-2005	300 000 \$
2005-2006	320 000 \$
2006-2007	320 000 \$
2007-2008	320 000 \$
<b>ALLOCATION OF THE FUNDS FROM THE GOVERNMENT OF QUÉBEC 2007-2008</b>	
<b>Proponent/Project</b>	
Data Technician, Winter 2008, Service Agreement with the Cree Nation of Mistissini	17 072 \$
Wages payable to Prospector (Almungo 2007-01)	3 000 \$
2007-02 Miniquaken Kaychikwapichu Project Phase 1	10 060 \$
Wages payable to Prospector (Miniquaken 2007-02)	6 000 \$
CMEB, Training Summer Student	10 022 \$
CMEB, Training in Mineral Exploration and Mapping Course	35 000 \$
TJCM, Glaciofluvial Sampling Survey Sakami Moraine	15 000 \$
2007-03 Wemindji Exploration (32G03, 33B11 and 33B13)	25 000 \$
2007-04 Nimsken Corporation (32G09, 10, 15 and 16)	40 000 \$
2007-05 Learning Together 2008 Sponsorship	15 000 \$
CMEB Academic Scholarship	6 600 \$
<b>TOTAL</b>	<b>193 054 \$</b>
<b>ALLOCATED FOR EXPLORATION PROJECTS SINCE 2002</b>	
2007-2008	193 054\$
2006-2007	380 360\$
2005-2006	216 398 \$
2004-2005	178 220 \$
2002-2004	468 845 \$
<b>TOTAL</b>	<b>1 436 877 \$</b>

**OVERVIEW OF THE FINANCIAL ASSISTANCE ALLOCATED TO  
EXPLORATION PROJECTS SINCE 2002**

<b>WEMINDJI EXPLORATION INC.</b>	<b>\$ ALLOCATED</b>
- Agreement 2003-01 Initial Exploration Phase	113 587
- Agreement 2003-02 Property Renewals	63 816
- Agreement 2006-01 Lake Helen	25 000
- Agreement 2006-03 Diamond Exploration Phase 2	60 000
- Agreement 2006-05 Negotiations with Opinaca Mines Ltd-Goldcorp Inc	175 000
- Agreement 2006-08 Field Work including Geophysics Lake Astree	10 000
- Agreement 2007-03 Complete Field Works on Wemindji Properties	25 000
<b>CREE GOLD EXPLORATION INC.</b>	
- Agreement 2003-03 Perch River Copper	5 185
- Agreement 2003-05 Mistissini Joint Venture	60 650
- Agreement 2003-09 Assist in the Listing of Cree Gold	50 000
- Agreement 2005-04 Mistissini JV Projet 2005-2006	53 388
<b>NIMSKEN INC.</b>	
- Agreement 2003-04 Oujé-Bougoumou NTS sheet 32J02 and 32J03	25 755
- Agreement 2003-06 Work on Michwacho Property	25 000
- Agreement 2003-07 Beep Mat Surveys and Sampling	50 000
- Agreement 2003-10 2003 Work on the Cummings Property	17 500
- Agreement 2004-02 Beep Mat Surveys and Sampling	45 750
- Agreement 2005-01 Work on the Michwacho Property	34 000
- Agreement 2007-04 EX-In, Presentation on an Exploration Project	40 000
<b>CREE NATION OF MISTISSINI</b>	
- Agreement 2003-11 Basin Study Research Project Phase 2	30 500
- Agreement 2004-01 Diamond Exploration Field Assistant Training Course	20 000
<b>PROSPECTORS</b>	
- Assinica Lake Project	16 072
- Agreement 2004-05 Baie à la Roche Rouge	10 245
- Rayle Project	11 800

- Agreement 2005-02 Lake à l'eau Jaune Phase 2	11 100
- Agreement 2005-03 Lake Assinica Phase II	17 550
- Agreement 2005-06 Lake Assinica Phase III	8 485
- Agreement 2006-02 JS Stromatolite Parts A and B	20 000
- Agreement 2007-01 Almungo Project Phase 1	10 300
- Agreement 2007-02 Kaychikwapichu Project Phase 1	10 060
<b>SPECIAL PROJECTS</b>	
- Agreement 2004-03 Study off A Cree Mining Investment Fund	39 575
- Agreement 2005-05 Cree Mining Investment Fund Phase 2	31 125
- Agreement 2006-04 Creation of study program in mineral exploration	40 000
- Agreement 2006-07 Identification of abandoned exploration sites Phase 1	30 000
<b>CONFERENCES</b>	
- Agreement 2006-06 Sponsorship of the Learning Together 2007 Conf.	15 000
- Agreement 2007-05 Sponsorship of the Learning Together 2008 Conf.	15 000
<b>INVESTMENT IN JUNIOR EXPLORATION COMPANIES ACTIVE IN EEYOU ISTCHEE</b>	
- Niogold Inc	35 000
- Ressources D'Arianne Inc.	50 000