

SUDBURY, ONTARIO--(Marketwired - Sep 29, 2015) - [Northern Superior Resources Inc.](#) (TSX VENTURE:SUP) ("Northern Superior" or "NSR") has completed preparations for its trial against the Ontario Government, set to begin October 5th 2015. The following press brief is intended to assist NSR's shareholders, stakeholders and interested parties following the litigation.

Background

1. NSR is a small junior mineral exploration company with its head office in Sudbury. It explores for gold in Québec and Ontario. NSR is a reporting issuer in British Columbia, Alberta, Ontario and Québec.
2. Starting in mid-2005 and through to December 2011, NSR obtained certain mining claims (described below in more detail) under Ontario's *Mining Act*. Under the provisions of the *Mining Act* in force at the time the claims were acquired, this entitled NSR to enter and exclusively use the areas of the claims as was necessary for prospecting and mineral exploration. With the mining claims, NSR also obtained the right to apply for further rights to extract minerals and to develop and operate a mine(s).
3. At the time NSR obtained its claims, nothing in the *Mining Act* provisions regarding mineral claims addressed Aboriginal consultation nor required anything from NSR in this regard. NSR assumed that Ontario had done or would do what was required in order to be able to grant NSR the exploration rights associated with the Claims and for NSR to be able to actually conduct the exploration it wished to carry out. No one suggested otherwise to NSR.
4. The claims at issue are in the Red Lake Mining Division, approximately 740 kilometers northwest of Thunder Bay. They cover a total of over 57,200 acres and are distributed within three (3) mineral properties: Rapson Bay, Meston Lake and Thorne Lake (collectively, the "Claims" or the "Properties").
5. NSR was aware at the time it obtained the Claims that they were on Crown land. What NSR didn't know then was that the Claims were located in traditional Aboriginal territory in an area subject to The James Bay Treaty (Treaty 9) of 1905-6 between Ontario and a number of First Nations, including the Sachigo Lake First Nation ("SLFN") the Kitchenuhmaykoosib Inninuwug First Nation ("KIFN") and the Red Sucker First Nation ("RSFN"; located mainly in neighboring Manitoba). The First Nations asserted conflicting claims to this territory and in one instance had even declared a moratorium on exploration activity. All of this was well known to the Ontario government.
6. From 2005 until it lost access to the area of the Claims in June 2012, NSR spent just over \$12 million in acquisition, maintenance and exploration (not including aboriginal engagement expenses).
7. During this period, the work in the Claims went beyond the early exploration stage. The technical assessment and drill data NSR obtained revealed a large gold-rich copper-silver-molybdenum porphyry system on the Rapson Bay property as well as gold-bearing shear systems on both the Rapson Bay and Thorne Lake Properties. These discoveries strongly supported the potential existence of world-class deposits.

Ontario's "Transitional" Approach to Aboriginal Consultation a Sham

1. Starting in early 2005, Ontario appears to have set out on a process of "charting a new course for a constructive, cooperative relationship with the Aboriginal peoples of Ontario";
2. As part of this exercise, Ontario issued a "For Discussion Purposes Only" document entitled "Draft Guidelines for Ministries on Consultation With Aboriginal Peoples Related to Aboriginal Rights and Treaty Rights" in June 2006. This document remained in draft until after the events in 2012 at issue in the lawsuit and was the sum total of the documentation Ontario had in place regarding Aboriginal consultation in the context of early exploration during the entire period at issue in the lawsuit.
3. The federal government at about the same time issued its "Consultation with First Nations - Best Practices" in June 2006, and then in February 2008, its "Aboriginal Consultation and Accommodation - Interim Guidelines for Federal Officials to Fulfill the Legal Duty to Consult" which were then updated in March 2011. Ontario didn't appear to be interested in taking the federal lead in this regard nor to benefit from the federal work with regard to this consultation process.
4. As part of its "transitional" approach, Ontario amended its *Mining Act* in October 2009 although the provisions dealing with Aboriginal consultation of relevance to NSR's situation were not to come into force until April 2013. These amendments were Ontario's attempt to catch up with Canada (and some other Provinces) and to implement Supreme Court of Canada rulings as early as 2004 that the Crown had an obligation to consult, and if appropriate, accommodate Aboriginal peoples in matters that affected their traditional rights and practices (such as mineral exploration activity).
5. In the words of the Ontario Ministry of Northern Development and Mines ("MNDM"), the new *Mining Act* was passed to "promote mineral exploration and development in a manner that recognizes Aboriginal and treaty rights"; "bring a 100 year old piece of legislation into the 21st century", and "Clarify requirements for Aboriginal consultation". This all came too little too late for NSR.
6. The proposed amendments were variously criticized in submissions to the legislature by Aboriginal and prospector groups as well as the exploration and mining industry, as having been written "to placate special interest groups", as pushing the government's obligation to negotiate with First Nations onto companies, as "political posturing" lacking in consultation with parties impacted, as perpetuating a unilateral land withdrawal process, as an "ill-defined framework for upholding the honor of the Crown and the duty to consult", and for fostering an uncertain investment climate as a result.
7. The conflict with Aboriginal communities over land (which includes such well known disputes as Platinex, God's Lake Resources and Solid Gold, all related to the situation NSR faced) continues to date. Along with the difficulties encountered by Ontario in the Ring of Fire today, this certainly suggest that some of these criticisms were valid: the so-called new *Mining Act* was a minimal improvement, at best, over the old one.
8. The KIFN (of Platinex fame) told the Legislative Committee at the time that "We will not be silenced about protecting our rights" and that the only lands it had agreed to share with the Crown were those outside its traditional lands as per Treaty 9, which treaty Ontario was breaching.
9. Unbeknown to NSR, part of its Claims laid within these disputed lands. MNDM knew this but didn't see it as necessary to advise NSR or any other mining company active in the area of the full extent of the dispute or of the moratorium the KI First Nation had imposed.

10. Starting in late 2009, NSR would get from Ontario the same form letter each time it applied for a new mining claim. The first one was received on September 2, 2009. In it Ontario advised NSR to contact KIFN, SLFN and a third First Nation who turned out not to be involved.
11. In the September 2, 2009 form letter, Ontario explained that since 2007 it was involved in developing "an improved Aboriginal consultation approach" that "works for everyone" and that its "engagement" in this process was continuing. NSR was never involved in any aspect of whatever Ontario was referring to when it wrote this in its letter.
12. The form letter went on to explain that: *"while this work is continuing, we are implementing a transitional approach to consultation that will assist Aboriginal communities and the minerals sector. [Ontario] will continue to advise the minerals sector to consult with Aboriginal communities as early as possible regarding their exploration plans, and is providing claim holders with web links to mineral industry best practices materials and contact information for Aboriginal communities in the general vicinity of their mining claim [for "convenience" only, the letter noted]."*
13. Ontario also stated in this letter that: *"the Ministry is committed to meeting its duty to consult"*.
14. NSR never heard anything more with respect to this process from Ontario. By September 2011 essentially the same form letter was still being sent by Ontario.
15. At no time during the process of obtaining the mining Claims, or of working the Claims, was NSR ever advised by Ontario to undertake any aspect of the Crown's obligations with respect to Aboriginal consultation in connection with the work NSR was doing or proposed to do.
16. Beyond the form letter, Ontario never took any steps to consult with any First Nation or Aboriginal community with respect to NSR's Claims or with respect to NSR's activities in connection with the Claims. Ontario also never told NSR it wouldn't be taking any such steps.
17. NSR was never told that Ontario was unsure as to what Aboriginal claims affected the land in which NSR held the Claims, nor of the potential for conflicting Aboriginal claims in the area of the Claims. NSR was also not told of the potential for conflict between exploration companies and the Aboriginal communities who opposed mineral exploration work.
18. Whenever NSR raised with MNDM any Aboriginal related issues it was facing, as it did several times both in letters and verbally at the ADM level, there was little or no response.
19. NSR engaged as best as the company knew how with SLFN, which was the only First Nation that NSR was directly and clearly told was affected or potentially affected by NSR's exploration work in the area covered by the Claims. This work by NSR was done in keeping with industry best practices, at NSR's expense, and with absolutely no support from the Ontario government.
20. A significant portion of the amounts spent by NSR in relation to the Claims noted above were incurred for the benefit of the SLFN under a series of written agreements starting as early as 2005 and continuing until 2011. Direct payments to SLFN (for goods and services directly required by NSR to conduct its exploration programs: use of the Communities Echoing Lake Lodge, hiring and training of community members etc;) by NSR were in the range of \$3 million.

NSR Loses Access to the Claims

1. In late 2011/early 2012 NSR was poised to make a major mineral discovery. At that time, SLFN demanded that NSR pay to them, in connection with the 2012 exploration program, a flat 24% of total project expenditures. This fee was to be over and above all other benefits and payments that NSR would provide in respect of the 2012 exploration program and had never been raised before. It bore no relationship to any impact on the First Nation or on any possible benefit share in connection with NSR's work.
2. Having to pay this fee would have rendered continued exploration and any subsequent development of the Properties financially unfeasible. NSR refused.
3. SLFN notified NSR on June 26, 2012 that it would no longer negotiate with NSR and that as of that point it would not allow NSR access to the Claims. This position remains in place today.
4. NSR made a conscious decision not to risk confrontation or escalation on the ground nor to engage private security guards as other exploration companies have done.
5. Mega Precious Metals has mining claims adjacent to and tied onto NSR's just across the Ontario/Manitoba border. This company announced in 2014 discoveries with "Blue Sky Potential, in a world Class Gold/Tungsten Camp" associated with the same geology that extends directly onto NSR's Claims.

Ontario - First Nation Disputes

1. On January 13, 2012, KIFN indicated to NSR that the Claims fell within their traditional territory and that NSR had thus become subject to the KIFN's "moratorium" on all exploration work within these lands. The KIFN therefore refused to allow any exploration work in those areas. This came as a surprise to NSR. It was even more of a surprise to be learning that some of the Claims also fell on sacred KIFN land.
2. Ontario had known about the KIFN moratorium since the early 2000s and had been involved in an ongoing dispute with the KIFN, which had led to litigation involving other mining companies.
3. On Friday March 2, 2012 at 8pm, on the eve of PDAC, and with no warning or consultation with anyone affected, Ontario designated a mining exploration "exclusion zone" of 2,318,061 hectares which comprised what Ontario thought was KIFN's traditional territory, but not NSR's Claims, despite the fact that the Claims had been made subject to the KIFN's moratorium. Such a land withdrawal was unprecedented in scope and purpose in Ontario consisting as it did of a land mass of over 23,000 square kilometers or over 3 times (almost 4 times) the size of Prince Edward Island and having been done in a failed attempt to placate the demands of an exploration company who had threatened to precipitate violence.
4. The Claims were in the vicinity of (and in some cases immediately adjacent to) the "exclusion zone" lands. The western boundary skirts around the eastern boundaries of NSR's Thorne Lake and Meston Lake properties. Had Ontario bothered to check, it would have seen that the geology all pointed to NSR's continued exploration in the area withdrawn.
5. As a result, NSR lost the ability to continue to expand the Thorne Lake and Meston Lake properties in an easterly direction which is what it intended to do based on the geological data obtained to that point.

6. The KIFN referred to Ontario's "unilateral" withdrawal of land from mining, said they were not consulted by Ontario and that the mining exclusion zone "failed to reflect the real boundaries" of KIFN traditional lands leaving important areas of the KI Homeland still open to mining. The KIFN further stated that: "This policy appears to invite further crisis like the Platinex and GLR disputes."
7. NSR would not have made the investment it did in the area had it known of the contested traditional territories in the area, that Ontario would fail to do anything substantive to discharge its constitutional duty to consult with Aboriginal communities or that lands in the immediate vicinity of the Claims could be unilaterally withdrawn from mining in this way.
8. The land withdrawal remains in place to date as have a number of other moratoriums on mining imposed by other Aboriginal communities in the area.

Why this Case is Important

1. NSR is not directly blaming any First Nation for what happened. NSR is blaming the Ontario government for having failed to consult with First Nation as it is required to do, for failing to amend the Mining Act on time to bring it into line with the law of the land, and for failing to warn NSR about what it was stepping into in relation to conflicting territorial claims of Aboriginal groups and ongoing Ontario-Aboriginal disputes.
2. NSR believes that the tremendous mineral potential of Ontario was, and is, still being put at great risk by the Ontario government's failings in this area. NSR is looking to bring about much needed change in this sector.
3. The lawsuit brought against the Ontario government by NSR is different in that NSR chose not to drag the First Nation into it, or to precipitate conflict on the ground, and in that NSR is asking the Court to recognize that companies cannot be burdened with the government's failings: it is not a company's responsibility to fulfill the government's legal obligations, never mind the fact that most exploration company's do not have the resources (either financially or the people) to do so. NSR is also trying to drive home the point that when governments fail in their duty to consult, the loss is borne by companies like NSR and communities like SLFN which is unfair and wrong.
4. The position of Ontario in this lawsuit should be of concern to everyone in this Province for a number of reasons. Of special concern are arguments Ontario has made in the case, including:
 1. NSR has no right to complain if Ontario fails to discharge its constitutional duty to consult. This is not going to encourage mining and exploration companies to engage with First Nations, nor foster Ontario as a place to even initiate exploration programs- money will be, and is currently being, invested elsewhere;
 2. The real source of the problems NSR faced were the particular First Nation (who Ontario refused to provide capacity funding for) and that this had nothing to do with Ontario;
 3. The Crown can do nothing to discharge its duty to consult despite the clear direction from the courts to the contrary, and an exploration company will have no right to complain if the company is prevented by a First Nation from either initiating or completing its exploration program(s) following the issuance of mineral claim(s) to the company by the Ontario government; and
 4. An exploration company can do all it can reasonably do to engage a First Nation on the Crown's behalf, and still end up: i) solely responsible for the cost; and ii) prevented from benefitting from their work. Such a situation, according to Ontario, would also not be Ontario's problem.
5. NSR is looking to get a court ruling that says that the duty to consult means that the Ontario government also has obligations toward the exploration and mining companies who carry out the majority of the consultation and to ensure that appropriate consultation will ultimately take place prior to granting an exploration company the rights to explore, and that this includes providing First Nation with the support necessary for them to engage in consultation with exploration and mining companies.
6. NSR is also looking to obtain a ruling that the unilateral withdrawal of land from mining without regard to NSR's interests, and which did not in any case satisfy what Ontario said its purpose was, was illegal and caused damages to NSR.
7. The exploration and mining sector and First Nation in Ontario have been damaged by the irresponsible lack of engagement of the Ontario government with these issues and by the many failed attempts at a solution, such as the rushed KIFN land withdrawal.
8. NSR's lawsuit is going to trial on October 5th in front of Mr. Justice Lederer of the Ontario Superior Court. NSR believes that this lawsuit is a special opportunity for First Nations together with industry (who support NSR's efforts) to send a message to Ontario that Ontario must change the way it engages with industry and First Nation if there is to be any hope of a meaningful exploration and mining industry in this province.

Pertinent materials associated with this case are available on the Northern Superior's website (www.nsuperior.com) under the "Litigation" tab, or can be obtained from SEDAR (www.sedar.com).

About Northern Superior

Northern Superior is a junior exploration company exploring for gold in the Superior Province of the Canadian Shield. The company is currently focused on exploring its Croteau Est property in Quebec and its Ti-pa-haa-kaa-ning in Ontario. Northern Superior also has a number of other 100% owned properties in Ontario and Québec.

Northern Superior is a reporting issuer in British Columbia, Alberta, Ontario and Québec, and trades on the TSX Venture Exchange under the symbol SUP.

For more information, please visit www.nsuperior.com.

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