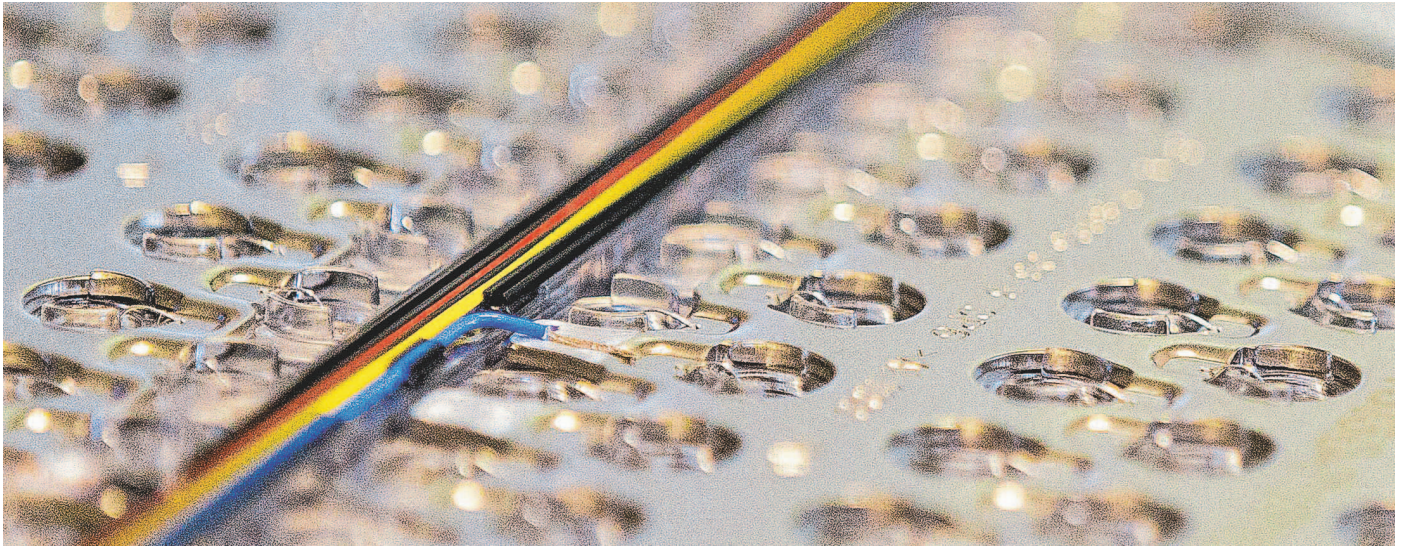


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TOP NEWS

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CHRIS KEANE / BLOOMBERGFILES

Lithium is used in the production of rechargeable batteries. It's been speculated the Alberta company that's staked such a huge claim in southeastern Manitoba may be looking for lithium.

Alberta firm's stake in Steinbach area has people wondering what's underground

Massive mineral claim

BILL REDEKOP

It could be a mining bonanza for southeastern Manitoba.

An incognito Alberta company's colossal mineral claim suggests a huge area surrounding Steinbach could be sitting atop something valuable. If it's there. Whatever it is.

"The speculation is they're looking for lithium in the brines (underground saltwater)," said Ruth Bezys, president of Manitoba Prospectors and Developers.

The element is used in the manufacturing of rechargeable batteries and also as a drug prescribed to treat some psychiatric disorders.

The company, registered as 1993502 Alberta Ltd., has filed 452 claims covering more than 1,200 square kilometres in five rural municipalities — Ste. Anne, Hanover, La Broquerie, Springfield and Tache — surrounding Steinbach in the past 12 months.

For comparison purposes, the metropolitan area of London, England occupies about 1,600 sq. km.

The Manitoba government won't divulge details about the company to protect its proprietary rights. A corporate search in Alberta failed to produce another company name.

Any information leading to the com-

pany's identification could invite speculators to rush in and stake nearby land before the company has performed physical exploration. The province says it doesn't know what the company is hoping — or expecting — to find.

"There have been all kinds of rumours," said Lewis Weiss, reeve of the RM of La Broquerie, offering silica, nickel and even oil as some of the suggestions he's heard. "The speculation has been all over the place."

Bezys said the geology beneath the staked land is where limestone and Precambrian rock meet at relatively shallow depth. The company could be operating with the belief there is lithium in the seam where the two types of rock come in contact, she said, adding if lithium is the prize, it would represent a new interpretation of the geology.

Of course, companies explore all kinds of terrain but typically don't find enough of a mineral to make it economically viable for mining. Bezys said the same area, mostly livestock farms, was staked for diamonds about 20 years ago.

It's the size of the overall claim that makes it noteworthy. "It's a hefty amount of claims," Bezys said.

Typically, it takes a year or two after staking a claim for a company to raise

funds and determine targets before physical exploration begins, if it ever does. The first year of a mineral claim is free, but in the second year the company has to start paying the province either \$12.50 per hectare — in this case \$1.5 million — or spend an equivalent amount or more on exploration. Or, the company could let the claims expire.

The five rural municipalities found out about the stake last fall when a father and son, wanting to develop housing lots west of Marchand, hit a roadblock in the form of the claims. The provincial mining department told them they had to get approval from the numbered Alberta company before they could proceed. They couldn't find out the identity of the company, either.

"We were only able to make contact through their lawyers, and were unable to determine anything from them," said Ronald Felnhofner, who works with his father Franz. They had already developed four lots on part of their property, and were looking to develop four more. The mining claim stopped at least one other development.

"It's preposterous," said Felnhofner. "Our development has nothing to do with what's going on underground."

The matter was straightened out last month, allowing the developments to proceed. Even so, municipalities are

antsy about what the stake might mean for them.

Mineral Resources deputy minister Tim Friesen said landowners control only surface rights; mineral rights beneath the surface belong to the province.

"Certainly, a (mining) company couldn't stop a (development) project cold. They are entitled to voice their concern and have the province consider those concerns," Friesen said.

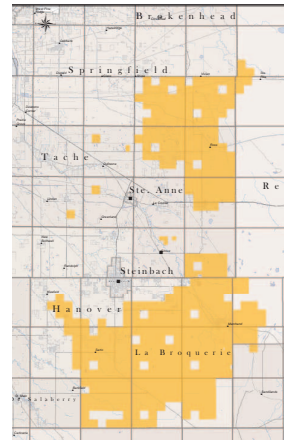
"We just had to work out a system for various parties to communicate with each other. That has been worked out, with people at government that will steer through any future requests.

"I want to emphasize this is good news for Manitoba. Mineral projects operate on an economic scale pretty much unlike any other industry. When a mineral project gets going, they can have an incredible economic impact. We're thrilled to see this."

In addition to tax and royalty revenue for the province, mining operations provide jobs and work for professionals, such as engineers.

Once the firm starts exploration drilling, it will have to file its assessments. That will tell the province what minerals the company is looking for.

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A map showing the mineral claim. It covers more than 1,200 square kilometres of land.

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