

Evaluating a Resource Deal



Background

Bearskin Lake, Ontario is a First Nations community of about 400 people. Bearskin Lake is located about an hours flight from the Sioux Lookout in northwestern Ontario or about 1350 km northwest of Toronto. Bearskin Lake is a very remote location and located in a land of countless lakes.

A group of geologists were up in Bearskin Lake last summer digging around behind the Community Centre amongst an old brush fires site. In one of the burn areas they found a small amount of a valuable mineral.

About two months ago, more geologists and scientists visited and did some drilling. They discovered that huge amounts of this mineral lie in a seam that runs from Riverdale all the way to Severn Lake. The geologists got quite excited because this is a valuable mineral, and is found nowhere else in Canada. Normally it is shipped from Russia and it costs a lot of money to do this.

Last week some bigshot business people went up and had a meeting at the Band Office. They're from the giant corporation INCO. They want a deal with the Band so that they can mine this valuable mineral. The deal is worth \$700 billion to them over the next 15 years.



The Deal

INCO is offering:

- a 10 year contract
- \$150 million for the right to mine on reserve land
- creation of 1200 jobs, which will be offered first to band members (they will pay about \$18.50/hr for unskilled workers which they will train)
- after the mine is closed they will offer employment to band members in other mines
- \$750 per year given to every band member
- build an all-season road between Bearskin Lake and Pickle Lake to supply the mine

INCO will:

- clear about 10 km² of land
- bring in 700 skilled labourers and their families to work in the mine and live in the community
- build housing for these people
- build a small plant to pre-treat the mineral before it is shipped out (it will have a smokestack)

Bearskin Lake Band Council will:

- provide policing, fire protection, sewage, water and education for all workers and their families.
- change its bylaws so that they do not apply to non-band-member company employees

The Environment

A study was done to determine the long term environment effects, but it had no clear conclusions because this mineral has never been mined in Canada. The mines in Russia produce a fine dust that settles out across the landscape. The employee turnover at these mines is quite high. Some people think that there has been a link between lung cancer and working in the mine, but there is no medical proof. The company says that environmental damage will be small and that the Band should not be worried.

Your Job

All band-members have been given the opportunity to vote FOR or AGAINST the deal. You have been asked to review the deal very carefully and make an informed decision about how you will vote.

Use this table to help you evaluate the resource deal:

Part of Deal	Advantages	Disadvantages
Clearing the land for the mine		
The mine and the smokestack		

Bearskin Lake First Nation
Referendum on INCO Mining Deal

As a member of the Bearskin Lake First Nation, I accept the terms of the INCO Mining Deal, and agree to work together with my community to help the deal be successful.

Yes

No

Explain why you voted the way you did. You need to give FOUR clear reasons. Each reason should have its own topic sentence paragraph.

Name: _____



Evaluating a Resource Deal Rubric

The most important “parts of the deal” have been chosen for use in the table

0 _____ 3.5 _____ 7

Advantages in the table are realistic and show some thought

0 _____ 4.5 _____ 9

Disadvantages in the table are realistic and show some thought

0 _____ 4.5 _____ 9

Explanation of voting has four topic sentence paragraphs, and there are few flaws in spelling, grammar or punctuation

0 _____ 2 _____ 4

Four reasons are realistic and reflect the details of the deal

0 _____ 4 _____ 8

Comments: