Re: Your request for access to information under Part II of the Access to Information and Protection of Privacy Act (File # NR-183-2019)

On September 17, 2019, the Department of Natural Resources received your request for access to the following records/information:

Any briefing materials, Q&A documents, Key Messages, etc prepared in the last year relating to Marathon Gold

We are providing access to the most information possible but have made redactions in accordance with Sections 29(1)(a) and 35(1)(d)(f)(g) of ATIPPA, 2015 as follows:

29. (1)(a) The head of a public body may refuse to disclose to an applicant information that would reveal advice, proposals, recommendations, analyses or policy options developed by or for a public body or minister;

35. (1)(d) The head of a public body may refuse to disclose to an applicant information which could reasonably be expected to disclose information, the disclosure of which could reasonably be expected to result in the premature disclosure of a proposal or project or in significant loss or gain to a third party.

35. (1)(f) The head of a public body may refuse to disclose to an applicant information which could reasonably be expected to disclose information, the disclosure of which positions, plans, procedures, criteria or instructions developed for the purpose of contractual or other negotiations by or on behalf of the government of the province or a public body, or considerations which relate to those negotiations;

35. (1)(g) The head of a public body may refuse to disclose to an applicant information which could reasonably be expected to disclose information, the disclosure of which could reasonably be expected to prejudice the financial or economic interest of the government of the province or a public body.
As set out in section 42 of the Act you may ask the Information and Privacy Commissioner to review the department’s decision to provide access to the requested information. A request to the Commissioner must be made in writing within 15 business days of the date of this letter or within a longer period that may be allowed by the Commissioner. Your request should identify your concerns with the department’s response and why you are requesting a review.

The request for review may be addressed to the Information and Privacy Commissioner as follows:

Office of the Information and Privacy Commissioner
2 Canada Drive
P.O. Box 13004, Stn. A
St. John’s, NL. A1B 3V8

Telephone: (709) 729-6309
Toll-Free: 1-877-729-6309
Facsimile: (709) 729-6500

Pursuant to section 52 of the Act, you may also appeal directly to the Supreme Court Trial Division within 15 business days after receiving the department’s decision.

Please be advised that responsive records will be published following a 72 hour period after the response is sent electronically to you or five business days in the case where records are mailed to you. It is the goal to have the responsive records posted to the Completed Access to Information Requests website within one business day following the applicable period of time. Please note that requests for personal information will not be posted online.

For further details about how an access to information request is processed, please refer to the Access to Information Policy and Procedures Manual at http://www.atipp.gov.nl.ca/info/index.html.

If you have any questions, please feel free to contact me at 709-729-0463 or rhynes@gov.nl.ca.

Sincerely,

Rod Hynes
ATIPP Coordinator
Information Note
Department of Natural Resources

Title: Newfoundland and Labrador Mining Industry Overview

Issue: To provide a status update on the Newfoundland and Labrador Mining Industry

Background and Current Status:

- The gross value of mineral shipments for Newfoundland and Labrador (NL) in 2017 was estimated to be $3.6 billion. The gross value is forecast to be $3.0 billion in 2018. The decrease can be primarily attributed to a reduction in the value of iron ore shipments.

- The NL Mining Industry generated an estimated 5,145 person years of employment in 2017 and expects to generate 5,527 person years of employment in 2018. The increase can be primarily attributed to an expected increase in construction employment related to the proceeding Voisey's Bay Underground Mine Expansion Project.

- Producing mines in the province are highlighted in the table below:

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- As part of the Phase 3, The Way Forward: Building for Our Future, NR, in collaboration with the mining industry and community stakeholders, is developing a strategic framework for growing the provincial mining industry. Engagement sessions have been completed with specific stakeholders including Mining Industry NL, NL Prospectors Association, and other government departments. Broader consultation sessions will be completed by the first week of October and will be held in Labrador City, Happy Valley-Goose Bay, St. John’s, Springdale and Marystown. NR is targeting a release of the Mineral Strategy, pending completion of aboriginal consultations, at the annual Mineral Resources Review being held November 1, 2018.

- On June 11, 2018, Vale announced that it will be proceeding with the Voisey’s Bay Mine Expansion Project. The project represents close to $2 billion in capital expenditures by Vale and will provide 16,000 person years of employment during the five years of construction, peaking at 4,800 person years in 2020. First ore is expected by April 2021.

- Tacora Resources Inc. has acquired the former Wabush Scully mine in Wabush, Labrador. In a Preliminary Economic Assessment (May 2018) the Company estimated a capital
expenditure of $210 million to reactivate the mine. Tacora has been released from environmental assessment and is currently attempting to raise capital.

- The Wabush 3 project, owned by the Iron Ore Company of Canada, was delayed due to a nine week work stoppage which ended on May 28, 2018. IOC plans to officially open Wabush 3 on September 25, 2018.

- Howse Minerals Limited, a subsidiary of Tata Steel Minerals Canada, has been given Mining Act approval for the Howse project in the Menihek area of Labrador.

- Red Moon Resources Inc. had its first shipment from the Ace Gypsum Deposit near St. George’s in August 2018. The mine will employ 15 people on a seasonal basis with an initial production level of 100,000 – 250,000 tonnes per year ramping up to 300,000 – 450,000 tonnes per year. The life of the mine is expected to be 10 years.

- Alderon Iron Ore Corp. continues to advance the Kami project located in Labrador West. The Company expects to release a new Feasibility Study in Q4 2018.

- Projects in the advanced stages of exploration in the province are listed in the table below:

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**Analysis:**

- Over the past year, iron ore prices have fallen since peaking at US$79.90 per tonne at the end of February 2018. As of September 17, 2018, the price of iron ore is US$69.25 per tonne and the average price over the past month is US$66.82 per tonne.

- There exists increased demand for high quality iron ore in China as the country is dedicated to reducing its emission levels.

- Nickel prices have increased slightly over the past year peaking at US$15,750 per tonne in June 2018. As of September 17, 2018, the price of nickel is US$12,235 per tonne and the monthly average is US$12,863 per tonne.

- Copper prices have declined over the past year and as of September 17, 2018 sit at US$2.66 per pound.

Prepared/approved by: G. Taylor / A. Smith

Ministerial Approval:

September 17, 2018
Information Note
Department of Natural Resources

Title: Newfoundland and Labrador Mining Industry Overview

Issue: To provide a status update on the Newfoundland and Labrador Mining Industry

Background and Current Status:

Key Messages
- NL has a wide variety of mineral commodities currently being produced including: iron ore (Labrador Trough), nickel, copper and cobalt (Voisey’s Bay); gold (Baie Verte Peninsula); fluorspar (St. Lawrence); limestone and dolomite (Port aux Port); and gypsum (St. George’s Bay).

- Newfoundland and Labrador possesses world class deposits for iron ore, nickel and base metals which have attracted investment by leading international mining companies, including Rio Tinto, Tata Steel, Vale and HBIS.

- Newfoundland and Labrador is committed to improving the competitiveness of the province in order to attract mineral exploration and development investment. The province is partnering with industry and community stakeholders to develop a sustainable and competitive framework for continued exploration and mining growth.

- There is a long and successful history of iron ore mining in Labrador which has, and continues to benefit from:
  - availability of Hydro-electric power at very competitive rates;
  - a safe and mining friendly jurisdiction;
  - access to a skilled and committed workforce; and
  - a robust regulatory framework which ensures sustainability in the region.

- There is value in use of iron ore from the Labrador Trough given their high grade and purity which will help to reduce emissions and meet environmental regulations.

Chinese Investment
- In 2010 Alderon concluded a business deal with Allius Minerals to explore and develop the Kami Iron Ore deposit located near Wabush, Labrador West.

- In March 2013, HBIS Group Co. Ltd. (formerly Hebei Iron & Steel Group) contributed C$119.9 million in exchange for a 25% interest in the Kami Limited Partnership which was established to own the Kami Project. Alderon has the remaining 75% interest.

- Alderon has three strategic partners in the Kami Project including the HBIS Group, Glencore and Liberty Metals and Mining Holdings.
  - HBIS Group, China’s second largest steelmaker, has invested $182.2 million (including the $119.9 million referenced above) in the project and will purchase 60 percent of annual production.
  - Glencore, a large globally diversified natural resource company, has an offtake agreement to purchase the remaining 40 percent of annual production.
  - Liberty Metals and Mining Holdings (LMM) had invested $49.2 million in equity.
• In March 2018 Altius acquired all of LMM’s common shares in Alderon. Following disposition of the common shares, LMM holds a $22 million secured convertible note and warrants. Assuming conversion of the convertible note and warrants, LMM beneficially holds approximately 9.66% of the outstanding Shares.

• As of July 16, 2018, Altius Minerals Corporation owns approximately 39% of Alderon Iron Ore Corp.’s issued and outstanding common shares.

• Beaver Brook Antimony Mine (BBAM), near Glenwood, is owned by China Minmetals Non-Ferrous Metals. Operations were suspended at the antimony mine in January 2013. The operation has been placed on care and maintenance with nine full-time employees working to ensure the site remains in good condition and that the underground workings are kept dewatered.

• BBAM has recently indicated that local management would be seeking support to restart operations with a decision expected in the near term. (Business confidential)

General
• The gross value of mineral shipments for Newfoundland and Labrador in 2017 was estimated to be $3.6 billion. The gross value is forecast to be $3.0 billion in 2018. The decrease can be primarily attributed to a reduction in the value of iron ore shipments.

• The Newfoundland and Labrador mining industry generated an estimated 5,145 person years of employment in 2017 and expects to generate 5,527 person years of employment in 2018. The increase can be primarily attributed to an expected increase in construction employment related to the Voisey’s Bay Underground Mine Expansion Project.

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- The Iron Ore Company of Canada officially opened the Wabush 3 (Moss Pit) project on September 25, 2018.

- Howse Minerals Limited, a subsidiary of Tata Steel Minerals Canada, has been given Mining Act approval for the Howse project in the Menihek area of Labrador. Tata Steel Minerals Canada will complete construction of their $700 million processing plant by the end of 2018.

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Analysis:

- As of October 24, 2018, the price of iron ore is US$75.90 per tonne and the average price over the past month is US$70.92 per tonne.

- There exists increased demand for high quality iron ore in China as the country is dedicated to reducing its emission levels. As a result, the high grade and low levels of impurities in iron ore from the Labrador trough has attracted a significant premium over market prices.
Nickel prices have increased slightly over the past year peaking at US$15,750 per tonne in June 2018. As of October 24, 2018, the price of nickel is US$12,295 per tonne and the monthly average is US$12,535 per tonne.

Copper prices have declined over the past year and as of October 24, 2018 sit at US$2.82 per pound. Consensus Economics (September 2018) forecasts the price of copper to be US$3.10 in 2019 and US$3.34 per pound in the long term.

Prepared/approved by: G. Taylor / A. Smith / P. Canning / J. Cowan
Ministerial Approval: October 25, 2018
MEETING NOTE
Department of Natural Resources
Marathon Gold Corporation
Monday, March 4, 2019, 4:00 PM
Fairmont Royal York Hotel, PEI Room, Main Mezzanine Level

Attendees:
Phillip Walford, President and CEO, Marathon Gold Corporation
Sherry Dunsworth, Senior Vice President of Exploration, Marathon Gold Corporation

Minister Siobhan Coady
Perry Canning, ADM, Mines

Purpose of Meeting:
- Marathon Gold Corporation (Marathon) requested a meeting with the Minister at PDAC to provide an update on its gold exploration project at Valentine Lake, central Newfoundland.

Background:
- Marathon is a Toronto-based gold exploration and development company with three ongoing exploration projects: two in Newfoundland and Labrador (Baie Verte and Valentine Lake) and one in Oregon, USA.

- Marathon's Flagship Project, Valentine Lake in central NL covers an area of 24,000 hectares. The Valentine Lake Gold Camp hosts four near-surface, mainly pit-constrained, deposits with measured and indicated resources totaling 2,691,400 ounces of gold at 1.85 grams per tonne and inferred resources totaling 1,531,600 ounces of gold at 1.77 grams per tonne.

- Marathon released an updated Preliminary Economic Assessment (PEA) on October 30, 2018 to incorporate drill results into an updated resource estimate for the Valentine Lake Gold Camp. The mine life has increased by two years to 12.2 years with an annual average production increase of 68,000 ounces to 225,100 ounces per year.

- The updated PEA included reduced preproduction capital to $US355 million, a savings of $US25 million from the previous PEA. After tax net present value has increased by $US126 million to $US493 million at five per cent discount rate. The after tax internal rate of return for the project is 30%.

- As part of its mineral licence assessment reporting requirements, Marathon has reported expending $46.7 million to date on mineral exploration work at Valentine Lake.

- Marathon has received significant support for its exploration work through the Junior Exploration Assistance Program for a total of $898,328.06 since 2010. Marathon acknowledges this support in each of its news releases.

- NR has been engaged with Marathon on the maintenance of the mineral licences and also has supported the company in addressing issues related to gating public roads, licence expiry, and recently, the matter of cabins/cottages located within the licenced area.

Agenda item #1: Project Update
- Marathon will provide a brief update on the Valentine Lake project; discuss the project time line in relation to the Federal and Provincial permitting process; and the heap leach option.
On February 21, 2019, Marathon closed the sale of a 2% net smelter returns royalty (NSR) to Franco-Nevada Corporation linked to the Valentine Lake Gold Camp for gross proceeds of $18 million. The proceeds will be used to carrying a program of engineering, drilling and environmental programs for the remainder of 2019, targeting completion of prefeasibility study by the end of 2019, advancing ongoing metallurgical test work, and advancing toward the critical path environmental assessment registration.

• The sale of a 2% net smelter returns royalty to Franco-Nevada Corporation applies to the entire Valentine Lake Gold Camp property and covers the sale of precious and base metals and minerals. Marathon has the option to buy back 0.5% of the NSR for $US7 million until December 2022.

• In November, 2017 Marathon bought back a 3% precious metals NSR royalty and the 2% base metals NSR royalty on its Valentine Lake gold property in central Newfoundland from a third party for $US8.7 million.

Analysis
• SGS Canada was awarded a metallurgical contract in August 2018 to conduct a comprehensive metallurgical evaluation of the deposit, building on previous positive metallurgical studies at the Valentine Lake Gold Project.

• The results from test work are expected in the second quarter of 2019 and will be used in support of the compilation of a Prefeasibility Study that is also expected by Q2 2019.

• Requests for proposals for the development of an Environmental Assessment registration description were sent to qualified consultants in early January 2019. The EA document is anticipated to be submitted to both provincial and federal agencies in March 2019.

Potential Speaking Points
• The Minister may wish to congratulate Marathon on the recent news of $18 million endorsement from Franco-Nevada for its net smelter royalty.

• The Minister may wish to congratulate Marathon on its exceptional level of exploration success and plans for mine development.

• The Minister may wish to indicate that the department will continue to support Marathon where possible and looks forward to the release of the Prefeasibility Study.

• The Minister may wish to indicate that the province is engaged with the Federal Government with respect to proposed changes to the Federal EA process.

• The Minister may wish to enquire how the Franco-Nevada gross proceeds of $18 million will impact their 2019 exploration activities.

Proposed Actions
• NR will continue to monitor the developments at Valentine Lake and work with Marathon whenever possible.

Agenda item #2: Cabin / Cottage lease issues
• Though not on the agenda, Marathon may raise the issue of cabin/cottage Crown land tenure applications within Marathon's mineral licences.
Analysis

- Mineral licenses in the Valentine Lake area have been held since 2004 by various companies. Marathon has held these licences, at least in part, since 2011.

- NR has provided comments through a FLR referral process on applications within Marathon’s licences (with the exception of two applications that were not sent to NR for review, dating from approximately 2012 and located in the far northeast of the licence area).

- NR has appropriately provided feedback through a referral process on the cabin applications by advising on the presence of mineral resources, ongoing mineral exploration activities, and the possibility of a future mining operation corresponding to the Valentine Lake gold project.

Potential Speaking Points

- The Minister may wish to communicate that NR consistently relays the interests of the mineral industry when providing referral responses to other government agencies concerning land tenure applications or other land use proposals.

Proposed Actions

- To be determined based on FLR’s decision(s) on the issuance of surface rights to cabin owners located within Marathon’s Valentine Lake mineral licences.

- Marathon will present the proposed scope of operations of the Valentine Lake Project to FLR prior to FLR rendering a decision on the seven outstanding applications.

Prepared/Approved by: B. Lawlor / K. Sheppard / A. Smith / P. Canning
Ministerial Approval: ____________________________

February 22, 2019

Attachments: Biographies
Biographies

Phillip C. Walford, President and CEO, Director

Phillip C. Walford is the President and Chief Executive Officer of the Corporation since December 3, 2009. From March 2005 to November 2010 Mr. Walford served as the President and Chief Executive Officer of Marathon PGM Corporation. Mr. Walford was a founder of Marathon PGM Corporation and served as a director from October 2003 to November 2006 and from May 2007 to November 2010.

Mr. Walford has held senior management positions at Pamour Porcupine Mines Ltd., LacMinerals Ltd. Geomaque Explorations Ltd., and Hudson Bay Exploration and Development and has extensive international experience in gold and base metal deposits. As a result of his rich global experience, Mr. Walford places high value and importance on lessening risk and has modeled Marathon Gold on this premise.

Sherry M. Dunworth, Senior VP of Exploration

Ms. Dunworth is a M.Sc. graduate in Earth Sciences from Memorial University in St. John's, Newfoundland. She also received a B.Sc. Honours degree in Geology from St. Mary's University in Halifax, Nova Scotia.

Ms. Dunworth is a professional geologist with over 30 years exploration experience, working throughout Canada as well as parts of Europe and South America. She was a member of the Mineral Rights Adjudication Board of Newfoundland and Labrador, served as Geoscience Councillor for the Association of Professional Engineers and Geoscientists of Newfoundland and Labrador, and is currently a Director with Mining Industry Newfoundland and Labrador.
Information Note
Department of Natural Resources

Title: EMMC 2019 – Major Projects Inventory

Issue: To provide an overview the report, Natural Resources: Major Projects Planned or Under Construction - 2019 to 2029 (the Report), prepared for the Energy and Mines Minister Conference (EMMC) 2019.

Background and Current Status:
- Since 2012, federal, provincial and territorial (FPT) governments have collaborated in advance of EMMC to update the Major Projects Inventory of major natural resource projects either under construction or planned over the next 10 years. The results are published in a report titled Natural Resources: Major Projects Planned and Under Construction – 2019 to 2029.
- To be included in the inventory, projects in the energy and mining sectors must meet a minimum capital cost threshold of $50 million, whereas electricity projects and projects in the forest sector must meet a threshold of $20 million. Clean energy and clean technology projects must meet a minimum capital cost threshold of $10 million.
- A project typically progresses through the following five stages: 1) Announced 2) Under Review 3) Approval Received 4) Under Construction 5) In Production. The report also identifies projects that have been added, completed, suspended, cancelled, or removed since the previous annual update.
- During the Joint Closed Energy and Mines Ministers' session at EMMC on July 17, 2019 the Minister of Natural Resources Canada (NRCan) will table the report and speak to some of its key findings:
  - As of the May 2019 update, there are 455 natural resource projects planned or under construction in Canada over the next 10 years, representing $635 billion in value. This compares to 418 projects valued at $585 billion in 2018.
  - The 2019 inventory includes 36 more projects than last year: 117 projects have been added ($103 billion); 45 projects have been completed and moved into production ($25 billion); 19 projects have been cancelled/suspended ($33 billion); and 16 projects have been removed ($3 billion).
- Investment in major clean technology projects remains significant, with $91 billion in projects either planned or under construction. Clean technology projects now account for almost one-third of all projects in the current inventory, and just under one-seventh of their total value.
- In Newfoundland & Labrador a total of 26 projects are currently under construction or planned over the next 10 years representing $30 billion in investment. Energy projects accounted for over 80% of the value of major projects in the province.

Analysis:
- NL officials participated in the development of the report and are generally supportive of the findings in the report.

Major Projects Overview – NL Energy Sector
- A number of key projects are now either underway or planned for future development. Some of these include:
  - Bay du Nord – Framework agreement was signed in 2018 and first oil expected in 2025.
  - Terra Nova Life Extension – Suncor Energy is planning an overhaul of the Floating, Production, Storage and Offloading (FPSO) to extend the vessel's life by 10 years. Work is due to commence in 2020.
2

- West White Rose Project (WWRP) – The development will be utilizing a concrete gravity wellhead platform, which is being constructed in Argentia, Newfoundland. Production will be back to the SeaRose FPSO Vessel. First oil is expected in 2022.
- Interest remains high with respect to oil and gas exploration activities in the offshore Newfoundland area; bids in 2018 licensing rounds drew record total work commitments of over $1.3 billion and included new entrants. The next call for bids for the scheduled licensing round will close November 6, 2019, and include the South Eastern Newfoundland Region and the Jeanne d'Arc Region.
- Phase I of the Lower Churchill Project - Overall construction progress for the project at the end of April 2019 was 98%. The breakdown by project component at the end of May was:
  - Muskrat Falls Generation approximately 95% completed;
  - Labrador Transmission Assets over 99% completed; and
  - Labrador-Island Transmission Link (LIL) over 99% completed.

Major Projects Overview – NL Mining Sector
- A number of key projects are now either underway or planned for future development. Some of these include:
  - Vale Newfoundland and Labrador Ltd. announced that its Voisey's Bay Underground Mine Expansion will proceed in 2018. The project represents close to $2 billion in capital expenditures by Vale. First ore production from underground is expected by April 2021.
  - Tacora Resources is progressing with its reactivation of the Scully Mine in Wabush, NL. Wet processing is complete and ongoing on a steady basis. The company is proceeding with dry processing and commissioning of its manganese reduction process.
  - Rambler Metals and Mining are continuing with their multiyear phase II expansion into the lower footwall zone.
  - Other projects without established start dates include Tata Steel/Howsie Minerals Ltd.'s iron ore project, Alderon Resource Corp.'s Kami iron ore project, Search Minerals Inc.'s Foxtrot rare earth element project, Marathon Gold Resources Corp.'s Valentine Lake gold project, Minco's Lundberg Zone base metal project, Maritime Resources Corp.'s Hammerdown gold mine restart project, and Matador Mining Limited's Cape Ray gold project. These projects fall within approved, in review or announced stages under the inventory criteria.
- The gross value of mineral shipments for Newfoundland and Labrador in 2018 was $2.9 billion. The forecasted value for 2019 is projected to increase to $4.0 billion due to an increase in iron ore value.
- Mining industry average employment was 5726 person years in 2018 with a forecasted value of 6332 person years in 2019. The increase is primarily due to higher projected mining construction employment, mining construction for 2018 and 2019 are 962 and 1231 person years respectively.
- Of the $635 billion in major projects contained in the inventory, only $128 billion have received approval and $164 billion are under construction.

Action Being Taken:
- NR officials will continue to provide necessary information to support the Major Projects Inventory.

Prepared/Approved by: Y. Khan/B. Lawlor/R. Bates/A. Smith/K. Bradbury / C. Snook
Ministerial Approval:

July 10, 2019
Information Note
Department of Natural Resources

Title: Newfoundland and Labrador Mining Industry Overview

Issue: Overview of the status of the mining industry in Newfoundland and Labrador for the 2019 Energy and Mines Ministers’ Conference

Background and Current Status:
- NL has a wide variety of mineral commodities currently being produced such as iron ore (Labrador Trough), nickel, copper and cobalt (Voisey’s Bay); gold (Baie Verte Peninsula); fluorspar (St. Lawrence).

- The gross value of mineral shipments for Newfoundland and Labrador in 2018 was $2.87 billion with a forecasted value of $3.97 billion for 2019.

- The NL mining industry average employment was 5,726 person years in 2018 with a forecasted value of 6,332 person years in 2019. Mining construction employment included in these values for 2018 and 2019 are 962 and 1,231 respectively, the increase is mainly attributed to Voisey’s Bay Underground Mine Expansion.

- Iron, nickel, and copper contribute 90% of the value of shipments from the province with gold, cobalt, silver, industrial minerals, stone, sand and gravel contributing the remainder.

- Producing mines in the province are summarized in the table below:

<table>
<thead>
<tr>
<th>Operator</th>
<th>Commodity</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vale Newfoundland and Labrador Limited</td>
<td>Nickel/Copper/Cobalt</td>
<td>Voisey’s Bay</td>
</tr>
<tr>
<td>Vale Newfoundland and Labrador Limited</td>
<td>Finished Nickel/Copper/Cobalt</td>
<td>Long Harbour</td>
</tr>
<tr>
<td>Iron Ore Company of Canada</td>
<td>Iron Ore</td>
<td>Labrador City</td>
</tr>
<tr>
<td>Tata Steel Minerals Canada Ltd.</td>
<td>Iron Ore</td>
<td>Elross Lake/Menihek</td>
</tr>
<tr>
<td>Tacona Resources Inc.</td>
<td>Iron Ore</td>
<td>Wabush</td>
</tr>
<tr>
<td>Anaconda Mining Inc.</td>
<td>Gold</td>
<td>Pine Cove</td>
</tr>
<tr>
<td>Rambler Metals and Mining Canada Limited</td>
<td>Copper/Gold/Silver</td>
<td>Baie Verte</td>
</tr>
<tr>
<td>Atlantic Minerals Limited</td>
<td>Limestone/Dolomite</td>
<td>Lower Cove</td>
</tr>
<tr>
<td>Canada Fluorspar(NL) Inc.</td>
<td>Fluorspar</td>
<td>St. Lawrence</td>
</tr>
<tr>
<td>Hi – Point Industries (1991) Ltd.</td>
<td>Peat</td>
<td>Bishop's Falls</td>
</tr>
<tr>
<td>Trinity Resources Ltd.</td>
<td>Pyrophyllite</td>
<td>Manuels</td>
</tr>
<tr>
<td>Beaver Brook Antimony Mines</td>
<td>Antimony</td>
<td>Glenwood</td>
</tr>
<tr>
<td>Galen Gypsum Limited</td>
<td>Gypsum</td>
<td>Coal Brook</td>
</tr>
<tr>
<td>Red Moon Resources Inc.</td>
<td>Gypsum</td>
<td>Flat Bay</td>
</tr>
</tbody>
</table>

- Construction at Vale Newfoundland and Labrador’s Voisey’s Bay Mine Expansion resumed in June 2018. The project represents close to $2 billion in capital expenditures by Vale. There will be 16,000 direct and indirect person years of employment during the five years of construction, peaking at 4,800 person years in 2020. First ore production from underground is expected by April 2021 with an extended mine life of 15 years.

- The Iron Ore Company of Canada, began production at Wabush 3 pit, renamed the Moss Pit, on September 25, 2018. This $79 million investment will increase ore output by about five million tonnes per year and extend the life of the mine by 12 years.
- Tacora Resources Inc., an iron ore mining and development company based out of Grand Rapids, Minnesota, secured financing for the former Wabush Scully mine, renamed Tacora Mine, in Wabush, Labrador in November 2018. Tacora’s first shipment of ore arrived at Point Noire on July 1, 2019. The Reactivation of the Tacora Mine will create up to 260 jobs during operations.

- Canada Fluorspar made its first shipment of 4,700 tonnes of acid-grade fluorspar in August, 2018. Project capital costs are $250 million. Average yearly employment will be 225 person years.

- Beaver Brook Antimony mine has reached commercial production after being in care and maintenance for several years. Mining began on March 26, 2019 with mill start up commencing on April 22, 2019. Production is ahead of schedule and the stibnite concentrate is a very high grade ore in the vicinity of 60-65 per cent. First shipment of concentrate took place on June 19, 2019.

- Tata Steel Minerals Canada Limited has fully commissioned its $700 million wet processing facility and is ramping the plant up to full capacity of 700 tonnes per hour of concentrate production.

- Alderon Iron Ore Corp. continues to advance their Kami project located in Labrador West. In September 2018, Alderon released a Feasibility Study which demonstrates an average annual production of 7.84 Million tonnes over a 23 year mine life. The project has a capital cost of US$982.41 million and Alderon is now focusing on financing.

- Search Minerals Inc. has filed The Foxrot Rare Earth Element Mine for provincial (December, 2017) and federal (January, 2018) environmental assessment. An environmental assessment committee has been assigned and Search is required to submit an environmental impact statement for which guidelines have been provided.

- Projects in advanced stages of exploration in the Province:

<table>
<thead>
<tr>
<th>Operator</th>
<th>Commodity</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marathon Gold Corporation</td>
<td>Gold</td>
<td>Valentine Lake</td>
</tr>
<tr>
<td>Maritime Resources Corp.</td>
<td>Gold</td>
<td>King’s Point</td>
</tr>
<tr>
<td>Search Minerals Inc.</td>
<td>Rare Earth Elements</td>
<td>Port Hope Simpson</td>
</tr>
<tr>
<td>Matador Mining Ltd.</td>
<td>Gold</td>
<td>Cape Ray</td>
</tr>
<tr>
<td>Buchans Resources Limited</td>
<td>Zinc-Lead-Copper-Silver-Gold-Baite</td>
<td>Buchans</td>
</tr>
<tr>
<td>NorZinc Ltd.</td>
<td>Zinc-Lead-Copper-Silver-Gold</td>
<td>South Tally Pond / Lemarchant</td>
</tr>
</tbody>
</table>

Analysis:
- On January 25, 2019, the Brumadinho dam disaster at Vale’s Feijao iron ore mine in Brazil took place. Spot iron ore prices rose from US$75 per tonne to US$95 per tonne in the weeks following. The price further increased with the news that Vale would not be back in production for a period of time.

- As of July 2, the price was US$124.20 per tonne and the average price for the month of June was US$110.14 per tonne.

S.29.1.a
S.35.1.d
S.35.1.g
Iron ore from the Labrador Trough generally receive premiums for higher grade and low contaminant concentrate and pellets.

- High quality ore is in demand from China due to their efforts to reduce emissions.

- Nickel prices have fluctuated over the past year peaking at US$15,255 per tonne in June 2018 and bottomed out late January at US$10,440 per tonne. Prices rose again until March when they reached US$13,610 and have declined since then. The average price for the month of June was US$11,989 per tonne. Nickel prices are closely related to demand from stainless steel producers who account for about two-thirds of total demand.

- Copper prices were just over US$3.00 per pound this time last year, they have remained steady ranging from US$2.50 to US$2.97 per pound indicating that the demand has been sluggish. Current price is US$2.68 per pound as of July 2 and the average price for the month of June 2- July 2 was is $2.67.

- In April, 2019 Search Minerals Inc. has been granted a patent (US Patent 10,273,562, Issued April 30, 2019) for acid leaching of rare earth minerals using the Search Minerals Direct Extraction Process. The company is also undergoing its Pilot Plant Optimization program at the facilities of SGS Canada whereby parameters of its demonstration plant will be set.

Prepared/approved by: B. Lawlor / T. Walters / A. Smith
Ministerial Approval: July 10, 2019
Meeting Note
Department of Natural Resources
Meeting with Prospectors & Developers Association of Canada
Numa Restaurant (located off the main lobby in the Mission Building)
Tuesday July 16, 2019 5:00 – 5:30

Attendees:
Felix Lee, President, Prospectors and Developers Association of Canada
Lisa McDonald, Executive Director, PDAC
Honourable Siobhan Coady, Minister
Ted Lomond, Deputy Minister

Purpose of Meeting:
• The Prospectors and Developers Association of Canada (PDAC) requested a meeting with the Minister at the annual Energy and Mines Ministers’ Conference in Cranbrook, BC to discuss the following items:
  o Update on the state of Canada’s mineral industry and current issues
  o Update on the state of Newfoundland and Labrador’s mineral sector and current issues
  o PDAC Convention March 1-4, 2020

Background:
• The PDAC is one of the worlds most respected and successful mineral industry associations. With more than 8,000 members, it is committed to furthering and supporting the mineral exploration and development industry and the people and companies working in it. The work of the association, including its advocacy activities and programs, is funded solely from revenues derived from member fees and from our annual convention.

• As the trusted representative of the sector, PDAC encourages best practices in technical, operational, environmental, safety and social performance.

• A 26-member Board of Directors, 16 committees, and a team of permanent staff carry out the work of the association. A 2017 – 2021 strategic plan is in place.

• PDAC works with its members, partners and stakeholders to support a competitive and responsible sector. This involves helping the industry to access the capital, land and skills required to responsibly discover and develop deposits of the minerals and metals that make modern life possible.

• Considerable attention is also being allocated to finance and taxation, corporate social responsibility, human resources, student initiatives, communications and public affairs, as well as the world-renowned PDAC Convention.

Agenda item 1 (State of Canada’s mineral industry and current issues)
• PDAC would like to discuss the state of Canada’s mineral industry and current issues.

Analysis
• Canada’s mineral exploration and mining sector is a major contributor to the wealth of Canada. It injects more than $95 billion in gross domestic product (GDP) to the economy.
• Every year the sector employs more than 630,000 people (directly and indirectly) and accounts for almost 20% of all domestic exports.

• The Government of Canada, provincial and territorial jurisdictions are collaborating on the implementation of the Canadian Mineral and Metals Plan (CMMP) to drive industry competitiveness and long-term success.

• After five years of decline, mineral exploration activity began to recover in 2016, which continued in 2018, owing largely to increased financing activities and robust mineral and metal prices. As a result of this rebound in prices, global exploration budgets have increased significantly over the last few years.

• The number of mining related projects planned and under construction dropped from 124 in 2015 to 114 in 2019. The value for these projects also decreased over the same time from $140 billion to $80 billion.

• The trend in changes to investment plans and project development timelines underscores the need to foster a mineral investment environment that supports the competitiveness of the industry and Canada’s ability to attract scarce investment dollars.

Potential Speaking Points
• The exploration industry in NL is alive and well. It is equipped with determined and highly skilled individuals who are persevering with innovative ideas.

• Our plan, Mining the Future 2030 along NL’s participation in the CMMP, will further our goal to be consistently ranked as a leading Canadian jurisdiction.

Agenda item 2 (State of Newfoundland and Labrador’s mineral industry and any current issues)
• PDAC would like to discuss the state of Newfoundland and Labrador’s mineral industry and any current issues.

Analysis
• In Newfoundland and Labrador, we have the opportunity to significantly increase revenue from increased exploration and mining activities, strengthen the economy and provide jobs for rural communities.

• Geoscience has increased staking to approximately 20,000 claims in each of the past two years and while much is already known about the geology of the province, the opportunity exists to undertake work that is targeted, strategic and market-based. Cobalt experienced a price surge which corresponded to about 3,800 new claims in 2018 in Labrador.

• In April 2018, the Government of Newfoundland and Labrador signed a cooperation agreement with the Government of Quebec. By working together, we can further map the geology of the Labrador Trough in both Newfoundland and Labrador and Quebec.

• The future of our industry depends on educating, training, recruiting and retaining people, building technical and leadership skills, strengthening Indigenous, and women participation
rates. In 2019, it is estimated the mining industry in Newfoundland and Labrador directly employed 3900 people (excluding construction).

- In 2019, $40 million in exploration expenditures and $4 billion in mineral shipments are forecasted.

- The Mineral Incentive program helps to fund the exploration sector through its Junior Exploration Assistance and Prospector's Assistance with a total budget $1.7 million. The program aims to grow the mineral inventory of the Province through the discovery of new mineral districts, occurrences, prospects and deposits. The program also aims to advance mineral discoveries through the stage of defining NI 43-101 compliant mineral resources and to enhance Newfoundland and Labrador's competitiveness as a world class mineral exploration destination.

- In 2019, Provincial exploration expenditures are forecast to increase to $39.5 million, with $26.1 million for the island and $13.4 million for Labrador; this is down form $45.4 million, with $28.3 million for the island and $17.1 million for Labrador spent in 2018. For both years approximately 65% of exploration is being done on the Island portion of the province. There is a trend toward gold exploration on the Island and renewed iron ore exploration in Labrador.

- In partnership with Mining Industry NL and in collaboration with community stakeholders, NR released a strategic framework Mining the Future 2030 to aid the growth of the provincial mining sector in a manner that is responsible, sustainable, competitive and supportive of private-sector investments and job growth in our rural areas.

- Construction of Vale NL's Voisey's Bay Mine Expansion resumed in June 2018. First ore from underground is expected by April 2021 with an extended mine life of 15 years.

- Tacora Resources Inc. has sent its first iron ore concentrate shipment from the Tacora Mine in Wabush, Labrador, renamed from the Old Scully Mine. The shipment was received at Point Noire on July 1, 2019.

- Marathon Gold Corporation released an updated preliminary economic assessment in October of 2018 on its Valentine Lake project. They registered the project with environmental assessment in April 2019 where it has been determined an environmental impact statement is required.

- Environmental Impact Statements are also pending for three advanced exploration projects, namely Foxtrot Rare Earth Property owned by Search Minerals Inc.; Cape Ray Gold project recently bought by Matador Mining Limited; and First Finance Mining Corp.'s proposed 58-kilometre resource access road to its Hope Brook property.

- Alderon Iron Ore continues to advance its Kami project in Western Labrador.

Potential Speaking Points

-
• Based on recent exploration approvals, advanced exploration for gold continues in Central Newfoundland, for zinc on the Northern Peninsula and near Buchans, and for nickel-cobalt-copper and rare earths in Labrador.

• Labrador is geologically diverse and is richly endowed with a wide spectrum of minerals but remains relatively unexplored because of its remoteness. Labrador is almost 295,000 square kilometers with a majority of the area considered remote and will be focus of Mining the Future’s mid-term action plans.

Agenda item 3 (PDAC Convention March 1-2, 2020)
• PDAC will provide an overview of the 2020 PDAC Convention in Toronto.

Analysis
• The annual PDAC Convention is regarded as the premier international event for the mineral industry. It has attracted more than 25,000 people from 135 countries in recent years and will next be held March 1-4, 2020 in Toronto.

• PDAC’s annual conference attracts exploration companies, investors, governments and mining supply/service companies from more than 100 countries. Outside of Canada the largest number of attendees came from USA, Australia, United Kingdom, Peru, Mexico, Brazil, Chile, Argentina, South Africa, Germany, China, Finland. Nearly all governments that have sizeable mining industries, including virtually all Canadian PTs and the Federal Government, are represented at the Trade Show.

• PDAC is a critical piece in the Mines Branch’s promotions program, providing an important opportunity to meet new investors in the industry, and to connect with current project operators in NL who may be seeking new opportunities.

Potential Speaking Points
• NR looks forward to attending PDAC 2020 in Toronto once again.

Prepared/Approved by: T. Walters / B. Lawlor / A. Smith
Ministerial Approval:

July 11, 2019
Biographies

Felix Lee, President – Prospectors and Developers Association of Canada
An economic geologist with over 30 years of experience, Felix is a Director and Principal Consultant with CSA Global Canada, an international mining and geological consulting firm, where he manages the day-to-day operations of the firm’s Toronto office in conjunction with the firm’s twelve other offices worldwide. Prior to his current position, Felix was owner and president of Toronto-based mining and geological consultancy, A.C.A. Howe International Limited.

Felix has worked with both major and junior exploration companies, managing and working on grass-roots to advanced-stage exploration projects in North America, Central Europe, South America, Central Asia, Asia, and Africa, involving a variety of deposit types and commodities.

As a Director and Vice President with the PDAC, Felix has served on the Executive, Governance & Nominating, Human Resource Development, and Membership committees. Much of his 12 years with PDAC has focused on tackling the human resource challenges facing the industry and helping grow PDAC’s Student and Early Career Program, including PDAC’s Student-Industry Mineral Exploration Workshop (S-IMEW). He has valued the opportunity to work with many of Canada’s promising young geoscience students and new graduates and witnessing first-hand their knowledge and understanding of our industry grow.

Lisa McDonald, Executive Director - Prospectors and Developers Association of Canada
Lisa McDonald is the Executive Director (Interim) of the Prospectors & Developers Association of Canada (PDAC). Lisa has played a vital role in PDAC’s success for more than 20 years. While currently acting as Executive Director (Interim), Lisa served as the association’s Chief Operations Officer for 10 years where she delivered the strategic goals of the association and oversaw all aspects of operational performance.

Lisa is considered one of the key drivers behind the expansion of the annual PDAC Convention in Toronto. As the Convention Director from 2001 to 2008, Lisa was an integral part of growing the event into what is now considered the world’s premier mineral exploration and mining convention, drawing upwards of 30,000 attendees from 135 countries.