Re: Your request for access to information under Part II of the Access to Information and Protection of Privacy Act (File # NR-169-2019)

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 Beaver Brook Mines

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 is 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

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:

Key Messages
- NL has a wide variety of mineral commodities currently being produced including: iron ore (Labrador Trough), nickel, copper and cobalt (Voicey'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 Atius 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 9.86% 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.

- Producing mines in the province are highlighted 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></td>
<td>Finished</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Nickel/Copper/Cobalt</td>
<td></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>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>Bale Verte</td>
</tr>
<tr>
<td>Atlantic Minerals Limited</td>
<td>Limestone/Dolomite</td>
<td>Lower Cove</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>Canada Fluorspar (NL) inc.</td>
<td>Fluorspar</td>
<td>St. Lawrence</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>St. George’s</td>
</tr>
</tbody>
</table>

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. 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 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 direct, indirect and induced 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 raising capital.

- 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.

- 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:

<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 Ltd.</td>
<td>Rare Earth Elements</td>
<td>Port Hope Simpson</td>
</tr>
<tr>
<td>Matador Canada</td>
<td>Gold</td>
<td>Cape Ray</td>
</tr>
<tr>
<td>Buchans Minerals / Minco PLC</td>
<td>Zinc-Lead-Copper-Silver-Gold</td>
<td>Buchans</td>
</tr>
</tbody>
</table>

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.

Prepared/approved by: G. Taylor / A. Smith / P. Canning / J. Cowan
Ministerial Approval:

October 25, 2018
Decision/Direction Note
Department of Natural Resources

Title: Beaver Brook Antimony Mine Inc.'s Potential Restart of Operations and Acceptance of their Rehabilitation and Closure Plan

Decision/Direction Required:
- It is recommended that the Minister accept the Rehabilitation and Closure Plan for Beaver Brook Antimony Mine Inc. under section 9.(2) of the Mining Act, conditional on the following:
  - Additional financial assurance of $2.81 million being immediately provided.
  - Submission, by March 31, 2019, of an acceptable engineered plan and schedule for closure of the former tailings management facility.
- A letter accepting the Rehabilitation and Closure Plan is attached for the Minister's signature.

Background and Current Status:
- Roycefield Resources Ltd. opened the mine in 1997, but closed it in 1998 as a result of declining prices.
- In 2008, Beaver Brook Antimony Mine (BBAM) reactivated the antimony mine. Hunan Nonferrous Metals Corp. of China (now China Minmetals NonFerrous Metals Holding Co., Ltd.) acquired 100% of the mine in 2009.
- In November 2012, BBAM ceased operations and has been in care and maintenance since. Dewatering of the mine has been maintained and 9 to 11 people have been employed for care and maintenance.
- BBAM's mining leases, 146-A(4813) and 199(10221M), are in good standing.
- BBAM submitted a draft Rehabilitation and Closure Plan on July 5, 2018. The plan was reviewed by the Mineral Development staff and the Mining Act Committee and comments provided on September 14, 2018. A revised plan dated November 8, 2018, was subsequently provided addressing the comments.
- Financial assurance associated with the plan is $3.56 million. Current financial assurance, based on the 2007 accepted rehabilitation and closure plan is $749,500.
- Mineral Development reviewed a draft development plan provided on October 24, 2018. The plan is significantly deficient in many aspects and will require a major revision prior to the Division being able to recommend that it be approved under section 6 of the Mining Act.
- Section 4 of the Mining Act outlines what is required to operate a mining project:
  4. A person shall not operate a project, other than a mill, unless he or she
     (a) holds a lease;
(b) has submitted all plans required under this Act to the satisfaction of the minister including
   (i) a development plan, and
   (ii) a rehabilitation and closure plan; and
(c) has provided financial assurance, as required by the minister, to the satisfaction of the minister.

- BBAM's has outlined a rough schedule for restart of the mine to be initiated once the requested approval letter is received:
  - Secure existing 9 employee contracts;
  - Begin recruitment of 93 employees starting with management positions with a start date beginning on January 7th 2019 which includes the Mine Engineer, Safety Manager, Warehouse Manager and Mobile Maintenance Foreman;
  - Begin mining no later than February 25, 2019 starting with recovery of the pillar at the 9760 level (about 8 weeks mining with small crew)
  - Have full complement of miners by April 30th 2019;
  - Mill start up and commissioning will begin on May 1st 2019; and
  - Full production scheduled for July 1st 2019.

Analysis:
- Per BBAM’s schedule, there are about 7 weeks between BBAM engineering staff starting work and an approved development plan having to be in place. The development plan would need to be approved by February 25, 2019 to allow BBAM to meet its schedule.

- The rehabilitation and closure plan dated November 8, 2018 was reviewed by Mineral Development and is acceptable.
Alternatives:

- Provide approval of the acceptable rehabilitation and closure with conditions including receipt of immediate financial assurance. In addition, a letter (OCOR-33863) can be provided at the ADM level committing to prioritizing the review of Beaver Brook's revised development plan. (RECOMMENDED)

- Do not provide approval of the rehabilitation and closure plan nor provide the ADM letter until an acceptable development plan has been submitted and approved. The financial assurance would remain at $749,500 as per the currently accepted rehabilitation and closure plan. (NOT RECOMMENDED)

Prepared/Approved by: A. Smith
Ministerial Approval: November 15, 2018
Information Note
Department of Natural Resources

Title: Beaver Brook Antimony Mine Inc. Status Update

Issue: Status update for the Beaver Brook Antimony Mine and potential path forward for restart of operations.

Background and Current Status:
- Roycefield Resources Ltd. opened the mine in 1997, but closed it in 1998 as a result of declining prices.

- In 2008, Beaver Brook Antimony Mine (BBAM) reactivated the antimony mine. Hunan Non-ferrous Metals Corp. of China (now China Minmetals NonFerrous Metals Holding Co., Ltd.) acquired 100% of the mine in 2009.

- In November 2012, BBAM ceased operations and has been in care and maintenance since. Dewatering of the mine has been maintained and 9 to 11 people have been employed for care and maintenance.

- Section 4 of the Mining Act outlines what is required to operate a mining project:
  4. A person shall not operate a project, other than a mill, unless he or she
     (a) holds a lease;
     (b) has submitted all plans required under this Act to the satisfaction of the minister
         including
         (i) a development plan, and
         (ii) a rehabilitation and closure plan; and
     (c) has provided financial assurance, as required by the minister, to the satisfaction of the
         minister.

- Since BBAM entered care and maintenance, NR has been consistent in its messaging both during meetings and in correspondence that an acceptable updated development plan and rehabilitation and closure plan must be in place before the mine can restart.

- BBAM's mining leases 146-A(4813) and 199(10221M), and mill licence ML-BBAM-02 are in good standing.

- BBAM submitted a draft Rehabilitation and Closure Plan on July 5, 2018. The plan was reviewed by the Mineral Development staff and the Mining Act Committee and comments provided on September 14, 2018. A revised plan dated November 8, 2018, was subsequently provided addressing the comments.

- Financial assurance associated with the plan is $3.56 million. Current financial assurance, based on the 2007 accepted rehabilitation and closure plan is $749,500.

- Mineral Development reviewed a draft development plan provided on October 24, 2018. The plan is significantly deficient in many aspects and will require a major revision prior to the Division being able to recommend that it be approved under section 6 of the Mining Act.
• BBAM’s has outlined a rough schedule for restart of the mine to be initiated once the requested approval letter is received:
  - Secure existing 9 employee contracts;
  - Begin recruitment of 93 employees starting with management positions with a start date beginning on January 7th 2019 which includes the Mine Engineer, Safety Manager, Warehouse Manager and Mobile Maintenance Foreman;
  - Begin mining no later than February 25, 2019 starting with recovery of the pillar at the 9760 level (about 8 weeks mining with small crew)
  - Have full complement of miners by April 30th 2019;
  - Mill start up and commissioning will begin on May 1st 2019; and
  - Full production scheduled for July 1st 2019.

• On November 15, 2018, the Minister accepted the rehabilitation and closure plan conditional on a minor modification to the schedule for rehabilitation of the old tailings area and provision of the balance of financial assurance.

• On November 15, 2018, the ADM Mines responded to BBAM’s November 2 correspondence stating that prior to the start of mining (beginning with the recovery of the pillar at the 9760 level on February 25, 2019), an approved development plan must be in place. A commitment was made to provide detailed comments on the deficiencies in the latest development plan by November 21. A commitment was also made to prioritize the plan review and assign all available resources to having development plan comments to BBAM within four weeks of submission of a revised development plan and within two weeks for subsequent submissions.

• On November 19, 2018 a meeting was held between NR and BBAM.

• On November 21, 2018, BBAM was provided detailed guidance on their development plan.

• On November 28, 2018, BBAM provided a listing of issues on which Minmetals were seeking assurances. NR responded to these issues in a letter dated November 30, 2018. A copy of the letter is attached.

• On December 3, 2018, BBAM submitted a conceptual plan for mining the 9760 pillar for discussion. Approval of such a plan could provide additional time beyond February 25 for review and approval of a revised development plan. The conceptual plan was reviewed and discussed with BBAM. It has been indicated to BBAM that such a plan could be approved under the Mining Act provisional on addressing comments which will be provided in writing.

Analysis:

• As previously referenced, a commitment was made to prioritizing the review of BBAM’s revised development plan.
• On December 6, 2018, BBAM indicated that 3 advisors from Minmetals in China have concluded their review of information regarding restarting the mine and will be making a decision in the next week. Minmetals remains concerned about two items (both of which are addressed in the attached November 30 letter):
  o the potential for delay in approval of the development plan; and
  o the condition added to the acceptance letter asking for a plan and schedule for the process of designing and rehabilitating the old tailings facility.

• BBAM indicated that Minmetals options included:
  o Commit to restart as planned;
  o Hold the commitment to restarting until all approvals are in place; or
  o Sell the property.

Action Being Taken:
• NR will continue to work with BBAM towards restart of the mine, but within the existing regulatory framework.

Prepared/Approved by: A. Smith / P. Canning
Ministerial Approval: 17/11/18

December 6, 2018
Attachment: OCOR-33910
November 30, 2018

Brendan Alexander
General Manager
Beaver Brook Antimony Mine Inc.
PC Box 160
Glenwood, NL A0G 2K0

Dear Mr. Alexander:

RE: Beaver Brook Antimony Mine

We are pleased that Minimetals is considering investing in the restart of the Beaver Brook Antimony Mine. However, you have indicated that Minimetals is concerned about the potential for delays while regulatory approvals are obtained, and that this may affect Minimetals’ investment decision.

During our meeting on November 13, 2018, you indicated that Minimetals are seeking assurances on several issues. We have addressed each issue separately below.

- Full approval to restart the mine, as soon as possible according to the schedule and cost approved by BBAM Board of Directors, with a commitment from BBAM to submit of a revised development plan by December 31.

To be compliant with the Mining Act, operation of a project requires i) a mining lease, ii) an approved development plan, iii) an acceptable rehabilitation and closure plan (RCP), iv) financial assurance in place as outlined in the RCP and v) a valid mill licence.

An acceptable development plan is required (refer to correspondence from A. Smith - December 6, 2014, A. Steel - April 11, 2017, Perry Canning - November 15, 2018). We can commit to prioritizing and assigning all available resources to having development plan comments to you within four weeks of submission of a revised development plan and within two weeks for subsequent submissions.

Provided BBAM submits a development plan that fully addresses the guidance we provided in our November 21, 2018 letter, these review timelines should allow for approval of the development plan prior to the February 25, 2019 start of mining date. The actual timing of the approval would depend on the timeliness and quality of the submitted development plan and any subsequent submissions that may be required to address review comments; each of which is controlled by BBAM. The sooner the plan is submitted, the sooner our review can begin.
• Submission of the assurance funds of $2.61 million by mid-January, instead of immediately as indicated in the Minister’s acceptance letter for the RCP

Submission of the additional $2.61 million in required financial assurance by January 15, 2019 is acceptable. Submission of the $2.61 million is required regardless of whether Minerva decides to proceed with restarting the Beaver Brook operations.

• Rehabilitation and design of TMF1 to be completed per the schedule in the rehabilitation and closure plan and not as modified in the Minister’s acceptance letter

The intent of the condition in the Minister’s acceptance letter is to require a work plan and schedule for preparation of the design and execution of the necessary remediation work on TMF1. This would include identifying any test work (boreholes, tailings consolidation, etc.) that may be required. If funds are to be committed to physical repair work, a budget based on an engineered design must be in place to allocate those funds for 2020.

Section 3.5.5 of the RCP states: “It is planned under Progressive Rehabilitation to conduct the slope remediation design in 2019, start the slope remediation in 2019 and complete the TMF1 remediation (slope, capping and diversion ditches in 2020). It is also planned to conduct a DSR in 2020.” This differs from the schedule shown in Table 3.9 which shows the design and work being completed in 2020. I would also point out that Table 3.9 indicates start of mining on June 1, 2019 versus the current plan of February 25, 2019. For proper planning and resource allocation, the design should be completed as committed to in the text of the RCP.

The schedule for remediation of TMF1 as expressed in the Minister’s November 15, 2018 letter and interpreted above will remain unchanged.

• Approval to commence work on the 9760 pillar recovery provided a qualified engineering drawing/design is submitted to CNR

Approval of a limited development plan to allow work on a project to start while a full development plan is being reviewed has been done in the past, although it has only been to allow for start of site development work and not to allow mining. If SBAM provides a sample table of contents on what they plan to submit in support of approval to start work on 9760 pillar, we would be able to better provide guidance on such a submission. It should be noted that any plans would have to be stamped by a professional engineer and if approval is granted it would be limited in area and tonnage and have a limited timeframe. Approval would be subject to the acceptability of the submitted limited development plan. It should be
noted that review of such a plan would impact the timelines for review of the full development plan.

We are encouraged that a restart of BBAM is being considered. We understand that a delegation from Minmetals will be in the province next week and we would welcome a meeting to directly answer any questions regarding the Department of Natural Resources' regulatory requirements. We are keen to work with BBAM and Minmetals towards the restart of the mine, but this must be carried out within the existing legislative framework.

Yours sincerely,

ALEX SMITH, P.Eng.
Director, Mineral Development

c. The Honourable Dr. John Haggie
Minister of Health and Community Services
MHA, District of Gandar

Ms. Song Han
Deputy General Manager
Antimony Division Trading Department
China Minmetals Non-Ferous Metals Holding Co., Ltd.
Decision/Direction Note
Department of Natural Resources

Title: Beaver Brook Antimony Mine - Mining Act Approval for 9760 Pillar Recovery

Decision/Direction Required:
- It is recommended that the Minister approve the Beaver Brook Antimony Mine Inc.'s 9760 Development Plan dated December 21, 2018 under section 6(2) of the Mining Act for recovery 9760 pillar prior to full restart of mining at the Beaver Brook Antimony Mine.
- A letter approving the development plan is attached for the Minister's signature.

Background and Current Status:
- Roycefield Resources Ltd. opened the mine in 1997, but closed it in 1998 as a result of declining prices.
- In 2008, Beaver Brook Antimony Mine (BBAM) reactivated the antimony mine. Hunan Nonferrous Metals Corp. of China (now China Minmetals NonFerrous Metals Holding Co., Ltd.) acquired 100% of the mine in 2009.
- In November 2012, BBAM ceased operations and has been in care and maintenance since. Dewatering of the mine has been maintained and 9 to 11 people have been employed for care and maintenance.
- BBAM's mining leases 146-A(4813) and 199(10221M), and mill licence ML-BBAM-02 are in good standing.
- Since BBAM entered care and maintenance, NR has been consistent in its messaging both during meetings and in correspondence that an acceptable updated development plan and rehabilitation and closure plan must be in place before the mine can restart.
- On November 15, 2018, the Minister accepted the rehabilitation and closure plan conditional on a minor modification to the schedule for rehabilitation of the old tailings area and provision of the balance of financial assurance.
- Financial assurance associated with the plan is $3.56 million. Current financial assurance, based on the 2007 accepted rehabilitation and closure plan is $749,500. The additional $2.81 million in financial assurance is due to be provided by January 15, 2019.
- BBAM's has outlined a rough schedule for restart of the mine:
  - Secure existing 9 employee contracts;
  - Begin recruitment of 93 employees starting with management positions with a start date beginning on January 7th 2019 which includes the Mine Engineer, Safety Manager, Warehouse Manager and Mobile Maintenance Foreman;
  - Begin mining no later than February 25, 2019 starting with recovery of the pillar at the 9760 level (about 8 weeks mining with small crew)
2

- Have full complement of miners by April 30th 2019;
- Mill start up and commissioning will begin on May 1st 2019; and
- Full production scheduled for July 1st 2019.

- On November 15, 2018, the ADM Mines responded to BBAM’s November 2 correspondence stating that prior to the start of mining (beginning with the recovery of the pillar at the 9760 level on February 25, 2019), an approved development plan must be in place.

- On November 28, 2018, BBAM provided a listing of issues on which Minmetals were seeking assurances. NR responded to these issues in a letter dated November 30, 2018.

- On December 3, 2018, BBAM submitted a conceptual plan for mining, limited to the 9760 pillar recovery. Comments were provided to BBAM on December 7, 2018 to provide guidance on additional information that was needed for this to be considered a development plan under the Mining Act.

- On December 9, 2018, BBAM provided an abridged development plan limited to mining only the 9760 pillar. The plan was referred to Occupational Health and Safety and reviewed by Mineral Development. A letter dated December 21, 2018 provided minor comments from NR and input from OHS. The input from OHS is not required to be addressed in a revised plan as it will be addressed per the requirements of the Occupational Health and Safety Act.

- A revised abridged development plan was provided on December 21, 2018. BBAM acknowledged the input from OHS on January 7, 2019.

- An updated development plan for the overall operation was submitted by BBAM on December 21, 2018. The plan is under review with comments scheduled to be provided prior to January 18, 2019.

- By phone conversation on January 7, 2019, BBAM indicated that Minmetals are leaning towards waiting for the development plan for the overall operation to be approved before they sanction the restart. However, it was indicated that the $2.81 million in financial assurance is scheduled to be available to BBAM on January 10.

Analysis:

- The December 21, 2018 abridged development plan for recovery of the 9760 pillar was reviewed by Mineral Development and found to be acceptable.

  A commitment was made to prioritize the review and assign all available resources to having development plan comments to BBAM within four weeks of submission of a revised development plan and within two weeks for subsequent submissions.

- The updated development plan would need to be approved by February 25, 2019 to allow BBAM to meet its schedule. If the 9760 plan is approved, approval of the overall development plan would not be needed until early April.

- Approval of an abridged development plan to allow work on a portion of a project to start while a full development plan is being reviewed has been done in the past, although it has only been to allow for start of site development work and not to allow mining. A development
plan for the overall operation has been submitted, so it is recommended that the abridged plan be considered. It has been indicated to BBAM that such a plan would be considered.

Alternatives:

- [Redacted]

Prepared/Approved by: A. Smith
Ministerial Approval:

January 8, 2019
Decision/Direction Note
Department of Natural Resources

Title: Beaver Brook Antimony Mine – Mining Act Approval

Decision/Direction Required:
- It is recommended that the Minister approve the Beaver Brook Antimony Mine Inc.'s (BBAM) 2019 Development Plan, Restart of Mining Operations, dated January 23, 2019 including subsequent information provided on January 25, 2019, under section 8(2) of the Mining Act.

- A letter approving the development plan is attached for the Minister's signature.

Background and Current Status:
- Roycefield Resources Ltd. opened the mine in 1997, but closed it in 1998 as a result of declining prices.

- In 2008, Beaver Brook Antimony Mine (BBAM) reactivated the antimony mine. Hunan Nonferrous Metals Corp. of China (now China Minmetals NonFerrous Metals Holding Co., Ltd.) acquired 100% of the mine in 2009.

- In November 2012, BBAM ceased operations and has been in care and maintenance since. Dewatering of the mine has been maintained and 9 to 11 people have been employed for care and maintenance.

- BBAM's mining leases 146-A(4813) and 199(10221M), and mill licence ML-BBAM-02 are in good standing.

- Since BBAM entered care and maintenance, NR has been consistent in its messaging both during meetings and in correspondence that an acceptable updated development plan and rehabilitation and closure plan must be in place before the mine can restart.

- On November 15, 2018, the Minister accepted the rehabilitation and closure plan conditional on a minor modification to the schedule for rehabilitation of the old tailings area and provision of the balance of financial assurance.

- Financial assurance associated with the plan is $3.56 million. The full amount of financial assurance is in place.

- On November 15, 2018, the ADM Mines reiterated via correspondence that, prior to the start of mining (beginning with the recovery of the pillar at the 9760 level on February 25, 2019), an approved development plan must be in place.

- On November 28, 2018, BBAM provided a listing of issues on which Minmetals were seeking assurances. NR responded to these issues in a letter dated November 30, 2018.

- On December 3, 2018, BBAM submitted a conceptual plan for mining, limited to the 9760 pillar recovery. Comments were provided to BBAM on December 7, 2018 to provide guidance on additional information that was needed for this to be considered a development plan under the Mining Act.

- On December 9, 2018, BBAM provided an abridged development plan limited to mining only the 9750 pillar. The plan was referred to Occupational Health and Safety and reviewed by
Mineral Development. A letter dated December 21, 2018 provided minor comments from NR and input from OHS. The input from OHS was not required to be addressed in a revised plan as it will be addressed per the requirements of the Occupational Health and Safety Act.

- A revised abridged development plan was provided on December 21, 2018. BBAM acknowledged the input from OHS on January 7, 2019. The abridged plan was approved by the Minister on January 9, 2019.

- A development plan for the overall operation was submitted by BBAM on December 21, 2018. Comments on the plan were provided to BBAM on January 17, 2019.

- A revised development plan, dated January 23, 2019, was subsequently submitted. Three minor clarifications on the plan were provided by BBAM on January 25, 2019.

Analysis:
- The January 23, 2019 development plan, and additional information provided on January 25, 2019, for restart of the Beaver Brook Antimony Mine was reviewed by Mineral Development and found to be acceptable.

- On approval of the development plan, BBAM will be fully compliant with the Mining Act.

Alternatives:
- N/A.

Prepared/Approved by: A. Smith / P. Canning
Ministerial Approval: January 25, 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></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>Tacora 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>Fiat 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 Foxtrot 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>
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</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-Barite</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.
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 $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 is 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
QP Issue Note
Department of Natural Resources
March 6, 2019

ISSUE: Reopening of Beaver Brook Antimony Mine

ANTICIPATED QUESTIONS:
Q. Why is the restart of the Beaver Brook significant to the people of the province?

KEY MESSAGES:
Approximately 100 positions are directly associated with site operations.

Some 160,000 tonnes per year will be produced at full production.

Privately funding projects, such as Beaver Brook, are creating new opportunities for trades people, engineers, and many other fields.

SECONDARY MESSAGING:
• We thank China Minmetals Corporation for their confidence in Beaver Brook Antimony Mine as it restarts operations.

• Restarting Beaver Brook mine demonstrates that by working together, we are able unlock our natural resource wealth and create safe high paying jobs and supply opportunities.

• Privately funding projects, such as Beaver Brook, are creating opportunities for small businesses – everything from restaurants, gas stations, and accommodations providers – to grow and expand their operations.

BACKGROUND INFORMATION:
• Our mining industry is thriving. In 2019 the mining sector is forecasted to employ 6,300 people – an 11 per cent increase from 2018.

• The gross value of mineral shipments in Newfoundland and Labrador is forecasted at $4 billion for 2019, a 47 per cent increase since 2016.

• Mining the Future 2030 will grow the Newfoundland and Labrador mining industry, and in the process, create jobs throughout the province in collaboration with Indigenous governments, groups and community stakeholders.
KEY MESSAGES

Natural Resources
Beaver Brook Announcement
March 8, 2019

Summary:
On March 8th an event is planned for the official reopening of Beaver Brook antimony mine. The Premier, local MHAs and officials from the Beaver Brook mine will participate in the event. The new mine will bring 100 new jobs to the area.

Anticipated Question:
Why is the restart of the Beaver Brook significant to the people of the province?

Key Messages:

- We thank China Minmetals Corporation for their confidence in Beaver Brook Antimony Mine as it restarts operations.

- Approximately 100 positions are directly associated with site operations which will produce some 160,000 tonnes per year at full production.

- Restarting Beaver Brook mine demonstrates that by working together, we are able unlock our natural resource wealth and create safe high paying jobs and supply opportunities.

- Privately funding projects, such as Beaver Brook, are creating new opportunities for trades people, engineers, and many other fields. They are creating opportunities for small businesses – everything from restaurants, gas stations, and accommodations providers – to grow and expand their operations.

- We see the success and great potential of our mining industry and want to ensure it continues to be a leading contributor to our economy. This is why this past November, in collaboration with Mining Industry NL, we launched Mining the Future 2030: A Plan for Growth in the Newfoundland and Labrador Mining Industry.

Secondary Messages:

- Our mining industry is thriving. In 2019 the mining sector is forecasted to employ 6,300 people – an 11 per cent increase from 2018.

- The gross value of mineral shipments in Newfoundland and Labrador is forecasted at $4 billion for 2019, a 47 per cent increase since 2016.
• A world of possibilities is at our doorstep because our geology positions Newfoundland and Labrador to be a global supplier of minerals.

• Mining the Future 2030 will grow the Newfoundland and Labrador mining industry, and in the process, create jobs throughout the province in collaboration with Indigenous governments, groups and community stakeholders.

• By 2030 our Government envisions:
  o five new mines;
  o sustainable direct employment of more than 6,200 people in operations,
  o doubling annual exploration expenditures to $100 million;
  o $4 billion in annual mineral shipments or at least 10 per cent of the Canadian total; and,
  o a workforce that is more diverse and includes a minimum of 30 per cent women – double the current level.

• Our vision is to be a top tier global jurisdiction for safe, environmentally responsible exploration and mining growth. And to maximize benefits and opportunities by competitively producing quality products for global markets.

Prepared by: Lisa Lawlor/Heather Gillis - Communications
Approved by:
Questions and Answers

Natural Resources
Beaver Brook Antimony Mine
March 8, 2019

1. **What are the economic benefits that are being created from the opening of Beaver Brook?**

2. **How will the opening of this mine grow the mining industry?**
   The opening of Beaver Brook demonstrates that by working together, we are able unlock our natural resource wealth creating safe high paying jobs and supply opportunities. The opening will create more jobs for the people of the province and create an attractive environment for investment.

3. **How does the opening of Beaver Brook align with the goals set out in Mining the Future 2030?**
   This past November, in collaboration with Mining Industry NL, we launched *Mining the Future 2030: A Plan for Growth in the Newfoundland and Labrador Mining Industry*. Mining the Future 2030 will grow the Newfoundland and Labrador mining industry, and in the process, create jobs throughout the province in collaboration with Indigenous governments, groups and community stakeholders. The opening of Beaver Brook aligns with the goals of Mining the Future through the creation of jobs and is another step to helping us achieve our vision to be a top tier global jurisdiction for safe, environmentally responsible exploration and mining growth.

4. **How does mining contribute to a green economy?**
   - The greening of the global economy will require an increasing variety, volume and quality of minerals to produce products that generate lower emissions and meet green objectives.
   - The development and commercialization of green technologies such as electric vehicles will provide significant upside for many metals.
     - Vale reported that by 2030, vehicle electrification could increase the nickel market by up to 100%.
     - The projected demand for cobalt has already resulted in a 100% price appreciation over the past five years.
     - China has instituted a number of environmental measures that has increased demand for higher quality iron ore and has resulted in larger premiums for high quality ores such as those produced from the Labrador Trough.
   - These and other minerals such as rare earth elements are needed to build products to facilitate this shift to a green economy.
5. **What opportunities exist for young people in mining?**

Mining in Newfoundland and Labrador offers a variety of opportunities for careers requiring different levels of training and education. People are needed throughout the mining cycle for exploration, construction and operations, including supply and services. Jobs are often high paying and sustain families and communities throughout our province.

6. **How is government partnering with industry to position the province globally as a preferred location for mineral exploration and mining development?**

Government consulted with industry, academia and other stakeholders as Mining the Future 2030 was being developed. This will continue as implementation plans are developed for the actions outlined in Mining the Future.