Re: Your request for access to information under Part II of the Access to Information and Protection of Privacy Act (File # NR-184-2019)

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 Tacora Resources

We are providing access to the most information possible but have made redactions in accordance with Sections 29(1)(a), 35(1)(d)(f)(g) and 39(1)(a)(ii),(b)(c)(ii) 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.

39. (1) The head of a public body shall refuse to disclose to an applicant information
(a) that would reveal
(ii) commercial, financial, labour relations, scientific or technical information of a
third party;
(b) that is supplied, implicitly or explicitly, in confidence; and
(c) the disclosure of which could reasonably be expected to
(ii) result in similar information no longer being supplied to the public body when
it is in the public interest that similar information continue to be supplied,

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:
- 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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</table>

**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$59.25 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
Decision/Direction Note
Department of Natural Resources

Title: Mill Licence for Tacora Resources Inc.'s Scully Mine Reactivation

Decision / Direction Required:
- It is recommended that the Minister sign the attached Mill Licence (ML-TRI-01) for Tacora Resources Inc.

Background and Current Status:
- Wabush Mines, previously owned by US-based Cliffs Natural Resources (Cliffs), began producing in 1965. The mine was idled in February 2014; and, on October 30, 2014, Government was notified that the mine was permanently closed.

- Cliffs' fully owned Canadian subsidiaries, including the Wabush Mines property, were under creditor protection per the federal Companies’ Creditors Arrangement Act (“CCAA”). The mine was sold to Tacora Resources through the CCAA process.

- Tacora is an iron ore mining and development company focused on the acquisition and revitalization of iron ore assets. The company is based out of Grand Rapids, Minnesota and its parent company is MagGlobal LLC, (MG). Tacora is controlled by Proterra (68.6%) a private investment firm, via Proterra’s US$42 million equity investment in Tacora’s purchase of Wabush Mines.

- With the purchase of Wabush Mines, Tacora has assumed sub-lease of the mineral rights from MFC Bancorp and the rehabilitation responsibility from the former mine owner. A condition of the sale was agreement with government on financial assurance.

- On July 13, 2017, the Minister accepted a rehabilitation and closure plan for the Wabush Scully Mine Project dated June 9, 2017 with associated financial assurance of $36.75 million. The plan was accepted conditional on undertaking aboriginal consultations prior to carrying out the accepted rehabilitation and closure plan.

- Tacora has provided financial assurance of $36.75 million. Financial assurance must be increased to $41.74 million prior to starting operations.

- On July 19, 2017, Tacora announced that it closed the acquisition of assets associated with the Scully Mine.

- Tacora has entered into a long term (five-year) offtake agreement with Cargill, an international metals supply chain company, for 100 percent of its concentrate product. The iron ore concentrate will be sold as feed for sinter plants and pelletizing plants.

- Tacora’s “Wabush Scully Mine Reactivation” was released from the environmental assessment process on November 22, 2017. Conditions associated with the release include completion of a Benefits Plan, a Gender Equity and Diversity Plan, and an Environmental Protection Plan.

- Tacora has completed the feasibility study for the Tacora Mine reactivation (former Wabush Mines Scully mine and concentrator). The positive result is consistent with their due diligence performed prior to purchasing the property and that there were no negative surprises.
• Tacora provided a development plan dated November 21, 2017 and the accepted rehabilitation and closure plan dated June 9, 2017 to the appropriate indigenous groups for consultation in accordance with consultation guidelines issued by Indigenous Affairs.

• On January 23, 2018, Tacora’s development plan was approved and the rehabilitation and closure plan, following completion of indigenous consultations that were not done in 2017, was accepted.

• Tacora’s had planned to reactivate the Tacora Mine in 2018 and gradually ramp up annual production to a rate of 6.25 million tonnes of concentrate by 2021. Approximately 550,000 tonnes of concentrate were planned for 2018.

• Tacora will require approximately $205 million in pre-production capital expenditures to restart the project. The major capital expenditures include a fleet of mine and support equipment, repairs / upgrades to the concentrator and the installation of the manganese separation units. Tacora will attempt to raise the required capital in Q1 2018.

• Direct employment is projected to be 183 person years in 2018 and will increase to 260 person years by 2021.

• An application for a mill licence was received on February 19, 2018.

• Tacora is in compliance with the Mining Act.

Analysis:
• The application for the Mill Licence was reviewed by Mineral Development and is acceptable.

• Section 5 of the Mining Act requires the Minister to issue a Mill Licence to a lessee upon application. The Issuing of a Mill Licence is a routine matter.

• Consultations took place with only the Naskapi Nation of Kawawachikamach responding to indicate that they had no comments. Indigenous Affairs has confirmed that, following notification to the other indigenous organizations that the timeframe for comment has ended, the mill licence may be issued. Such notification was sent on October 18, 2018.

Alternatives:
• The Mining Act states that a mill licence shall be issued on application by a lessee.

Prepared/Approved by: A. Smith / P. Canning
Ministerial Approval: Received from Hon.

October 18, 2018
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 Altius 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.

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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.

- 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.

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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.

Prepared/approved by: G. Taylor / A. Smith / P. Canning / J. Cowan
Ministerial Approval: [Signature]
October 25, 2018
Information Note
Department of Natural Resources

Title: 2019 Labrador Industrial Customer Rates

Issue: To provide a summary of Newfoundland and Labrador Hydro's (NLH) 2019 Labrador Industrial Rate Report (the Report) submission to the Minister of Natural Resources (NR) outlining 2019 electricity rates for Labrador Industrial customers (LIC) and to highlight issues related to the Iron Ore Company of Canada (IOC).

Background and Current Status:
- In December 2012, the Government of NL introduced a new electricity rate policy for LIC to ensure a transparent and fair rate for all Labrador industrial customers and to assist in keeping the cost of electricity in the region competitive with other Canadian jurisdictions while considering the market value of electricity. Prior to this there was no published industrial electricity rate in Labrador. The policy requires that NLH submit an annual report to the Minister of NR prior to publishing new LIC rate for the following year.
- The LIC rate policy requires NLH to provide a low-cost Development Block of power equal to the historical demand in the region, supplemented by market-priced power to meet industrial growth. The rates for the Development Block are adjusted annually based on average consumer price index and forecast transmission losses.
- Currently, IOC is the only industrial customer in Labrador, however Tacora Resources Inc. is in the process of restarting Wabush Mines (expected to open in mid-2019) and Alderon may also become a customer at some point in the future.
- On December 10, 2018 NLH submitted its 2019 Industrial Rate report to Natural Resources, setting new electricity rates for LIC effective January 1, 2019. The report describes the rate design, rate changes and projected customer impacts with a comparative analysis to other Canadian jurisdictions.
- The 2019 rate for the Development Block energy is 2.369 $/kWh. Customer load requirements beyond this block will be charged at Market Block rate of 4.160 $/kWh. This translates to an average rate for Labrador Industrial Customers of 2.697 $/kWh, an increase of approximately 5% over the 2018 rate of 2.57 $/kWh. The following table provides comparison of the rates for LIC as well as energy and billings for IOC from 2015 to 2019:

<table>
<thead>
<tr>
<th>Particular</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019 (f)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demand Charge ($/kW)</td>
<td>1.68</td>
<td>1.68</td>
<td>1.68</td>
<td>1.61</td>
<td>1.61</td>
</tr>
<tr>
<td>Development Block Energy Rate ($/kWh)</td>
<td>2.243</td>
<td>2.272</td>
<td>2.277</td>
<td>2.306</td>
<td>2.369</td>
</tr>
<tr>
<td>Market Block Energy Rate ($/kWh)</td>
<td>4.552</td>
<td>3.897</td>
<td>3.822</td>
<td>3.270</td>
<td>4.160</td>
</tr>
<tr>
<td>Forecast Firm Energy Rate ($/kWh)</td>
<td>2.243</td>
<td>2.272</td>
<td>2.277</td>
<td>2.306</td>
<td>2.434</td>
</tr>
<tr>
<td>Average Unit Cost ($/kWh)</td>
<td>2.542</td>
<td>2.550</td>
<td>2.580</td>
<td>2.570</td>
<td>2.697</td>
</tr>
<tr>
<td>Total Energy - IOC (GWh)</td>
<td>1,703</td>
<td>1,753</td>
<td>1,746</td>
<td>1,440</td>
<td>1,741</td>
</tr>
<tr>
<td>Power on Order - IOC (MW)</td>
<td>243</td>
<td>247</td>
<td>245</td>
<td>250</td>
<td>222</td>
</tr>
<tr>
<td>Total Billings - IOC ($ million)</td>
<td>43.2</td>
<td>44.9</td>
<td>44.7</td>
<td>37.5</td>
<td>46.7</td>
</tr>
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</table>

NOTES:
Reflects actual billings year to date November 30, 2018 and forecast December 2018. Actuals reflect reduced demand and energy billings as a result of 2018 strike.
• NLH notes that the Labrador Industrial load will exceed the Development Block and cross into the Market Block in 2019 due to the opening of Wabush mines by Tacora, and continue to extend further into the Market Block. NLH states that approximately 96% of the energy is projected to be billed at the Development Block rate and 4% on the Market Block rate.

• The Development Block is sold at the minimum price required to pay NLH's costs to purchase the energy from Churchill Falls Labrador Corporation (CFLCo). This price is set at a level which allows for the financing of CFLCo's long term maintenance and asset renewal plan.

• NLH notes that out of the 239 MW (2095 GWh) of Development Block available to existing and future Labrador Industrial Customers, the net amount to be delivered to customers in 2019 is 1955 GWh (which translates to approximately 224 MW), reflecting 6.2% system losses.

Analysis:
Action Being Taken:

- NR will review NLH’s proposal with a view to correcting any inefficiencies or weaknesses in the Labrador Industrial Rate Policy.
- NR will continue to monitor issues pertinent to Labrador Industrial Customers.


Ministerial Approval: NOT APPROVED

December 20, 2018
Decision/Direction Note
Department of Natural Resources

Title: Financial Assurance for Tacora Resources’ Wabush Scully Mine

Decision / Direction Required:
- It is recommended that the Minister authorize the refund of Tacora Resources Inc.’s financial assurance paid in cash in July 2017 by signing the attached letter.

Background and Current Status:
- Tacora Resources Inc. (Tacora) purchased the Wabush Scully Mine from Cliff’s Resources in July 2017.

- On January 23, 2018, the Minister accepted Tacora’s “Rehabilitation and Closure Plan, Scully Mine Reactivation”, dated June 9, 2017 and amended on July 7, 2017, with associated financial assurance of $36.75 million and financial assurance increasing to $41.74 million prior to the mine restarting.

- The additional $4.99 million in financial assurance is related to the deposition of waste rock on existing waste rock piles and disturbance of rehabilitated tailings areas. It has been agreed with Tacora that this additional financial assurance must be in place prior to the start of either of hauling waste rock or deposition of tailings.

- Pursuant to the Mine Rehabilitation and Closure Financial Assurance Fund Agreement between the Province and Tacora, signed July 17, 2017, Tacora provided financial assurance in the amount of $36,750,000.00. Tacora further agreed to increase their financial assurance by $4,990,000.00 on activation and operation of the Wabush Scully Mine.

- Tacora has provided replacement financial assurance in the amount of $41,740,000.00.

Analysis:
- The financial assurance currently required from Tacora is $36,750,000.00, to be increased to $41,740,000.00 prior to operations starting.

- Tacora has provided financial assurance in the amount of $41,740,000.00 to increase the financial assurance in place and to replace the cash previously posted by Tacora.

- The bond is a form of acceptable financial assurance per Section 10.3(c) of the Mining Act. The terms of the bond are compliant with the department’s standard bond agreement.

- Tacora is owed a refund of $36,750,000.00.

Prepared/Approved by: D. Tite / A. Smith / P. Canning
Ministerial Approval: [Signature]

April 4, 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</td>
<td></td>
</tr>
<tr>
<td></td>
<td>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 Brock</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 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>
<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-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 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 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
KEY MESSAGES

Natural Resources
Scully Mine Announcement
November 27, 2018

Summary:
Tacora Resources Inc. has announced the restart of Scully Mine in Wabush.

Anticipated Question:
Why is the restart of the Scully Mine significant to the people of the province?

Key Messages:
- We welcome Tacora Resources Inc. to Labrador West as it restarts Scully Mine.
- Approximately 260 positions are directly associated with site operations which will produce some six million tonnes of concentrate annually when fully ramped up.
- Restarting Scully Mine demonstrates that by working together, we are able unlock our natural resource wealth and create safe high paying jobs and supply opportunities.

Secondary Messages:
- As a province, we have initiated Mining the Future 2030 – a plan for growth in the Newfoundland and Labrador mining industry and the way forward on mineral development.
- The re-start of Scully Mine demonstrates the many benefits mining brings to the province as we work to achieve our Mining the Future goals.

Prepared by: Media Relations Manager, Natural Resources
Approved by: ADM, Mines Branch, Natural Resources