Re: Your request for access to information under Part II of the Access to Information and Protection of Privacy Act (File # NR-186-2019)

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 Rambler 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,

[Signature]

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:

<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>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>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>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. 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 proceed 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:

<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:

- 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$89.25 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: Mining Act approval of Rambler Metals and Mining Ltd.’s Camp Pond Access Road and Pipeline Route Construction

Decision/Direction Required:
- It is recommended that the Minister approve Rambler Metals and Mining Ltd.’s Phase II Development Plan Amendment and accept their Phase II Rehabilitation and Closure Plan Amendment for construction of the Camp Pond access road and pipeline route under section 6.(2) and 9.(2) of the Mining Act,

- A letter approving the Development Plan and accepting the Rehabilitation and Closure Plan is attached for the Minister’s signature.

Background and Current Status:
- Since 2011, Rambler Metals and Mining Ltd. (RMM) has operated the Ming Copper-Gold mine and Nugget Pond mill near Baie Verte, NL. Ore is trucked 40 km from the Ming mine to the Nugget Pond mill for processing. The Phase I project was a high grade, low tonnage operation with a mine life of six to seven years at 850 metric tonnes per day (mtpd).

- On April 9, 2018, the Minister approved RMM’s Phase II Development Plan that covers the period 2017-2021 and includes preparation works for mining the Lower Footwall Zone (LFZ), which has potential to extend the mine life for further 15+ years. The Phase II Development Plan also includes increasing the storage capacity of the current tailings pond (Nugget Pond).

- On December 13, 2017, RMM submitted an Environmental Assessment registration for the construction of a new tailings impoundment in nearby Camp Pond in place of increasing the storage in Nugget Pond. The project was released from environmental assessment review on June 21, 2018.

- On August 8, 2018, RMM submitted an amendment to the Phase II Development Plan and Rehabilitation and Closure Plan consisting of the construction of an access road, a pipeline route, and a new tailings impoundment at Camp Pond. RMM requested initial approval for the access road and pipeline route construction.

- After Mineral Development staff review of the amendment, RMM submitted a separate Phase II Development Plan and Rehabilitation and Closure Plan amendment for the access road and pipeline route on August 29 and additional information on September 24, 2018 and October 10, 2018.

- On October 31, 2018, RMM applied for the surface rights to cover the areas containing the original Nugget Pond tailings impoundment, the Camp Pond impoundment, and related infrastructure.

- RMM is in compliance with the Mining Act.
Analysis:

- The road will remain in place for the long term to allow for monitoring and maintenance of the dams associated with the new tailings impoundment. A total of $3095 in additional financial assurance is required to cover the rehabilitation of the pipeline corridor.

- The amendment for the construction of the Camp Pond access road and pipeline route was reviewed by Mineral Development staff and is acceptable.

- Early approval of the construction of the access road will allow Rambler to construct the road prior to winter while review of the Mining Act submission for the new tailings impoundment is ongoing.

- The continued operation of the RMM Ming mine and Nugget Pond mill depends on RMM having sufficient tailings storage capacity to move through Phase II work and on to Phase III with the development of the LFZ and a potential further 15+ year life of mine.

Alternatives:

- N/A

Prepared/Approved by: S. Bassler / A. Smith / P. Canning
Ministerial Approval: [Signature]

November 6, 2018
Decision/Direction Note
Department of Natural Resources

Title: Consent to Rambler Metals and Mining Canada Limited to grant security interest of its mineral licences, mining leases, and surface leases

Decision/Direction Required:
- Consent from the Minister of Natural Resources to allow granting of security interest using mineral licences, mining leases, and surface leases issued to Rambler Metals and Mining Canada Limited (Rambler).

Background and Current Status:
- Rambler is the holder of several mineral licences, mining leases, and surface leases in central Newfoundland.
- Rambler is in the process of completing financing in relation to its operations in Baie Verte.
- Section 24(1) of the Mineral Act allows for the transfer, assignment, mortgage, pledge, or conveyance of the mineral rights of a mineral licence provided the licence is in good standing and consent of the Minister of Natural Resources is given.
- Section 15(2) of Schedule C of the surface leases provides for their subletting, subdivision, underletting, granting, or mortgage via a transfer of the surface leases.
- As part the financing process, Rambler plans to grant a debenture over its mineral licences, mining leases, and surface leases to a security trustee, CE Mining III Rambler Limited (CEIII).
- Rambler’s legal counsel submitted a consent document on November 16, 2018 to NR for review and a request that the Minister authorize the debenture.

Analysis:
- All licences and leases held by Rambler are considered to be in good standing.
- In order for Rambler to complete the financing in relation to its Baie Verte operations, consent is required by the Minister.
- JPS has reviewed the consent request provided by Rambler and deemed that it is satisfactory.

Alternatives:
Decision/Direction Note
Department of Natural Resources

Title: Issuance of Surface Lease 163 to Rambler Metals and Mining Canada Limited

Decision/Direction Required:
- Whether to Issue Surface Lease 163 to Rambler Metals and Mining Canada Limited
- It is recommended that:
  - Surface Lease 163 be issued to Rambler Metals and Mining Canada Limited

Background and Current Status:
- Rambler Metals and Mining Canada Limited (Rambler) is the holder of Mining Lease 140 (4444), Mining Lease 141 (4532) and Mining Lease 188 (10241M).
- Under Section 33 of the Mineral Act the holder of a mining lease may apply to the Minister of Natural Resources for surface rights to facilitate the construction of infrastructure to support mining operations.
- Rambler applied for a surface lease covering 92,746 hectares to cover the footprint and infrastructure associated with their Nugget Pond processing complex on October 31, 2018.
- The surface lease will cover the Nugget Pond mill, existing tailings and settling ponds, and the proposed tailings management facility located at Camp Pond (Appendix A).
- Legal surveys of the boundaries of the proposed surface lease were received on March 24, 2019.

Analysis:
- Under Section 33 of the Mineral Act the Minister is obliged to issue a surface lease to the holder of a valid mining lease under terms and conditions considered appropriate by the Minister.
- A surface lease does not have to cover the exact or entire area of the Mining Lease(s), but rather areas where infrastructure is required by the development. A surface lease can and often extends beyond the Mining Lease(s) for a project.
- The Nugget Pond facility is currently partially covered by Lease 108691 issued by FLR. This lease covers only a portion of the infrastructure associated with the processing facility and does not cover the existing tailings or settling ponds.
- Crown Lands Lease 108691 will be surrendered upon issuance of the proposed surface lease.
- The surface lease has been reviewed by JPS, FLR, and the Mineral Development Division of NR. No concerns were noted and the leases contain all standard terms and conditions.
- The signature of the Minister of Natural Resources is required to issue the surface leases.
Alternatives:

- S.29.1.a
- S.35.1.d
- S.35.1.f
- S.35.1.g

Prepared/approved by: J. Lake / K. Sheppard / P. Canning

Ministerial Approval: [Signature]

April 12, 2019
Information Note
Department of Natural Resources

Title: Update on the Orphaned or Abandoned Mines in the Baie Verte area

Issue: To provide background information on Orphaned or Abandoned Mines in the Baie Verte area

Background and Current Status:
- Orphaned or abandoned mines (OAM) are those mines for which the owner cannot be found or for which the owner is financially unable or unwilling to carry out environmental clean-up. They may pose environmental, health, safety and economic implications for communities, the mining industry and provinces across Canada, including NL.

- It has been estimated by Mining Watch Canada that there are in excess of 10,000 OAMs in Canada. NR estimates that there are 66 OAMs in the province.

- OAMs in the province consist mostly of small 19th century mines that had very limited production and a relatively small footprint but can range from advanced exploration sites to former major producers.

- Mines opened since 1999 operate under the Mining Act and must provide rehabilitation and closure plans, together with sufficient financial assurance to cover the costs of rehabilitation in the event of closure.

- NR has undertaken a program of rehabilitating OAM sites in the province since 1988. The current focus of activity is on tailings dams at six of these sites.

- There are three OAMs in the Baie Verte area at which NR has been active in recent years: the former Baie Verte Mines, Consolidated Rambler, and Terra Nova mine sites.

Former Baie Verte Mines (Advocate)
- The former Baie Verte asbestos mine operated from 1963 to 1981. The assets were expropriated in 1981 but the mine continued to operate under several new owners between 1982 and 1994. In November 1996, the site and remaining infrastructure became property of the Crown under the terms of the Mineral Act, and the responsibility for the management of the site and assets was assigned to NR. The entire site is Exempt Mineral Land (EML).

- Over 49 million tonnes of ore were processed through the dry mill between 1963 and 1991 to produce 1.6 million tonnes of asbestos. Approximately 190 million tonnes of waste rock and 47 million tonnes of tailings were produced.

- Demolition of site infrastructure including the mill buildings, crusher, maintenance shops, warehouse and the wharf is complete at the former Baie Verte Mines site. This work was done by NR between 2006 and 2010 at a cost of $4.6 million. The open pit, waste rock piles and tailings remain.

- During operations, the open pit had a series of failures of the pit wall with material falling into the pit. This continued after the mine closed such that the distance between the pit wall and Route 410 was decreasing and residents were concerned about the safety of the road. A
slope stability study of the pit at Baie Verte Mines was completed in 2009. It concluded that there was “no immediate risk to Route 410 due to deep-seated slope failures”. In 2016, the department started using drones to periodically monitor the slope for movement.

- Air sampling was done from 2008 to 2010 in the Town of Baie Verte and at Highway 410. The purpose of the ambient air monitoring was to determine if asbestos was being carried off the site and affecting air quality in the Town or at Highway 410. Air sampling results were good with all results being well below the standards (Ontario) for asbestos in air.

- NR has performed limited studies beyond that required to address safety issues at the site (air quality monitoring and topographical surveys) that would allow for planning and scoping of ways to address the environmental issues in the future.

- Further studies are required, to fully evaluate the proper and most efficient manner of rehabilitating these environmental issues.

- The department received an unsolicited proposal for repurposing and rehabilitation of the site from Mi2 Energy. The proposal includes exporting the waste rock as aggregate.

- Anaconda Mining has expressed interest in using the open pit mine for tailings disposal and has asked to meet to discuss possible measures that could be implemented to improve the condition of the site.

**Former Consolidated Rambler Mine Site**

- The Rambler property, consisting of four mines (Main Mine, East Mine, Big Rambler Pond and Ming Main) and a concentrator, was operated by Consolidated Rambler Mines Limited from 1964 to 1982 and again briefly in 1995 to 1996 by Ming Minerals.

- A total of 4.3 million tonnes of ore was mined and milled; 3.8 million tonnes of acid generating sulphide tailings remain on the site. A portion of the tailings area is an EML containing 1.5 million tonnes of tailings with approximately 1.56 grams per tonne of gold including 880,000 tonnes of tailings with approximately 2.06 grams per tonne.

- The Mineral Act requires that EMLs be disposed via a public tender. On June 10, 2016, NR issued a Request for Proposals (RFP) based on site specific Terms of Reference for the Former Consolidated Rambler Tailings EML. The RFP closed on August 5, 2016 and proposals were received from the following three companies: Rambler Metals and Mining Canada Ltd. (RMM), Footprint Environmental Inc. and Anaconda. (The names of the responding companies have not been released.)

- The proposals were reviewed by a four person interdepartmental Evaluation Committee based on pre-established criteria and in accordance with the Framework for the Evaluation
of Proposals Arising from a Request of Proposal. The evaluation criteria included: environmental and socio-economic benefit to the province, company technical expertise and experience, project risks, project funding and project description.

- RMM's proposal was successful. RMM proposed to evaluate the feasibility of extracting gold from tailings but primarily use the tailings for paste backfill at the Lower Footwall Zone. Terms of the resulting mining lease will correspond to commitments made in RMM’s proposal.

- The mill and crusher buildings have been demolished and the mine shafts and vent raises are capped with engineered concrete slabs. This work was done by NR from 2006 to 2011 at a cost of $2.0 million.

- Budget 2016 approved a four year program of repairs to dams at OAMs. The dams at Rambler were repaired in 2017 and 2018. Some minor work remains and is scheduled for July 2019.

- The capital and long term operating cost for addressing the environmental issues associated with acid rock drainage from the tailings and other materials at the site was estimated as part of government’s Impacted Site Liability Assessment Program to be $71 million.

- Further studies are required, to fully evaluate the proper and most efficient manner of rehabilitating these environmental issues.

Former Terra Nova Mine
- The Terra Nova mine was discovered prior to 1862 and is located within the Town of Baie Verte. By 1864, five shafts had been sunk and an adit was driven into a depth of 420 metres. These workings were subsequently abandoned and allowed to cave in and flood with water.

- In the early 1960’s, Boylen Engineering Co. undertook to dewater and rehabilitate the mine workings, however, efforts were abandoned due to poor ground conditions.

- A slight subsidence near the workings of the former Terra Nova mine within the Town of Baie Verte was brought to the NR’s attention by the Town in 2009. In cooperation with the Department of Municipal Affairs, NR engaged Jacques Whitford Stantec Limited (JWSL) to undertake a desk-top study to identify the cause of the subsidence and recommend a path forward. JWSL confirmed that it was a minor failure associated with the shaft in the area.

- In 2010, NR excavated the shaft and found that the subsidence was a result of settling of backfill. NR overfilled the shaft and will continue to monitor in the future. This issue has been resolved.

Analysis:
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• Anaconda has approached the department expressing interest in the tailings at Baie Verte Mines because of the magnesium in the tailings. As this is also an EML, it must be disposed via public call for proposals.

Action Being Taken:
• NR will continue to monitor the safety of these OAM.

Prepared/approved by: D. Pittman / G. Taylor / T. Walters
Ministerial Approval: S.35.1.f

May 31, 2019
Baie Verte Mines

Aerial View
Consolidated Rambler

Acidic Water
Information Note
Department of Natural Resources

Title: Rambler Metals and Mining Canada Limited Status Update

Issue: To provide a status update on Rambler’s operation

Background and Current Status:

- Rambler Metals and Mining Canada Limited (RMM) operates the underground Ming copper-gold mine and Nugget Pond mill located on the Baie Verte Peninsula, and port facility at Goodyear’s Cove. RMM declared commercial production at the Ming Mine in November 2012.

- RMM is aiming to produce 5,000 to 6,000 tonnes of saleable copper and 5,000 to 7,000 ounces of saleable gold in 2019, under leadership of recently appointed Chief Executive Officer, Mr. Andre Booyzen. In the first quarter of 2019, RMM achieved record throughput of 98,000 tonnes leading to a 47% increase in saleable copper produced and a 70% increase in saleable gold produced relative to the first quarter in 2018.

- RMM has been continuing the advancement of the Ming copper-gold mine project by continually blending ore from the Lower Footwall Zone (LFZ) with high grade Ming Massive Sulfide ore. The Phase II expansion is nearing completion and the Company has already reached the Phase II expansion target level of 1,250 tonnes per day in late March 2018, following the completion of the ventilation system upgrade.

- The next step is for RMM to achieve sustained daily production at 1,250 tonnes and to increase the overall feed grade delivered to the mill. The LFZ has a projected 20 year mine life and diamond drill results show that grades and mineralized thickness continue to strengthen at depth.

- In June 2018, the Company completed a productivity improvement initiative aimed at resolving mine production bottlenecks and increasing mill feed.

- Following sustained production at 1,250 tonnes per day, RMM will continue with engineering studies that further evaluate the potential of a Phase III operation which will see an increase in production to 2,000 tonnes per day. Detailed engineering will include, underground material handling options, shaft rehabilitation and mill location trade-offs. The current Nugget Pond mill is located 44km from the mine and a closer location would provide significant costs savings from reduced trucking costs. Following the completion of the engineering studies RMM will commence a Definitive Feasibility Study regarding Phase III.

- The continued advancement of RMM's operations will require an expansion of its existing Tailings Management Facility. The Company identified Camp Pond as the new Tailings Impoundment and registered the project for Environmental Assessment on December 13, 2017. On July 5, 2018, the project was released from EA and is currently undergoing the Mining Act approval process. The proposed new Tailings Impoundment will be able to accommodate tailings generated during operations at Ming Mine for up to six years.
Analysis:
- RMM tailings expansion involves constructing an access road to Camp Pond and a dam in two phases. RMM requested early approval to build the access road (approved in November 2018 conditional upon financial assurance).

- In April 2019, RMM proposed deferring construction of the Camp Pond dam by two years because the bowl in Camp Pond is deep enough to accommodate two years' of tailings without a dam. RMM needs to submit an amendment to the Development Plan and Rehabilitation and Closure Plan along with sufficient financial assurance for this work. NR expects Rambler to submit this info in the very near term.

Action Being Taken:
- Natural Resources will continue to monitor Rambler operations and stay up to date on all developments.

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

Ministerial Approval:

June 5, 2019
Decision/Direction Note
Department of Natural Resources

Title: Mining Act Approval – Rambler Metals and Mining Ltd.

Decision / Direction Required:
- It is recommended that the Minister approve the Rambler Metals and Mining Ltd. Development Plan Amendment and accept the Rehabilitation and Closure Plan Amendment for the Tailings Management Facility Expansion to Camp Pond under sections 6.(2) and 9.(2) of the Mining Act.

- A letter approving the development plan and accepting the rehabilitation and closure plan is attached for the Minister’s signature. The letter has been reviewed by the Departmental Solicitor.

Background and Current Status:
- Since 2011, Rambler Metals and Mining Ltd. (RMM) has operated the Ming Copper-Gold mine and Nugget Pond mill near Baie Verte, NL. Ore is trucked 40 km from the Ming mine to the Nugget Pond mill for processing. The Phase I project was a high grade, low tonnage operation with a mine life of six to seven years at 850 metric tonnes per day.

- On April 9, 2018 the Minister approved the Phase II project that includes mining and blending lower grade ore and increasing production to 1,250 metric tonnes per day. Tailings are acid generating and must remain under water. To achieve additional tailings storage capacity, the Phase II Plan proposed raising the dams at the Nugget Pond Tailings Management Facility (TMF).

- NR holds $4,429,661.22 in financial assurance from RMM in the form of letters of credit.

- On August 10, 2018, RMM submitted amendments to the development plan and rehabilitation and closure plan that propose expanding the TMF to nearby Camp Pond instead of raising the dams on Nugget Pond. The conversion of Camp Pond to a tailings impoundment was released from provincial environmental assessment on June 21, 2018. Mineral Development staff reviewed several iterations of the plan amendments; RMM submitted the final versions on June 19, 2019.

- The Camp Pond tailings impoundment will provide five years of tailings storage capacity at the Phase II production rate. For the first two years (2019-2021), tailings will be deposited into the pond below the natural outlet (interim phase). In 2021 a dam will be constructed at the outlet to raise the water level and accommodate a further three years of tailings deposition (dam phase).

- The total closure liability and financial assurance for RMM at this time is $4,523,992.00 RMM must provide additional financial assurance of $94,330.78 prior to tailings deposition in Camp Pond.

- This financial assurance covers the entire RMM operation including deposition of tailings into Camp Pond. Prior to construction of tailings dam at Camp Pond, additional financial assurance will be required.
Analysis:

- The financial assurance amount includes $136,755 for long term monitoring of the Nugget Pond dams. This amount represents the NPV of the cost to monitor the dams for 100 years. In the coming months, this amount will be converted from letter of credit to cash financial assurance and an agreement will be put in place so that interest can accrue to fund monitoring of the dams.

- RMM is evaluating tailings storage requirements beyond 2024. Alternatives for further study are identified in the Baie Verte Tailings Management Facility Expansion Environmental Preview Report (EA Registration 1939).

- The development plan amendment and rehabilitation and closure plan amendments were reviewed by Mineral Development staff and the Mining Act Submissions Committee and are acceptable.

- A letter approving the development plan and accepting the rehabilitation and closure plan is attached for the Minister's signature.

Alternatives:

- None

Prepared/Approved by: S. Bassler / A. Smith / P. Canning

Ministerial Approval:

July 3, 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>Elosek 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>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>
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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 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.

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

July 10, 2019