Re: Your request for access to information under Part II of the Access to Information and Protection of Privacy Act (File # NR-239-2019)

On November 19, 2019, the Department of Natural Resources received your request for access to the following records/information:

Please provide a copy of the October meeting note entitled "Marathon Gold Corporation". If there were any other meeting, information, decision, direction or briefing notes prepared in the past year relating to Marathon Gold or Valentine Lake Gold Project please provide this information also

I am pleased to inform you that a decision has been made by the Department of Natural Resources, confirmed by the Deputy Minister, to provide access to the requested records. The responsive records are attached.

We are providing access to the most information possible but have made redactions in accordance with Sections 29(1)(a), 30(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;

30. (1)(a) The head of a public body may refuse to disclose to an applicant information that is subject to solicitor and client privilege or litigation privilege of a public body; or

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 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.

The Department of Natural Resources previously replied to an access to information request relating to Marathon Gold and/or Valentine Lake Gold. In accordance with S.22.1.a of ATIPPA, 2015 (see below), please refer to the following website for these records:

https://atipp-search.gov.nl.ca/public/atipp/requestdownload?id=10772

22. (1) (a) The head of a public body may refuse to disclose a record or part of a record that is published and is available to the public whether without cost or for purchase;

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
MEETING NOTE
Department of Natural Resources
Marathon Gold Corporation
Thursday, October 10, 2019 2:00 to 3:00 PM
Natural Resources Building, Minister’s Boardroom, 7th Floor

Attendees:
Matt Manson, President and CEO, Marathon Gold Corporation
Sherry Dunsworth, Senior Vice President of Exploration, Marathon Gold Corporation
Jamie Powell, Director of Environment and Stakeholder Engagement, Marathon Gold Corporation
Minister Siobhan Coady
Ted Lomond, DM, Natural Resources
Alex Smith, ADM, Mines
Other NR officials as required

Purpose of Meeting:
- Marathon Gold Corporation (Marathon) requested a meeting with the Minister to provide an update on its gold exploration project at Valentine Lake, central Newfoundland; and to introduce the company’s new president and CEO.

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

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

- The updated PEA (October 2018) included reduced preproduction capital to $US355 million, a savings of $US25 million from its previously released PEA. After tax net present value has increased by $US126 million to $US493 million at five per cent discount rate. The after tax internal rate of return for the project is 30%.

- As part of its mineral licence assessment reporting requirements, Marathon has reported expending $46.7 million to date on mineral exploration work at Valentine Lake. The company has received significant support for its exploration work through the Junior Exploration Assistance Program for a total of $963,578.06 since 2010. Marathon acknowledges this support in each of its news releases.

- On February 21, 2019, Marathon closed the sale of a 2% net smelter returns royalty (NSR) to Franco-Nevada Corporation linked to the Valentine Lake Gold Camp for gross proceeds of $18 million. The proceeds will be used to carrying a program of engineering, drilling and environmental programs for the remainder of 2019, targeting completion of prefeasibility study by Q2 2020, advancing ongoing metallurgical test work, and advancing toward the critical path environmental assessment registration.

- The Valentine Lake Gold Project has been registered with provincial and federal agencies. The CEAA issued a determination for a project Environmental Impact Statement on May 31,
2019 and issued guidelines on July 18, 2019. MAE issued a determination for a project EIS on June 13, 2019. Marathon anticipates the process will take approximately 24 months.

- Representatives from the Environmental Assessment Committee visited the Marathon site on September 17, 2019. The guidelines for the EIS are expected to be released soon by MAE.

- Marathon has provided a forecast for the period 2019 through to 2024.

- Construction employment for 2021 is at 180 person years ramping up to 480 the following year. Operations employment is set at 440 person years in 2023 and 2024. Marathon states these numbers are from their PEA and are that they are currently in the process of drilling, revising resources, and will soon be releasing the Prefeasibility Study in Q2 2020, at which time there will likely be revised employment and financial numbers as well as a reserve estimate.

- NR has been engaged with Marathon on the maintenance of the mineral licences and also has supported the company.

Agenda item #1: Project Update
- Marathon will provide a brief update on the Valentine Lake project, including current operations and ongoing regulatory processes.

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

- The sale of a 2% net smelter returns (NSR) royalty to Franco-Nevada Corporation on February 21, 2019 applies to the entire Valentine Lake Gold Camp property and covers the sale of precious and base metals and minerals. Marathon has the option to buy back 0.5% of the NSR for $US7 million until December 2022.

- SGS Canada was awarded a metallurgical contract in August 2018 to conduct a comprehensive metallurgical evaluation of the deposit, building on previous positive metallurgical studies at the Valentine Lake Gold Project. The results will be used in support of the compilation of a Prefeasibility Study.

Potential Speaking Points
- The Minister may wish to congratulate Marathon on the recent news of $18 million endorsement from Franco-Nevada for its net smelter royalty and ask how the Franco-Nevada gross proceeds of $18 million have impacted their plans for 2019 exploration activities.

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

- The Minister may wish to indicate that the department will continue to support Marathon where possible and looks forward to the release of the Prefeasibility Study.
• The Minister may wish to indicate that the province is engaged with the Federal Government with respect to proposed changes to the Federal EA process.

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

Agenda item #2: Cabin / Cottage lease issues
• The area around Marathon’s mineral licences and active exploration areas are subject to crown land applications to formalize land tenure for existing cabins.

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

• NR has provided comments through a FLR referral process on applications within Marathon’s licences.

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

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

Proposed Actions

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

Agenda item #3: Signage for Exploration Work Sites/OHS issues

- Marathon is currently approved via Exploration Approval from NR in 2019 to complete 200 diamond drill holes, 40 trenches, prospecting, geochemical survey, and ground geophysics on various licences that comprise the Valentine Lake Project (Appendix A).

- This work covers an extensive area (along a 30-kilometre stretch) within the project and involves various scopes of work ranging from the use of mechanized equipment (drilling, trenching) to geologists/prospectors/environmental scientists covering vast areas carrying out low-ground disturbance sampling and data collection.

- Marathon contacted FLR and NR on the need to have appropriate signage along the road network within the Valentine Lake Project to restrict hunting in order to provide a safe work place for its employees and service providers.

Analysis

- Marathon holds a commercial wood cutting permit under the Forestry Act, but not for the entire area where all of the exploration work is taking place.

- Under Section 111(3) of the Wild Life Regulations, a person shall not hunt or discharge a firearm within 1000 metres of a commercial wood cutting operation.
  - “No Hunting” signage can be erected in this area.
Potential Speaking Points
- The Minister may wish to note that NR understands the need to protect worker safety and engaged with FLR to discuss options for this project.
- As part of Mining the Future 2030, NR will be working with other departments to ensure that future legislation and regulations reflect the variable nature of mineral exploration work that occurs in remote areas.

Proposed Actions
- NR can consider this issue during the review and modernization of the Mineral Act that is an action item under Mining the Future.


Ministerial Approval:

October 8, 2019

Attachments: Biographies
Biographies

Matthew Manson, President and CEO, Director
Matt was appointed President and CEO of Marathon Gold in August 2019. He has over 25 years in mining exploration, project development, construction and operation. Matt was previously the President and CEO of Stornoway Diamond Corporation where he led the C$947M project financing for the Renard Diamond Mine in north central Quebec and oversaw its successful construction and ramp-up. Prior to Stornoway (and its predecessor companies), Matt was employed by Aber Diamond Corporation (now Dominion Diamond Corporation) as Vice-President, Marketing, and thereafter Vice-President, Technical Services and Control, during which time he participated in the US$230m project financing for the Diavik Diamond Mine and oversaw Aber’s technical and marketing operations. In 2015, Matt was awarded the Viola Macmillan Award by the Prospectors and Developers Association of Canada, and in 2017 he was the Northern Miner Mining Person of the Year and the Ernst & Young Entrepreneur of the Year (Mining and Energy, Quebec). Matt is also a director of Fiore Gold (TSXV:F) and AmAuCu Inc. (a private corporation), and a graduate of the University of Edinburgh (B.S. Geophysics, 1987) and the University of Toronto (Ph.D. Geology, 1996).

Sherry M. Dunsworth, Senior VP of Exploration
Ms. Dunsworth is a M.Sc. graduate in Earth Sciences from Memorial University in St. John’s, Newfoundland. She also received a B.Sc. Honours degree in Geology from St. Mary’s University in Halifax, Nova Scotia.

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

James Powell, Director of Environment and Stakeholder Engagement
Mr. Powell is a mining professional with over 20 years of technical and project management experience in mining, civil, geotechnical, and environmental engineering/sciences on a wide range of mining and industrial projects. Mr. Powell has a B.Sc. in Engineering (civil) from the University of New Brunswick in Fredericton, NB, and a Master of Engineering (M.Eng.) in Mining Engineering from McGill University in Montreal, QC. His experience includes over 16 years of consulting services to a variety of mining projects including gold, nickel, iron, copper/zinc, and industrial minerals, as well as over 4 years in senior management positions with Alderon Iron Ore Corp and Cap-Ex Iron Ore Corp. Mr. Powell’s work has been instrumental in developing and expanding mining projects throughout Newfoundland and Labrador. In addition, Mr. Powell has been a leader in mining industry advocacy through his many years of service as a (former) Director with Mining Industry NL and is currently the President/Chair of the NL Branch of the Canadian Institute of Mining, Metallurgy and Petroleum (CIM).