

November 19, 2018

Dear [REDACTED]

Re: Your request for access to information under Part II of the *Access to Information and Protection of Privacy Act* (File # NR-227-2018)

On October 22, 2018, the Department of Natural Resources received your request for access to the following records/information:

Any Decision, Direction, Information, Meeting, Briefing or other such note created in 2018 regarding CANADA FLUORSPAR (NL) INC.

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 records are attached.

We are providing access to the most information possible but have made redactions in accordance with Sections 29(1)(a), 35(1)(d) and 35(1)(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) (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
ATIPP Coordinator

Decision/Direction Note
Department of Natural Resources

Title: Approval of Canada Fluorspar Inc.'s financial assurance revised payment schedule.

Decision/Direction Required:

- It is recommended that the Minister sign the attached letter accepting changes to the CFI's development schedule and the schedule for payment of financial assurance.

Background and Current Status:

- Canada Fluorspar Inc. (CFI) is developing the St. Lawrence Fluorspar mine on the Burin Peninsula. The open pit/underground mine will operate for approximately 10 years at a maximum feed rate of 750,000 tonnes per year and a planned production of 200,000 tonnes of acid grade fluorspar concentrate per year.
- On November 5, 2015 the project was released from the Environmental Assessment process. Early Works Development Plans and Rehabilitation and Closure Plans were approved by the Minister on April 29 and August 31, 2016. On February 17, 2016, CFI submitted the full Development Plan and Rehabilitation and Closure Plan for the St. Lawrence AGS project to the Natural Resources.
- In October, 2016 CFI submitted the full Development Plan and Rehabilitation and Closure Plan (the Plans) for the St. Lawrence AGS project to NR. Mineral Development staff and the Mining Act Submissions Committee reviewed the Plans and submitted comments to CFI. The Minister approved the revised plans on March 1, 2017.
- The total closure liability and financial assurance for the project is \$7,188,200. CFI's financial assurance payment schedule, see attached table, is based on the amount of site disturbance. CFI's bonding, as of January, 2018, is [REDACTED]
- Mine development is currently behind schedule. The original schedule had the mill operational by [REDACTED]

S. 29 (1) (a)

S. 35 (1) (d)

35 (1) (g)

- CFI is in compliance with the Mining Act.

Analysis:

- The mine is expected to create an average of 190 full-time positions during operation and reach a peak of 340 positions during the construction phase.

S. 29 (1) (a)

S. 35 (1) (d)

35 (1) (g)

- Payment of financial assurance based on the amount of site disturbance is normal practice and is acceptable as per section 10.3 of the *Mining Act*.
- The attached letter has been reviewed by the Department's solicitor.

Alternatives:

- **RECOMMENDED:**

The recommended alternative is to sign the attached letter accepting changes to CFI's development schedule and financial assurance payment schedule.

- **NOT RECOMMENDED:**

Another alternative is not to sign the attached letter and to require CFI to submit financial assurance according to their previously accepted payment schedule. This alternative will cause hardship to CFI as the mill is still at the commissioning stage and the operation has yet to ship concentrate to market.

Prepared/Approved by: A. Steel

Ministerial Approval: Received from Hon. Siobhan Coady

July xx, 2018

Attachments

Table 1: CFI's Original Financial Assurance Payment Installment Schedule

Contribution Date	Amount Due	Total Financial Assurance Held
January 2017		2,426,700
July 2017	1,413,000	3,839,700
January 2018	474,500	4,314,200
July 2018	445,900	4,760,100
January 2019	808,600	5,568,700
July 2019	1,041,700	6,610,400
January 2020	275,400	6,885,800
July 2020	274,200	7,160,000
January 2021	0	7,160,000
July 2021	0	7,160,000
January 2022	0	7,160,000
July 2022	28,200	7,188,200
Total Financial Assurance		\$ 7,188,200.00

Table 2: CFI's Proposed Revised Financial Assurance Payment Installment Schedule

Contribution Date	Current Payment Schedule Amount Due	Proposed Re-alignment	Proposed Revised Payment Schedule Amount Due	Total Financial Assurance Held
January 2017				\$2,426,700
July 2017	\$1,413,000		\$1,413,000	\$3,839,700
January 2018	\$474,500		\$474,500	\$4,314,200
July 2018	\$445,900	(\$445,900)	\$0	\$4,314,200
January 2019	\$808,600	(\$278,937)	\$529,663	\$4,843,863
July 2019	\$1,041,700		\$1,041,700	\$5,885,563
January 2020	\$275,400	\$278,937	\$554,337	\$6,439,900
July 2020	\$274,200		\$274,200	\$6,714,100
January 2021	\$0	\$222,950	\$222,950	\$6,937,050
July 2021	\$0	\$222,950	\$222,950	\$7,160,000
January 2022	\$0		\$0	\$7,160,000
July 2022	\$28,200		\$28,200	\$7,188,200

**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 2018 Energy and Mines Ministers' Conference

Background and Current Status:

- The gross value of mineral shipments for Newfoundland and Labrador in 2017 was \$3.60 billion with a forecasted value of \$3.39 billion for 2018.
- The NL Mining industry average employment was 5,335 person years in 2017 with a forecasted value of 6,111 person years in 2018. Mining construction employment included in these values for 2017 and 2018 are 496 and 874 respectively, the increase is mainly attributed to Voisey's Bay Underground Mine Expansion.
- Iron, nickel, and copper contribute 91% 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:

Operator	Commodity	Location
Vale Newfoundland and Labrador Limited	Nickel/Copper/Cobalt	Voisey's Bay
	Finished Nickel/Copper/Cobalt	Long Harbour
Iron Ore Company of Canada	Iron Ore	Labrador City
Tata Steel Minerals Canada Ltd.	Iron Ore	Elross Lake/Menihek
Anaconda Mining Inc.	Gold	Pine Cove
Rambler Metals and Mining Canada Limited	Copper/Gold/Silver	Baie Verte
Atlantic Minerals Limited	Limestone/Dolomite	Lower Cove
Hi – Point Industries (1991) Ltd.	Peat	Bishop's Falls
Barite Mud Services Inc.	Barite	Buchans
Trinity Resources Ltd.	Pyrophyllite	Manuels
Canada Fluorspar(NL) Inc.	Fluorspar	St. Lawrence
Galen Gypsum Limited	Gypsum	Coal Brook

- Vale Newfoundland and Labrador announced that its Voisey's Bay Mine Expansion will proceed this summer. The project represents close to \$2 billion in capital expenditures by Vale. There will be 16,000 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.
- Tacora Resources Inc., an iron ore mining and development company based out of Grand Rapids, Minnesota, has acquired the former Wabush Scully mine in Wabush, Labrador. In a May 2018 Preliminary Economic Assessment 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.
- Wabush 3 project, owned by the Iron Ore Company of Canada, was delayed due to a nine week work stoppage. 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 their Howse project in Menihok area of Labrador.
- Alderon Iron Ore Corp. continues to advance their Kami project located in Labrador West. The company expects to release a new Feasibility Study in Q4, 2018.
- Red Moon Resources Inc. is developing the Ace gypsum deposit near Flat Bay. Mining Act approval is in place and mining can start once financial assurance is in place. The mine will employ 15 people on a seasonal basis with an initial production 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.
- Projects in advanced stages of exploration in the Province:

Operator	Commodity	Location
Marathon Gold Corporation	Gold	Valentine Lake
Maritime Resources Corp.	Gold	King's Point
Search Minerals Ltd.	Rare Earth Elements	Port Hope Simpson
Matador Canada	Gold	Cape Ray
Buchans Minerals / Minco PLC	Zinc-Lead-Copper-Silver-Gold	Buchans

Analysis:

- S. 29 (1) (a)
S. 35 (1) (d)
35 (1) (g)
- Over the past year, iron ore prices have remained fairly steady with a peak of \$79.70 USD/tonne at the end of February. As of July 20, the price is \$64.10 and the average price for the past month (June 20- July 20) is \$63.40. [REDACTED]
- S. 29 (1) (a)
S. 35 (1) (d)
35 (1) (g)
- Efforts to advance potential iron ore projects in Labrador are based on being high quality ore which is in demand from China due to efforts to reduce emission. [REDACTED]
- S. 29 (1) (a)
S. 35 (1) (d)
35 (1) (g)
- Nickel prices have fluctuated over the past year peaking at \$15,750 USD/tonne in June and at July 20 is \$13,425. The average price for the past month (June 20 - July20) is \$14,335. [REDACTED]
[REDACTED] Nickel prices are closely related to demand from stainless steel producers who account for about two-thirds of total demand.
- S. 29 (1) (a)
S. 35 (1) (d)
35 (1) (g)
- Copper prices had steadily increased since January 2016 and peaked in June at \$3.29 USD/lb. Prices have since declined to \$2.75 as of July 20 and the average price for the past month (June 20 - July20) is \$2.95. [REDACTED]

Prepared/approved by: B.Lawlor / K. Bradbury / A. Smith
Ministerial Approval: Received from Honourable

July 31, 2018

Information Note
Department of Natural Resources

Title: Newfoundland and Labrador Mining Industry Overview

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

Background and Current Status:

- 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:

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

- 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:

Operator	Commodity	Location
Marathon Gold Corporation	Gold	Valentine Lake
Maritime Resources Corp.	Gold	King's Point
Search Minerals Ltd.	Rare Earth Elements	Port Hope Simpson
Matador Canada	Gold	Cape Ray
Buchans Minerals / Minco PLC	Zinc-Lead-Copper-Silver-Gold	Buchans

Analysis:

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

S. 29 (1) (a)

S. 35 (1) (d)

35 (1) (g)

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

S. 29 (1) (a)

S. 35 (1) (d)

35 (1) (g)

- 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. [REDACTED]

S. 29 (1) (a)

S. 35 (1) (d)

35 (1) (g)

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

S. 29 (1) (a)

S. 35 (1) (d)

35 (1) (g)

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

September 17, 2018

SB 29/9/18