May 14, 2019

Dear [Name]:

Re: Your request for access to information under Part II of the Access to Information and Protection of Privacy Act (File # NR-71-2019)

On April 23, 2019, the Department of Natural Resources received your request for access to the following records/information:

In NR-42-2019 there is a reference to a meeting note for Iron Ore Company of Canada, please provide a copy of this note and any other briefing, information, meeting, direction/decision notes relating to this company for the past three months.

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), 30(1)(a), 35(1)(d), 35(1)(f), 35(1)(g) and 35(1)(h) 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;

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;

P.O. Box 8700, St. John’s, NL, Canada A1B 4J6 t 709.729-1466
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;

35. (1)(h) 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 be injurious to the ability of the government of the province to manage the economy of the province.

Please be advised that you may ask the Information and Privacy Commissioner to review the processing of your access request, as set out in section 42 of the Access to Information and Protection of Privacy Act (the Act). 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.

The address and contact information of 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

You may also appeal directly to the Supreme Court Trial Division within 15 business days after you receive the decision of the public body, pursuant to section 52 of the Act.

Please be advised that this letter will be published following a 72 hour period after it 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 letter posted to the Completed Access to Information Requests website within one business day following the applicable period of time.
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
Meeting with Iron Ore Company of Canada
Monday, March 4, 2019, 10:00 AM
Fairmont Royal York Hotel, PEI Room, Main Mezzanine Level

Attendees:
Clayton Walker, President and CEO, Iron Ore Company of Canada
Heather Bruce-Veitch, Director, Communications & External Relations
Minister Siobhan Coady
Perry Canning, ADM, Mines

Purpose of Meeting:
• Iron Ore Company of Canada to provide Minister Coady with a company update.

Background:
• The Iron Ore Company of Canada (IOC) began mining iron ore in the Menihek / Schefferville area of Quebec and Labrador in 1954, expanding to Labrador West in the early 1960s.

• IOC’s Carol Project, located in Labrador City, is the second largest iron ore producer in Canada and is one of the largest private employers in Newfoundland and Labrador with approximately 1,800 employees working at the mine, concentrator and pellet plant.

• The mine has the capacity to produce up to 23 million tonnes of iron ore concentrate annually of which 14 million tonnes can be processed to produce 12.5 million tonnes of pellets. IOC varies the proportion of its concentrate production made into pellets in response to market conditions.

• IOC has scheduled production from four main areas: Humphrey Main/ West/Sherwood, Humphrey South Pit (Magy Lake), Luce Pit and Moss Pit (formerly called Wabush 3 Pit). IOC has privately announced plans for its next pit called White Lake which will be another major expansion for its Carol Lake project.

• The Moss Pit was officially opened in September 2018. The $79 million project is a new open pit that will allow flexibility in providing iron ore feed to its existing concentrator to achieve production at the mill’s rated capacity. The Moss Pit will provide a new source of iron ore to extend the operating life of its Carol Project to beyond the year 2079.

• In 2013, two Quebec-based Innu groups (Innu of Uashat mak Mani-utenam (ITUM) and Matimekush Lac-John) began a court action against IOC asserting that all of IOC’s past and present activities infringe upon their Aboriginal rights, and were undertaken without consultation. The groups are seeking damages of $900 million.

• IOC’s Magy Pit extension project was released from Environmental Assessment in March 2018 subject to providing the results of an acid rock drainage study and the extension of commitments in the Wabush 3 Gender Equity and Diversity Plan.
• IOC has registered the Smallwood North Pit Extension in August 2018.

• IOC’s active mining areas are operated under a sub-lease agreement with the Labrador Iron Ore Royalty Corporation (LIORC). LIORC holds 15.1% equity ownership in IOC and, as owners of the mineral rights, receives a 7% gross sales royalty plus a 10 cent per tonne commission on all shipments. Other IOC owners are Mitsubishi Corp. (26.2%) and the mine operator, Rio Tinto PLC (58.7%).

• Mining lease renewals for the company under the Labrador Mining and Exploration Company Limited Act expire in 2020, 2021 and 2022 and are currently being processed for renewal by the department’s claims recorder.

• Iron Ore prices have seen an upswing since the Vale’s dam collapse in Brazil. Premiums for 65% iron ore have been reported by ME Commodities at around $US10-15 per tonne. These are the highest iron ore prices for nearly two years.

Agenda item #1: Executive 2018 Update
• IOC Executive may provide an update of 2018 operating results.

Analysis
• Capital expenditure for 2019 and includes the development of the Moss, Magy and Luce Pits and includes work such as pit development and delineation drilling.

• Two Operations Centres (OC) have been established to centralize all digital operations including the mine, concentrator, pellet plant, rail and port. Several upgrades are ongoing with the end goal being complete remote control of all monitoring functions which will improve the efficiencies, tonnage and costs of the overall operation, from mine to port. In 2019 initiatives will include autonomous drilling and testing of the OC controls.

• In April 2016, IOC initiated a research and development industrial trial of technology for the recovery and refinement of fine ore at an estimated cost of $1.545 million. The goal was to improve the recovery of fine ore, to evaluate the potential to increase productivity and efficiency, decrease environmental impacts and enhance the sustainability of operations in Labrador.

Potential Speaking Points
• Government recognizes the accomplishments that IOC has made in increasing production, reducing costs and continuing to move forward with innovative initiatives especially during the challenging economic environment in the iron ore industry over the past few years.
• The Minister may wish to inquire on the status of the operations centre and if any decision making responsibility has been migrated to the centre. The Minister may also express that the province is interested in ensuring that this capacity is developed within the province.

• The province expects control rooms with operating control over facilities processing ore in Labrador to be located in Labrador.

**Proposed Actions**

• None at this time.

**Agenda item #2: Aboriginal Consultations**

• IOC Executive may wish to discuss the status of Aboriginal Consultations on the Smallwood and Magy projects.

**Analysis**

• Government’s 2013 [Aboriginal Consultation Policy on Land and Resource Development Decisions](#) “expects project proponents to work in good faith to engage in consultation with Aboriginal organizations based on principles of respect, open communication and cooperation. A project proponent proposing resource development is expected to consult and consider the views of the Aboriginal organizations whose asserted rights may be adversely impacted by the proposed development.”

• ITUM subsequently requested a meeting with Government officials to discuss both projects, and further requested that no permits be issued or approvals granted in respect of either project until the conclusion of that face-to-face meeting.

• On January 10, 2019, senior officials from IIAS, MAE, and NR travelled to Montreal to meet with ITUM officials and counsel, to discuss each of the Magy and Smallwood projects.

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Potential Speaking Points

Proposed Actions

• NR will continue to work with IIAS on Aboriginal consultations as permits come in.

Agenda item #3: Greenhouse Gas Reduction

• IOC Executive will provide an update regarding greenhouse gas reduction and innovation.

Analysis

• The Province’s carbon pricing system commenced implementation on January 1, 2019. On-site GHG emissions at IOC will be covered by a performance benchmark (through the Management of Greenhouse Gas Act) and other off-site GHG emissions, such as from on-road vehicles and locomotives, will be subject to a carbon tax (Revenue Administration Act). Information briefings have been held with IOC officials on both the performance standard and carbon tax.

• With respect to the performance benchmark, IOC officials have indicated that the provincial approach (described below) will allow IOC to maintain a level playing field from a competitiveness standpoint.

• IOC, similar to other industrial facilities, will be required to reduce its GHG-to-output ratio by 6 percent in 2019 relative to its 2016-2017 average performance, excluding fixed process emissions. The stringency will be increased to 8 percent in 2020, 10 percent in 2021 and 12 percent in 2022. In these future years starting 2020, the baseline will also be adjusted to include average 2016-2018 performance. For the most part, this approach is consistent with IOC’s position during consultations in 2018.

• IOC will receive the Carbon Tax exemptions on the same products as the Gasoline Tax exemptions, for example locomotive fuel is exempt from both Carbon and Gasoline Tax.
IOC has received a Carbon Tax Exemption Permit with respect to any purchase of Light Fuel Oil or Heavy Fuel Oil. This carbon tax exemption only applies to carbon products listed on the permit used by an industrial facility with a greenhouse gas reduction target and in a source category prescribed in the Management of Greenhouse Gas Reporting Regulations. These source categories include: (i) general stationary combustion; (ii) electricity generation; (iii) mobile equipment; and (iv) petroleum refining.

Potential Speaking Points
- Government will continue to support IOC in its endeavors to innovate and create solutions to ongoing issues and upcoming advancements.

- The Minister may wish to inquire on the scope of impact to IOC operations from the introduction of Greenhouse Gas Reductions.

Proposed Actions
- None at this time.

Prepared/Approved by:  B. Lawlor / K. Bradbury / A. Smith / P. Canning
Ministerial Approval:  

February 20, 2019
Biographies

Clayton Walker, President and CEO, Iron Ore Company of Canada
Clayton Walker earned his Bachelor of Science degree in Metallurgical Engineering from the University of Utah and later completed a Masters of Business Administration from the University of Utah.

Mr. Walker was appointed President and Executive Chairman of the Iron Ore Company of Canada with Rio Tinto in November, 2016. He previously served as the managing director of the Pilbara Supply Chain for the Iron Ore business of Rio Tinto Group. In this role, Clayton had accountability for Pilbara rail, ports, utilities, accommodation and towns, autonomous trains, Operations Centre, integrated planning and business improvement functions. Clayton is also a member of the Iron Ore Executive Committee.

Clayton joined Rio Tinto in 2001 and has worked in senior management roles for the energy and copper product groups, at Gillette, Spring Creek, Greens Creek and Kennecott.

Most recently he was Chief Operating Officer of the Pilbara Supply Chain for the Iron Ore business, where he played a lead role in the strategy and optimization of the railway, ports and operation centre while leading the work around the AutoHaul™ automated rail network.

Prior to joining Rio Tinto, Clayton held a number of project, engineering, sales and marketing, business development and management roles with Baker Process Systems and Larox Flowsys.

Heather Bruce-Veitch, Director, Communications & External Relations
Heather Bruce-Veitch graduated from Memorial University with a Bachelor of Arts majoring in French and is currently the Chair of Mining NL, Director of the NL Employers Council and Vice-President Canadian Institute of Mining NL Branch.

Currently in her 25th year with the Iron Ore Company, Heather Bruce-Veitch is Director of Communications & External Relations based in St. John’s, NL, having recently returned from over twenty years in Labrador West. Heather has primary responsibility for engaging and building relationships with external stakeholders who include communities, government, business partners and media.

Prior to her recent appointment Heather was the Manager Human Resources with responsibility for the two operating sites: Labrador City, and Sept.-Iles, Quebec, with a workforce of approximately 2000 employees.

She has led teams in the areas of employee recruitment and retention, industrial relations as well as talent management. Heather has progressed through a series of leadership roles within IOC and has a wide variety of experience in both industry and federal government and is bilingual.