

2025-2026

Annual Report

Energy and Mines





MESSAGE FROM THE MINISTER

As Minister of Energy and Mines, I am pleased to submit the department's 2025-2026 Annual Report, in accordance with the department's obligations as a Category 1 entity under the **Transparency and Accountability Act**. This report was prepared under my direction, and I am accountable for the reported results.

Over the reporting period, our department has worked to advance responsible resource development while supporting economic growth and long-term prosperity for Newfoundland and Labrador. Through initiatives across the energy and mining sectors, we have continued to strengthen the province's position as a leading jurisdiction for resource development and investment.

Significant progress was made in 2025-2026. The department advanced major offshore energy opportunities, including the completion of agreements related to the Bay du Nord project, while continuing work to support future offshore oil and natural gas development. In the mining sector, we expanded exploration supports, advanced opportunities on Crown-held mineral lands, and continued to build the geoscience knowledge that helps attract investment and support critical mineral development.

As the department responsible for the stewardship and development of the province's energy and mineral resources, we remain focused on ensuring these opportunities create lasting benefits for the people of Newfoundland and Labrador. Through effective regulation, strategic partnerships, and responsible resource management, we are working to support sustainable development and economic competitiveness in a way that also strengthens communities throughout the province.

I thank the dedicated employees of the Department of Energy and Mines for their professionalism, expertise, and commitment. Their efforts continue to support the responsible development of our natural resources and help build a strong future for all of us.

Sincerely,

Hon. Lloyd Parrott
Minister of Energy and Mines

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Departmental Overview

Mandate

The Department of Energy and Mines is responsible for the promotion, exploration, development and regulation of the province's mineral, quarry and energy resources; energy supply, demand and royalties; energy economics; and the development and monitoring of regulatory and benefits activities. The department delivers its mandate through four branches: Energy Development and Partnerships; Petroleum Development and Benefits; Regulatory Affairs and Project Oversight; and Mines and Mineral Development.

In October 2025, following government restructuring, the department developed a strategic plan for the period October 29, 2025, to March 31, 2026. This report reflects activities undertaken and results achieved for the department's current mandate and priorities. The department's 2026-2029 Strategic Plan will guide future priorities and performance reporting in 2026-27.¹

Lines of Business

1. Resource Policy and Management

The department is responsible for the development of resource policy for the province's energy, oil and gas, mining, and quarrying sectors; coordinating and facilitating sustainable resource development and management; developing and supporting regulatory and industrial benefits activities; regulating mineral tenure, mineral exploration, and mineral and quarry development activities; and ensuring industries follow appropriate resource management practices and regulations.

¹ 2026-2029 Strategic Plan linked here: <https://www.gov.nl.ca/em/files/EMStrategicPlan2026-2029.pdf>

2. Resource Exploration and Assessment

Resource exploration and assessment include all activities that precede and support resource development at the research and exploration stages. Such activities include gathering, interpreting and distributing geoscience data, exploration permitting, and providing supports and financial incentives for exploration.

3. Resource Development and Promotion

The department markets Newfoundland and Labrador's resource potential and advances strategies targeting relevant investors, exploration and development companies, and other key stakeholders on a domestic and global basis to highlight the competitiveness of the province's geology, geoscience, and regulatory environment; promotes development-ready opportunities; and supports innovation and sustainable growth in the supply and service industry.

Vision

A prosperous and resilient Newfoundland and Labrador, supported by sustainable growth in the energy and mining sectors that benefits all regions and is grounded in efficiency, innovation, and responsible stewardship.

Staff Breakdown

As of March 31, 2026, the Department of Energy and Mines had 165.5 active staff members, as outlined in the table below.

Branch/Functional Area	# of Employees
Executive/Minister's Office	13.5 ²
Corporate and Strategic Services	15
Petroleum Development and Benefits	37
Energy Development and Partnerships	19
Mines and Mineral Development	76
Regulatory Affairs and Project Oversight	5
TOTAL	165.5

Office Locations

The department's headquarters is in St. John's, with an office in Grand Falls-Windsor, and core storage locations in Baie Verte, Buchans, Happy Valley - Goose Bay, Pasadena, Springdale and St. John's.

² The ADM Corporate Services function is shared with the Department of Jobs, Growth and Rural Development.

Budget and Expenditures

The Department of Energy and Mines' net budget for fiscal year 2025-2026 was \$51,892,900.³ The net budget by division/section is outlined in the table below:

Division/Section	Total (net)
Minister's Office/Executive Support/Corporate and Strategic Services ⁴	\$4,702,700
Geological Survey	\$6,630,000
Mineral Lands	\$1,704,700
Mineral Development	\$4,709,300
Energy Policy	\$5,184,500
Petroleum Development	\$2,297,200
Royalties and Benefits	\$2,882,300
TOTAL	\$28,110,700

³ Budget figures are for the full 2025-26 fiscal year.

⁴ The Finance and General Operations Division is shared with the Department of Fisheries and Aquaculture and the Department of Forestry, Agriculture and Lands.

The total net budget also includes the following:

- Oil and Gas Industry Support - \$14,095,200
- Oil and Gas Corporation of Newfoundland and Labrador - \$9,687,000 (includes Capital Budget)

For additional information about the Department of Energy and Mines, please visit:

<https://www.gov.nl.ca/em/>

Highlights and Partnerships

Highlights

Bay du Nord Project

In 2025-2026, the department advanced the Bay du Nord oil development project through negotiations with the project operator. In March 2026, agreements covering royalties, benefits, and a provincial equity option were finalized. These agreements will generate significant long-term economic benefits for Newfoundland and Labrador, including billions in provincial revenues and substantial employment opportunities over the life of the project. These agreements also include commitments to support local industry participation, workforce development, research and development, and offshore fabrication capacity in the province, including development of a large floating dry dock at Bull Arm.

Exempt Mineral Lands Development

In 2025-2026, the department continued to advance strategic opportunities on Crown-held mineral lands to support investment and mineral exploration. This included awarding exploration rights for the Glover Island Exempt Mineral Land (EML) following a competitive process and advancing evaluation work related to the Julianne Lake EML (High-Purity Iron Ore Deposit). Together, these initiatives support responsible resource development, investment attraction, and the province's growing role in critical minerals development.

Partnerships

Hyperspectral Core Scanning

In 2025-2026, the department continued to strengthen partnerships with the Government of Canada and research organizations to support mineral exploration and geoscience innovation. Through the Critical Minerals Geoscience and Data Initiative, the department secured federal funding to support geological sample collection, analysis, and hyperspectral drill core scanning. This work is improving publicly available geoscience information, helping reduce exploration risk, and supporting the identification of critical mineral opportunities throughout the province. This initiative also complements applied research through use of the College of the North Atlantic's Hyperspectral Scanning Unit.

International Renewable Energy Collaboration

In 2025-2026, the department supported collaborative efforts to increase awareness of Newfoundland and Labrador's renewable energy potential and continued engagement with international partners. This included the Provincial Government signed Memorandum of Understanding with the Port of Amsterdam, to collaborate on green hydrogen opportunities, including export markets, international supply chains, investment attraction, and knowledge sharing. Additionally, the department collaborated with the German Embassy to Canada and the Free and Hanseatic City of Hamburg to strengthen international relationships related to renewable energy and green hydrogen development. This visit brought together government officials, industry representatives, and provincial stakeholders to discuss investment opportunities, market development, and future export potential.

Report on Performance

Issue One – Resource Exploration and Promotion

Supporting resource exploration and promoting the province's natural resource potential remains a key priority for the Department of Energy and Mines. In 2025-2026, the department advanced initiatives to encourage exploration and investment across the energy and mining sectors, including improvements to regulatory processes, delivery of mineral exploration incentive programs, development of geoscience information, and promotion of resource investment opportunities.

The department also participated in a range of domestic and international engagement activities to showcase the province's resource potential, attract investment, and support industry development. Together, these efforts contributed to increased exploration activity and strengthened Newfoundland and Labrador's position as a competitive location for resource development.

GOAL	
By March 31, 2026, the Department of Energy and Mines will have commenced and advanced initiatives to promote the province's natural resources and facilitate exploration.	
INDICATORS	2025-2026 ACTIVITIES AND ACHIEVEMENTS
Developed and implemented initiatives to support natural resource exploration.	- Advanced a streamlined one-window approach to mineral exploration and quarry permitting to enhance efficiency and reduce administrative duplication, resulting in the issuance of more than 500 mineral exploration permits. - Delivered the Junior Exploration Assistance program, which: - Supported 36 mineral exploration projects through \$4.1 million in project rebates.

	▪ Included \$1.3 million in exploration funding and \$1.3 million in critical minerals funding, matched by the Atlantic Canada Opportunities Agency (ACOA). • Administered the Prospectors Assistance program, which: ▪ Awarded 45 prospecting grants totaling \$162,415 to support grassroots mineral exploration. ▪ Provided \$26,250 in funding to support prospecting training for 35 students through the College of the North Atlantic's Introduction to Prospecting course. • Completed 15 field-based geoscience projects and three airborne geophysical surveys to improve understanding of the province's resource potential. • Supported net zero by 2050 through investment in carbon capture, utilization, and storage (CCUS) innovation projects, collaboration on offshore carbon storage policy and regulatory frameworks, and continued assessment of offshore natural gas and CO₂ storage potential. • Secured \$500,000 in federal funding through the Critical Minerals Geoscience and Data Initiative (CMGD) to support geoscience data collection and mineral exploration.
Promoted Newfoundland and Labrador's abundant natural resources.	• Participated in 18 resource promotion events (10 energy and eight mining), including major international conferences such as CERAWEEK and PDAC 2026. • Strengthened international engagement and investment attraction efforts through participation in key industry events, including: ▪ Gastech; ▪ Women in Mining (WIM100); ▪ the International Metals Symposium; and ▪ Resourcing Tomorrow.

	• Promoted Newfoundland and Labrador’s energy and mineral potential to investors, industry leaders, and government stakeholders through targeted meetings, presentations, networking activities, and promotion of local energy supply and service companies at major conferences and industry events, including the Offshore Technology Conference in Houston, Texas. • Delivered outreach and workforce development initiatives through career fairs, school presentations, and educational programming at Central MinEx to increase awareness of career opportunities in the natural resources sector. • Published more than 42 geoscience reports and research products and delivered over 15 presentations to support mineral exploration and investment decisions.
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Issue Two – Resource Development and Oversight

The Department of Energy and Mines supports the responsible development of the province's energy and mineral resources while ensuring projects align with regulatory requirements and long-term economic objectives. This approach helps ensure that resource activities are carried out in a manner that delivers meaningful and lasting benefits to the people of Newfoundland and Labrador.

During 2025-2026, the department advanced major resource development initiatives, including offshore oil, renewable energy, and mineral development projects, while maintaining oversight of regulatory processes and benefits agreements. These efforts support sustainable economic growth and help secure lasting benefits from resource development.

GOAL	
By March 31, 2026, the Department of Energy and Mines will have commenced and advanced initiatives to support the development and oversight of natural resources.	
INDICATORS	2025-2026 ACTIVITIES AND ACHIEVEMENTS
Developed and implemented initiatives to support resource development and oversight.	- Advanced resource development opportunities on Exempt Mineral Lands (EML) - Awarded exclusive mineral rights for the Glover Island EML to Galloper Gold Corporation through a competitive process. - Progressed evaluation of detailed proposals for the Julianne Lake EML (High-Purity Iron Ore Deposit) following the Expressions of Interest process to support decision-making on this strategic critical minerals opportunity. - Continued oversight of the provincial EML inventory by reviewing Crown-held mineral assets and identifying

	future opportunities for responsible resource development. • Wind-Hydrogen Project Development ▪ Advanced the Avalon Isthmus North Atlantic Refining Limited (NARL) Green Energy Project, which includes a proposed 324-megawatt (MW) wind farm and hydrogen production and processing infrastructure, through environmental assessment activities, and extended the Wind Hydrogen Hub Land Reserve. ▪ Advanced the Botwood and area Exploits Valley Renewable Energy Corporation (EVREC) Green Energy Project, which includes a proposed 3.5-gigawatt (GW) wind project and associated hydrogen and ammonia production facilities, through Environmental Assessment activities, and extended the Wind Energy Land Reserve. ▪ Strengthened oversight of Crown lands reserved for wind-hydrogen development by assessing project progress and compliance with reserve requirements, discontinuing reserves for proponents with insufficient advancement and outstanding reserve fees. • Strengthened international partnerships and investment attraction efforts in the renewable energy sector, including: ▪ Worked with European ports to advance energy export opportunities, supply chain development, and investment attraction. ▪ Facilitated engagement between European and provincial stakeholders to advance development and strengthen investment and export opportunities. • Released a Natural Gas Resource Assessment for the Jeanne d'Arc Basin, which estimates 8.1-11.3 trillion cubic
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	feet of recoverable natural gas (best estimate: 9.7 trillion cubic feet). ▪ Identified additional offshore natural gas prospects and future development opportunities to support resource planning and investment decisions. ▪ Commenced work on Phase II of the Assessment to evaluate adjacent and unlicensed areas of the Basin. • Advanced development of the 10-Year Energy Plan through jurisdictional research and analysis of energy planning approaches across Canada to inform Newfoundland and Labrador's long-term energy future. • Administered mineral lands and regulatory processes across the mineral and quarry sectors, including: ▪ 524 exploration approvals, ▪ 24,769 new mineral claims, ▪ approximately 140,000 existing claims, ▪ 4,500 active mineral licences, ▪ 129 mining and surface leases, and ▪ over 1500 quarries. • Maintained regulatory oversight and accountability by managing five grievances under the Mineral Act and supporting compliance monitoring activities across the province.
Established new and/or monitored compliance for existing benefits agreements for all applicable projects.	• Bay du Nord Agreement ▪ Finalized life-of-field benefits, royalty, and equity option agreements for the Bay du Nord Project, establishing the province's first life-of-field benefits agreement for an offshore oil project. ▪ Secured commitments for approximately 31 million person-hours of employment over 25 years, including:

	○ a minimum of 95% in-province subsea fabrication; and, ○ apprenticeship targets of 10% during construction and 15% during onshore operations. ▪ Achieved ○ \$200 million in fabrication funding; and, ○ \$100 million for research and development to support workforce development, local industry participation, and long-term economic benefits for Newfoundland and Labrador. • Signed new benefits agreement with Atlas Salt in February 2026 for the Great Atlantic Salt Project. • Monitored seven benefits agreements for mining and oil and gas projects.
Monitored and supported electricity supply, reliability, and resource adequacy.	• Reviewed Newfoundland and Labrador Hydro load forecast and reliability assessments to inform policy analysis of electricity supply, reliability, and resource adequacy. • Monitored advancement of future electricity supply projects, including the 150 MW Bay d’Espoir Unit 8 hydroelectric expansion and the 150 MW Avalon Combustion Turbine project.

Issue Three – Competitive Regulatory Environment

A clear, efficient, and competitive regulatory environment is essential to support responsible resource development and investment. In 2025-2026, the department advanced initiatives to modernize legislation, strengthen regulatory processes, and support the development of fiscal and offshore regulatory frameworks. These efforts help position Newfoundland and Labrador as a competitive jurisdiction for resource development while maintaining strong environmental and regulatory oversight.

GOAL	
By March 31, 2026, the Department of Energy and Mines will have implemented initiatives to achieve a regulatory framework that is efficient and competitive.	
INDICATORS	2025-2026 ACTIVITIES AND ACHIEVEMENTS
Advanced work on legislation governing the province's resource sectors.	• The Quarry Resources Act ▪ Developed two sets of regulations designed to modernize regulatory oversight of the quarry sector. ▪ Completed regulatory preparedness activities in advance of proclamation of the Act and associated regulations. • The Mineral Act and Mining Act ▪ Continued legislative review of the acts to support modernization of the regulatory framework and maintain a predictable and competitive environment for mineral exploration and development. ▪ Advanced development of updated Mineral Act guidelines related to mineral licence expenditure requirements and eligible expenditures to improve administrative efficiency, clarity and consistency.
Progressed work on fiscal frameworks for	• Developed a draft Natural Gas Royalty Regime to establish a clear, competitive, and predictable revenue framework for future offshore natural gas development.

natural resource development.	▪ Advanced development of a royalty framework informed by best practices to support a competitive and predictable investment environment. • Completed planned royalty audits for major producing oil projects, including Hibernia, Tera Nova, Hebron, White Rose, and associated extensions, supporting financial integrity, compliance, and accountability. • Finalized the Bay du Nord Royalties Agreement in March 2026, establishing the project's fiscal framework and providing investment certainty for future development.
Continued work with the Federal Government on the development of a modern offshore regulatory framework.	• Worked with the Federal Government to implement legislative amendments to the Canada-Newfoundland and Labrador Atlantic Accord Implementation and Offshore Renewable Energy Management Newfoundland and Labrador Act, aligned with federal amendments under Bill C-49, to support offshore renewable energy development. • Amendments include: ▪ Established a modernized offshore regulatory framework and expanded the mandate of the Canada-Newfoundland and Labrador Offshore Energy Regulator (C-NLOER) to include offshore renewable energy activities. ▪ Strengthened the joint management regime between Newfoundland and Labrador and Canada. ▪ Increased regulatory certainty for proponents and positioned the province to advance offshore renewable energy development opportunities.

Opportunities and Challenges

Newfoundland and Labrador holds significant mineral and energy resources that support economic growth in the province. Strong exploration activity, diverse mineral endowment, and growing global demand for critical minerals position the province to benefit from opportunities related to electrification, advanced manufacturing, supply chain security, and clean technology development. Key exploration and development activity continue in Labrador West, Central Newfoundland, and the Baie Verte Peninsula.

Critical minerals are increasingly important for the global energy transition, economic competitiveness, national security, and supply chain resilience. Newfoundland and Labrador is well positioned to meet growing domestic and international demand for responsibly sourced critical minerals.

At the same time, Newfoundland and Labrador's resource development faces several challenges. Many projects are influenced by infrastructure requirements, remote project locations, labour availability, and market volatility. Growing development activity is also increasing demand for skilled labour and specialized services. Addressing these needs will require continued collaboration with industry, Indigenous governments, communities and the federal government.

The province also has a strong foundation to supply responsibly produced oil and gas to global markets. Existing offshore infrastructure, a skilled workforce, and a strong regulatory framework support opportunities to advance new developments, extend the life of existing projects, and strengthen long-term economic benefits. Continued collaboration with the federal government to improve regulatory efficiency and reduce duplication may further enhance competitiveness while maintaining environmental and regulatory standards.

In addition, Newfoundland and Labrador possesses some of the strongest wind resources, creating opportunities for renewable energy and wind-hydrogen development. Realizing this potential will require continued investment, infrastructure development, workforce capacity, and consideration of evolving domestic and international market conditions by government, industry, and other stakeholders.

Financial Information

Expenditure and revenue figures included below are based on public information provided in the Report on the Program Expenditures and Revenues of the Consolidated Revenue Fund for Fiscal Year Ended 31 March 2026.

		Estimates		
		Actual	Amended	Original
Executive and Support Services				
1.1.01	Minister's Office	425,422	433,200	284,700
1.2.01	Executive Support	1,644,020	1,678,800	1,682,800
1.2.02	Corporate & Strategic Services	2,624,113	2,812,500	2,812,500
	Less: Revenue	(32,175)	(77,400)	(77,400)
1.2.03	Administrative Support (Capital)	124,708	125,100	100
Total		4,786,088	4,972,200	4,702,700
Mining & Mineral Development				
2.2.01	Geological Survey	6,108,391	6,957,700	7,307,700
	Less: Revenue	(429,394)	(677,700)	(677,700)
2.1.02	Mineral Lands	1,958,690	2,054,700	1,704,700
2.1.03	Mineral Development	5,646,037	6,004,300	6,009,300
	Less: Revenue	(1,300,000)	(1,300,000)	(1,300,000)
Total		11,983,724	13,039,000	13,044,000

Energy Development				
3.1.01	Energy Policy	5,783,324	6,289,500	5,184,500
	Less: Revenue	(14,143)	-	-
3.1.02	Petroleum Development	1,664,398	2,297,200	2,297,200
3.1.03	Canada-Newfoundland and Labrador Offshore Regulator	14,027,800	14,027,800	14,027,800
	Less: Revenue	(14,034,265)	(14,027,800)	(14,027,800)
3.1.04	Royalties and Benefits	2,226,134	2,692,300	2,882,300
3.1.05	Oil and Gas Industry Support	16,177,315	20,095,200	20,095,200
	Less: Revenue	(6,000,000)	(6,000,000)	(6,000,000)
3.1.06	Oil and Gas Corporation of Newfoundland and Labrador	2,294,174	6,447,300	7,586,800
3.1.07	Energy Initiatives	-	100	100
3.1.08	Oil and Gas Corporation of Newfoundland and Labrador (Capital)	-	2,100,000	2,100,000
3.1.09	Energy Initiatives (Capital)	-	100	100
Total		22,124,737	33,921,700	34,146,200
Total Department		38,894,549	51,932,900	51,892,900

