

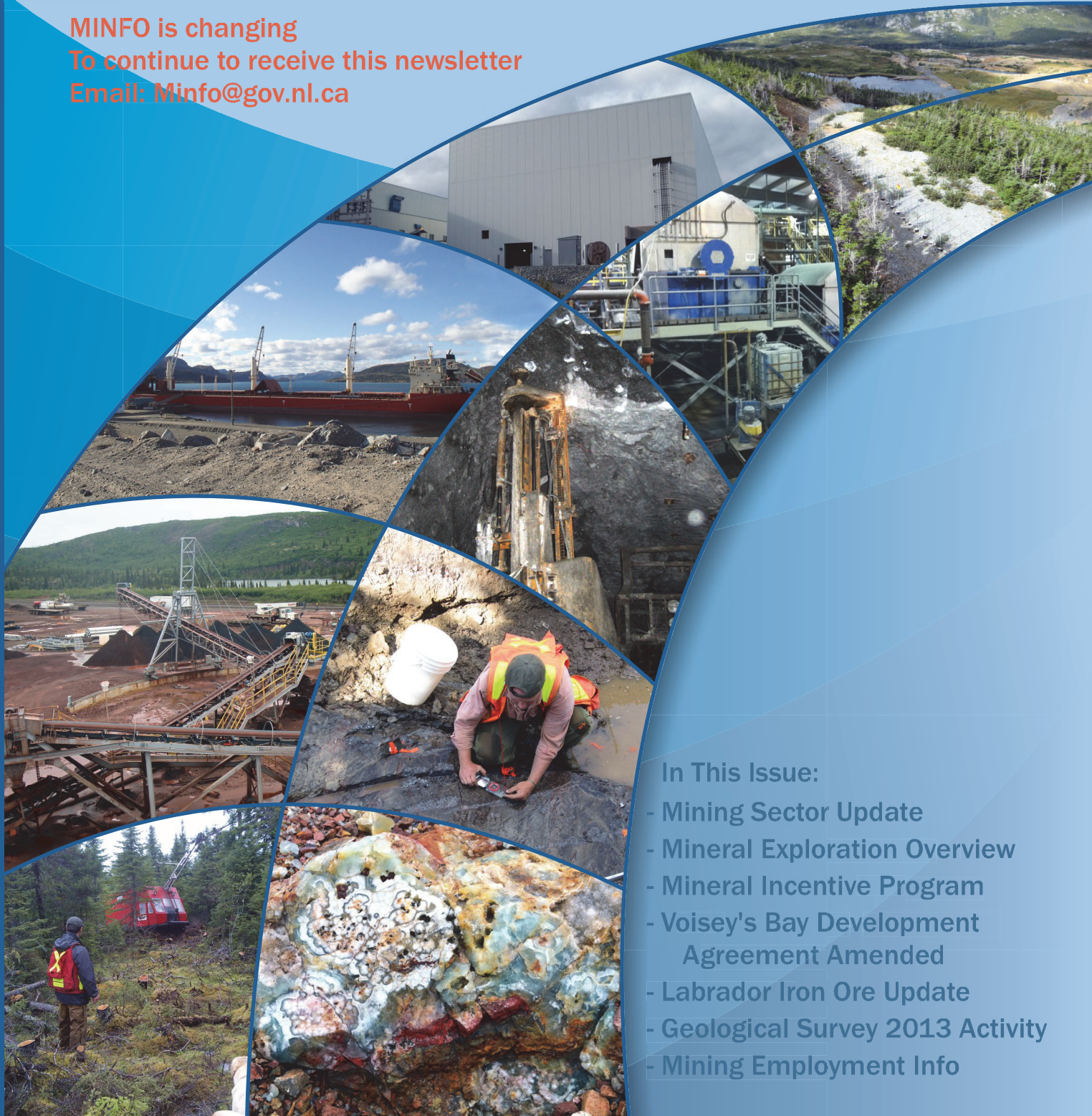
# MINFO

MINERAL INFORMATION

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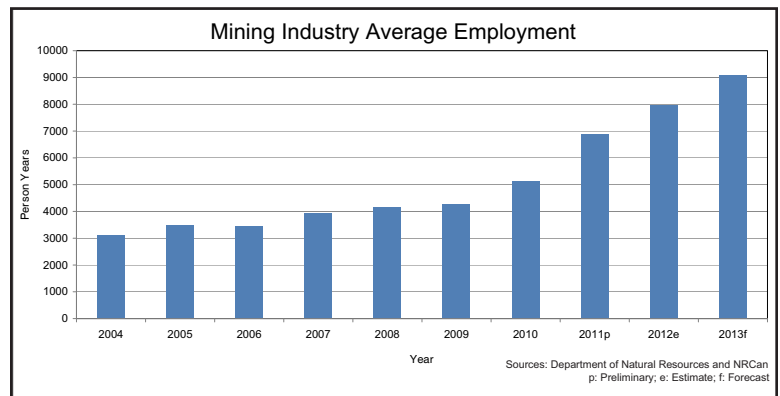
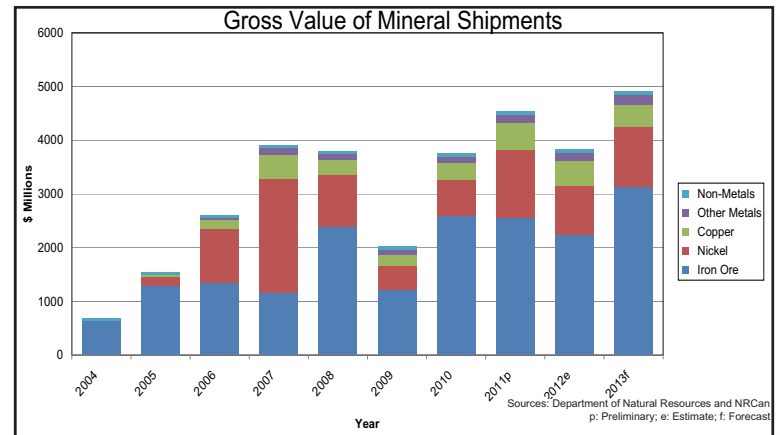
## MINING SECTOR UPDATE

Mineral products mined/quarried within the province include iron ore, nickel, copper, zinc, gold, aggregates, cobalt, silver, dolomite, limestone, peat and pyrophyllite. These commodities are used all over the world, from aggregate used in local construction to iron-ore concentrates shipped to China. Our mineral products are contributing to the global economy and toward the quality of life for people worldwide.

The forecasted gross value of mineral shipments for 2013 is \$4.9 billion. This is up from last years' estimated \$3.8 billion. The addition of new iron ore mines and an increased value of production from Voisey's Bay account for this increase. Mineral shipments are a major contributor to the province's overall gross domestic product (GDP). In 2011, mining accounted for 10.1 per cent of the province's nominal GDP of \$31.3 billion. The mining sector is a significant contributor to the provincial economy and remains strong in a strained global economic environment.

Direct employment in the provincial mineral industry is projected to be 9099 person-years in 2013, an additional 1045 person-years over 2012. This is mainly the result of increased construction employment at the hydromet nickel processing facility at Long Harbour. Lesser contributors include increased efforts at Wabush and IOC mines as well as construction of new iron ore mines in the Menihek region of Labrador. Employment in the sand and gravel industry remains strong overall.

For more information regarding active companies and mining statistics visit: <http://www.nr.gov.nl.ca/nr/mines/production/index.html>



## MINING EMPLOYMENT SPOTLIGHT

### *The Mining Industry Needs You*

The Canadian mining industry employs almost 235,000 workers in exploration and development, mining and quarrying, support services for mining, and mineral processing. Mining Industry Human Resources Council's (MiHR's) 2013 report, *Canadian Mining Industry Employment, Hiring Requirements and Available Talent - 10 Year Outlook*, projects mining hiring requirements will exceed 145,000 workers over the next 10 years. That is more than half of the present workforce. Retirements from the older workforce is the most significant factor of the industry's future hiring needs. MiHR projects that the retirement rate in Canada's mining industry will increase by roughly 27 per cent from 2013 to 2023. Approximately 6 per cent of workers are now eligible to retire, and about 20 per cent will be eligible to retire in 3-5 years. Over the next decade, retirements are expected to accelerate in particular for employees holding a university degree, an apprenticeship certificate or a college certificate.

Hiring requirements are reported by broad occupational categories. MiHR states that the greatest need will be in the "Trades and Undesignated Occupations", "Professional and Physical Science Occupations", and "Technical Occupations".

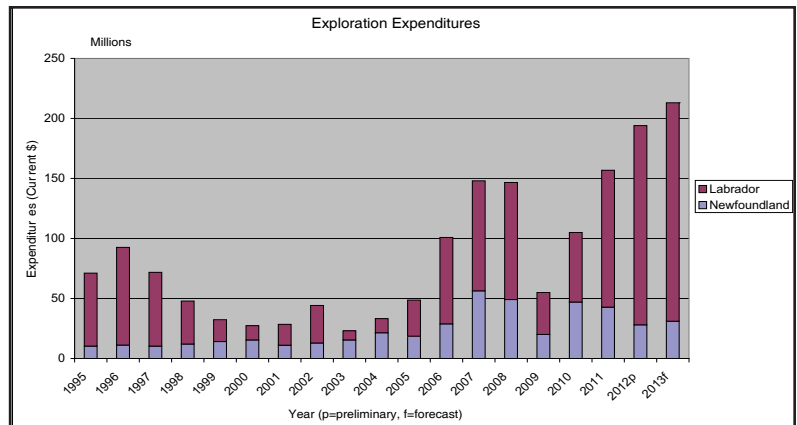
Mining offers great career opportunities. It is a well established, progressive, and growing industry. It is now one of the safest industrial sectors in Canada today. There are dynamic positions in all areas: exploration, development, operations, and site reclamation. Salaries are very competitive - the average weekly earnings in the metal mining industry are significantly higher than those of workers in the construction, manufacturing, forestry and finance/insurance sectors.

Canadian mining industry links and additional information on mining careers, job banks, and mining labour market trends are available on MiHR's web site, <http://www.mihr.ca/en/>. You can learn about the mineral industry of Newfoundland and Labrador at: <http://www.nr.gov.nl.ca/nr/mines/index.html>.

## EXPLORATION OVERVIEW

Mineral exploration and development activity continued to grow in 2012 through an increase in exploration expenditures. As in previous years, the iron ore sector dominated the exploration industry.

Exploration expenditures hit a record high of \$194.2 million in 2012, and are forecast to reach \$213.4 million in 2013. This increase is entirely driven by increased exploration for iron ore in Labrador. Exploration expenditures for other commodities actually saw a decrease in 2012, a trend that is expected to continue in 2013. Drilling activity was near record highs in 2012, at nearly 290,000 m. Despite the increase in exploration expenditures, drilling activity is expected to decrease in 2013.



Merger and acquisition activity in the exploration sector increased in 2012 and included Spruce Ridge Resources acquiring the Viking property from Northern Abitibi Resources, Marathon Gold purchasing partner Mountain Lake Resources to obtain a 100% interest in their Valentine Lake gold property and Canadian Zinc acquiring Paragon Minerals. This activity has continued to date in 2013, with Minco PLC offering to acquire a 100% interest in Buchans Minerals Corporation, and Ridgemont Iron Ore Corp merging with Castillian Resources.

Exploration highlights include continued positive results from Castillian Resources Hope Brook gold project, Marathon Gold's Valentine Lake gold project and new zones of mineralization at Canadian Zinc's Lemarchant Property.

Addition information on mineral exploration in the province is available at: <http://www.nr.gov.nl.ca/nr/mines/exploration/index.html>

## VOISEY'S BAY DEVELOPMENT AGREEMENT AMENDED

On March 28, 2013, the Government announced that it had reached an agreement with Vale for revisions to the Voisey's Bay Development Agreement. Renegotiation of the agreement was necessary to extend the construction schedule for the nickel processing plant at Long Harbour because construction delays made the completion date of February 2013 unattainable. Amending the agreement permits Vale to continue to operate the mine at Voisey's Bay and ship additional concentrate. All concentrate shipped from the province will be replaced and processed through the Long Harbour plant. In exchange for the extension to the Long Harbour construction schedule and export of additional nickel in concentrate, Vale committed to the development of an underground mine at Voisey's Bay.

In addition to financial and other assurances established in the new agreement, enhanced industrial and employment benefits were secured. Additional revenue to the province of approximately \$100 million over three years will be realized. As well, Vale will start operating the Long Harbour plant in the second half of 2013 with imported nickel matte from Indonesia. Voisey's Bay concentrate will be introduced gradually in 2014 once all the impurity removal circuits are fully operational.

Vale's investment in the nickel processing plant is budgeted to be \$4.25 billion. More than 17 million person-hours of employment have been generated to date of which 80 per cent occurred in Newfoundland and Labrador. Approximately 5000 people are currently employed at Long Harbour.

More information on the revised Development Agreement can be found at: <http://www.releases.gov.nl.ca/releases/2013/exec/0328n01.htm>



## MINERAL INCENTIVE PROGRAM

The Department of Natural Resources continues to invest in exploration in the province through the Mineral Incentive Program (MIP). The program consists of Junior Exploration Assistance (JEA), Prospectors Assistance Program (PAP), and Natural Stone Assessment (NSA). For 2013/14, the budget for JEA is \$1.45 million, for PAP \$350,000 and for NSA \$50,000.

For information on these programs go to:  
<http://www.nr.gov.nl.ca/nr/mines/exploration/mip/index.html>

## GEOLOGICAL SURVEY SUMMER FIELD PROJECTS FOR 2013

The Geological Survey has a full and active 2013 field programme of ten projects across the province. The Regional Geology Section has two mapping projects, one on the Bonavista Peninsula of Newfoundland and one on the Ashuanipi Complex of western Labrador. The Mineral Deposits Section continues studies of base-metal, gold and iron-ore deposits and mineral potential throughout the province. Field work conducted in western Labrador, and in several parts of central and western Newfoundland will be looking to delimit mineralization. The Geochemistry, Geophysics and Terrain Sciences Section will conduct surficial mapping and till geochemistry in the Bay d'Espoir and Springdale areas, aggregate-resource assessments in the Clarendville area, continue to monitor areas vulnerable to coastal erosion, and conduct geochemical sampling to support mineral exploration in central Newfoundland and on the Avalon Peninsula.

## LABRADOR IRON ORE UPDATE

Despite a degree of uncertainty weighing on most metal markets, industry interest in iron ore development in the Labrador trough remains brisk. The industry awaits news from a possible sale of part or all of Rio Tinto's 58.7% interest in the Iron Ore Company of Canada. Rio Tinto's CEO, Sam Walsh, confirmed that the company is considering divestments of certain assets but did not specifically identify any particular subsidiaries that are for sale. Labrador Iron Ore Royalty Corp., which holds a 15.1% equity share of IOC, since announced the hiring of legal and financial advisors in preparation for any eventual sale of IOC that might transpire. The outcome of this possible sale could have implications for the future of Canada's iron ore industry as the sale could affect the structure of production and delivery channels. The outcome of a \$50 million feasibility study by New Millennium Iron Corp. and Tata Steel on a large (23 million tonne per year) project in the Menihek area is anticipated in 2013 and could be a significant industry event.

Currently, a narrowing price premium for pellets over fines and concentrates is affecting production decisions at mines in the area. Wabush Mines, for instance, recently announced that its pelletizing plant in Sept Iles, QC will close in 2013 and that only iron concentrates will be produced following the closure.

On the development front, Alderon Iron Ore Corp, supported by Hebei Iron and Steel Group of China, is moving ahead with its 8 million tonne per year Kami project in Labrador West with a possible second phase expansion to 16 million tonnes. Labrador Iron Mines Holdings Ltd (LIM) and New Millennium Iron Corp (NML)/Tata Steel Minerals Canada (TSMC) continue production and developments at their respective projects located at the high grade iron dis-

trict in the Menihek area. Development in the Menihek area is enjoying a notable level of cooperation by operators in the area; LIM and TSMC recently agreed to share infrastructure and designated certain deposits for joint development in future.



Century Iron Mines Corp., with backing from Chinese entities, is also active in this general area with the Joyce Lake DSO deposit currently undergoing environmental assessment. Government is currently reviewing detailed proposals from industry regarding development of the crown-owned Julienne Lake iron ore deposit. This deposit is located near Labrador City/Wabush and could make a significant contribution to the province's economy if it is put

into production.

The Labrador West and Menihek areas are also experiencing elevated levels of exploration for iron ore deposits by several junior mining companies with some of these operating under joint venture deals initiated by early work conducted by NL based Altius Minerals.

For further information on iron ore development in Labrador, please visit: <http://www.nr.gov.nl.ca/nr/mines/index.html#1>