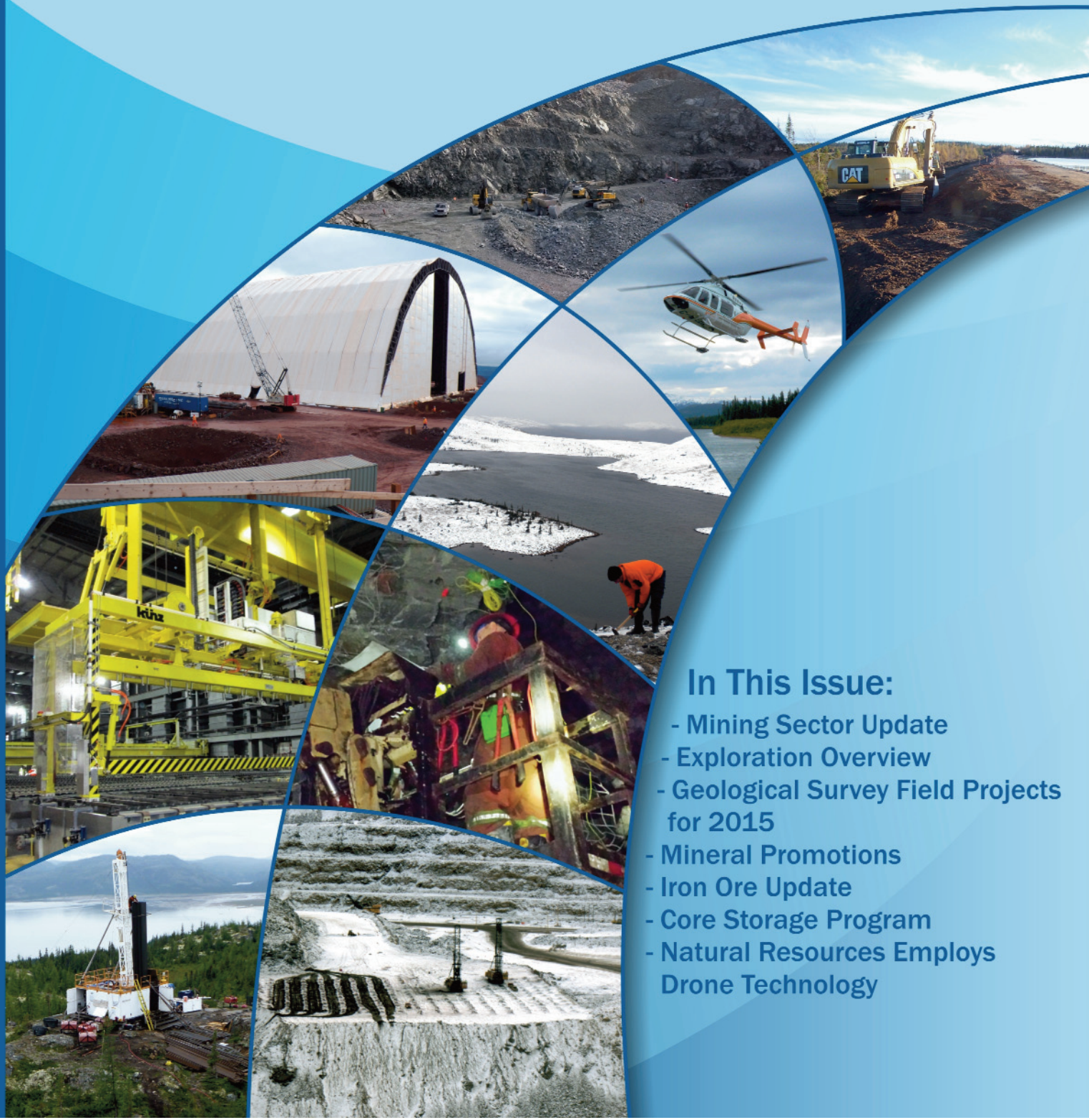


MINFO

MINERAL INFORMATION

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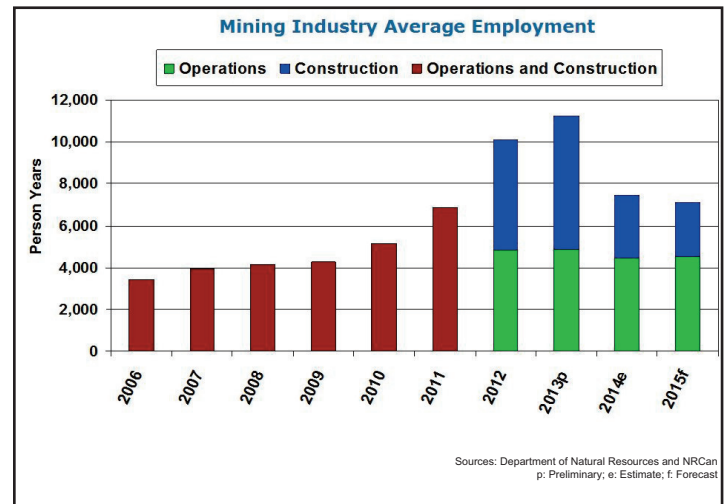
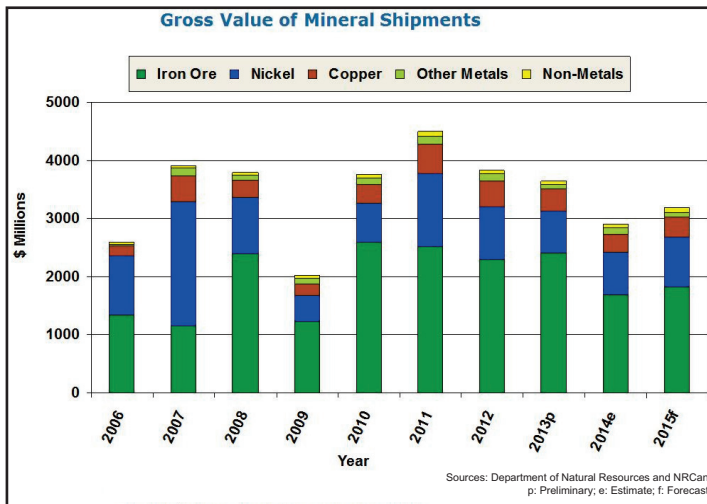
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MINING SECTOR UPDATE

The gross value for mineral shipments in Newfoundland and Labrador is forecast to reach \$3.2 billion this year; and is up nearly 10% from 2014. The greatest contributors include shipments of iron ore, nickel and copper with lesser contributions from cobalt, zinc, gold and silver. Aggregates, limestone and other industrial minerals comprise the rest.

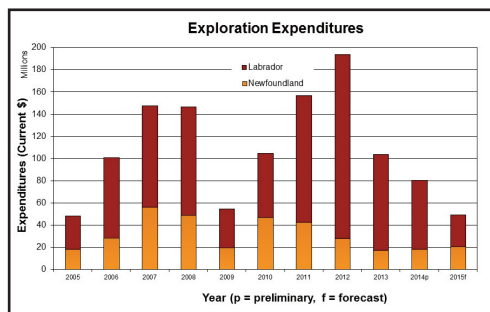
Forecasted employment figures show a decline of nearly 5% from 7,436 person years in 2014 to 7,080 person years in 2015. Recent lay-offs at IOC and Alderon Iron Ore Corp. and the shut-down of the Duck Pond mine are the main reasons for the decline. Mining related construction employment also declined due to fewer workers required at Long Harbour. Additional information on the mineral industry is available at: <http://www.nr.gov.nl.ca/nr/mines/production/index.html>.



EXPLORATION OVERVIEW

The continued slump in the exploration industry is attributed to overall weak commodity markets and a difficult investment climate, creating challenges for junior exploration companies to raise capital. Exploration expenditures declined in 2014 to \$80.7 million from \$117.2 million in 2013, and are forecast to drop to \$49.6 million in 2015.

Exploration expenditures for iron ore and REE saw significant decreases in 2014, whereas expenditures for gold, uranium, base metals, fluorite, and antimony maintained similar levels; expenditures for nickel and PGEs increased in 2014. Drilling activity in 2014 continued at a similar level as 2013, but was less than the historical high in 2011. Since 2013, many exploration companies have reduced exploration activities to a minimum while waiting for market conditions to improve. Additional information on mineral exploration in the province is available at: <http://www.nr.gov.nl.ca/nr/mines/exploration/index.html>.



GEOLOGICAL SURVEY FIELD PROJECTS FOR 2015

The Geological Survey of Newfoundland and Labrador had an active field program in 2015 consisting of six projects across the province. Geologists of the Regional Geology Section continued mapping on the Bonavista Peninsula, and in the Ashuanipi area of western Labrador, as well as conducting brief field visits to areas of western Newfoundland. Mineral Deposits Section geologists continued studies on uranium in the Central Mineral Belt of Labrador, and iron ore in the Labrador Trough; and also conducted projects on gold and base metals in Newfoundland. Geologists in the Geochemistry, Geophysics and Terrain Sciences Section continued surficial mapping and till geochemistry studies in the Topsails area of central Newfoundland, and continued work on assessing areas vulnerable to coastal erosion. In addition, there will be several office-based projects conducted with the assistance of summer students including the continued archiving of palaeontological samples at the Rooms, map and data preparation, laboratory support and many others. More information about Geological Survey can be found at: <http://www.nr.gov.nl.ca/nr/mines/Geoscience/index.html>.

MINERAL PROMOTIONS

The Mines Branch helps encourage mineral sector growth and investment via its mineral promotions program. This program is managed and executed by a core group with technical and regulatory expertise and an in-depth knowledge of domestic and international mineral sectors. The group partners with other government departments, private sector entities and industry associations to work toward mutually beneficial goals.

'Promotions' is a long-term, targeted and strategic initiative designed to capture mining and exploration sector investment from worldwide sources, raise the profile of NL in emerging and domestic markets, and to foster strategic relationships in the Asia-Pacific region, notably China. The promotions group maintains an effective presence at national and international mining conferences, trade shows and investment symposia, including the Prospectors and Developers Association of Canada, Exploration Round-up, Xplor and the China Mining Conference, as well as related Investment Forums in Toronto, Beijing, Shanghai and Hong Kong. The group also supports private companies at these and other events, providing local projects with a platform from which to launch their investment attraction plans. It produces a wide variety of technical and promotional materials focused on exploration concepts, specific commodities, and details of investment opportunities. Other activities include meeting incoming investors and trade delegations; facilitating meetings and technical briefings; business match-making, networking and building key contacts.



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The Mines Branch website features a promotions web page (Explore NL) in English and Mandarin, which essentially comprises a 'virtual trade show booth' including technical material, company project summaries and other promotional material, and outlines the department's Asian investment attraction initiatives.

The Promotions program is especially important in times such as now, when challenging market conditions make it difficult for companies to maintain desired levels of exploration and development. The Department is committed to sustaining its long-term support of the mineral industry through the Promotions program.

NATURAL RESOURCES EMPLOYS DRONE TECHNOLOGY

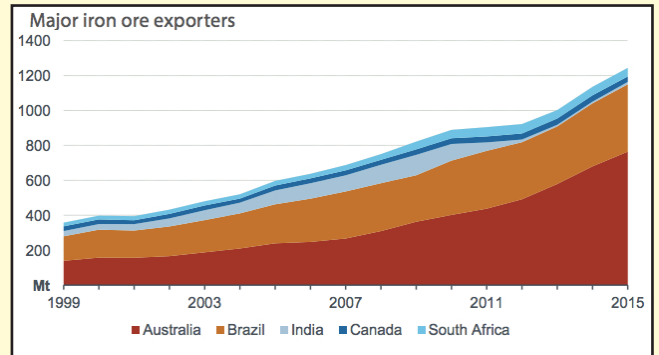
The Mines Branch has acquired two unmanned air vehicles (UAVs), commonly referred to as drones. One is a Trimble UX5 glider plane, and the second is a DJI Inspire-1 quadcopter. These light-weight radio controlled drones are equipped with a GPS, RF link to a ground-control station and a drone-mounted digital camera. The drones fly a set pattern over an area, taking overlapping photos. Surveys flown at different times can be compared to observe and measure changes. These drones have a wide range of applications in the Mines Branch, including monitoring tailings dams and ponds, quarry or mine activity, and beaches and coastline vulnerable to sea level rise or erosion, as well as photographing cliff exposures and other difficult to reach areas. The drones will also be used to photograph important geological sites as part of the Mines Branch's geo-heritage initiative.



IRON ORE UPDATE

Double digit economic growth in China from 2003 to 2008 encouraged mineral exploration and mine development companies to seek mineral deposits to feed the Chinese demand from across the globe. This trend impacted the iron ore industry, and led to exploration and development activity in the Labrador Trough and elsewhere on a scale that had not been seen in decades.

Sitting on reserves of easily upgradable iron ore, major producers in Australia and Brazil were best equipped to rapidly expand operations in response to China's increased iron ore imports. The adjacent chart of major iron ore exporters (courtesy of Australia's Bureau of Resource and Energy Economics), illustrates a greater than 300% production increase from both Australia and Brazil, over the period 1999-2015.



Large producers with expansion capacity, plus new projects under construction added new supply to the iron ore market. This greater supply is available at a time when demand was decreasing due to a slowing of Chinese growth resulting in a steep decline in iron ore prices. This has taken a toll on Labrador Trough production through the closure of Bloom Lake and Wabush Mines, idling of Labrador Iron Mines and delay of Alderon's Kami Project.

There are positive steps being taken in NL's iron ore sector. IOC is getting costs under control and increasing production due to recently expanded capacity and better productivity. Tata Steel Minerals Canada is also pushing ahead; its customized iron ore processing plant in the Menihek area is about to begin shipments to Tata's steel plants in Europe.

Much of the ore from the Labrador Trough is high quality; being low in undesired metals and high in iron content. This makes it desirable as direct steel making feedstock and as a blend stock with ores of inferior quality. This should help ensure continued iron ore production from the Labrador Trough even if prices do not to return to levels of the last few years.

CORE STORAGE PROGRAM

The department operates six core storage libraries located at St. John's, Buchans, Springdale, Baie Verte, Pasadena and Goose Bay. These facilities house a drill core sample collection of approximately 1.3 million metres, collected from mining and mineral exploration projects in the province.

Drill core collection began in 1979. The program initially salvaged samples from abandoned mineral exploration drill projects and mine sites. Subsequently drill core samples that were available from mineral exploration drilling and representative drill holes from remote sites were collected. The drill core libraries provide a reference collection of the rock record of Newfoundland and Labrador that can be used by explorationists to explore the mineral potential of their properties, as well as facilitate scientific research.



Since January 2014, the client group, predominantly mineral exploration companies, has made 62 separate visits and has conducted 490 man days of work at the facilities. They have examined 137,889 metres of drill core samples from 775 drill holes. In between visits, core storage staff has cataloged 22,687 metres of drill core samples from 137 drill holes.

The drill-hole database containing information on drill core samples in storage is accessible on the Department's Geoscience Atlas. For more information about the core storage program or to arrange a visit, please contact Glen Penney at 709.729.5833 or Chris Moran at 709.686.2054.