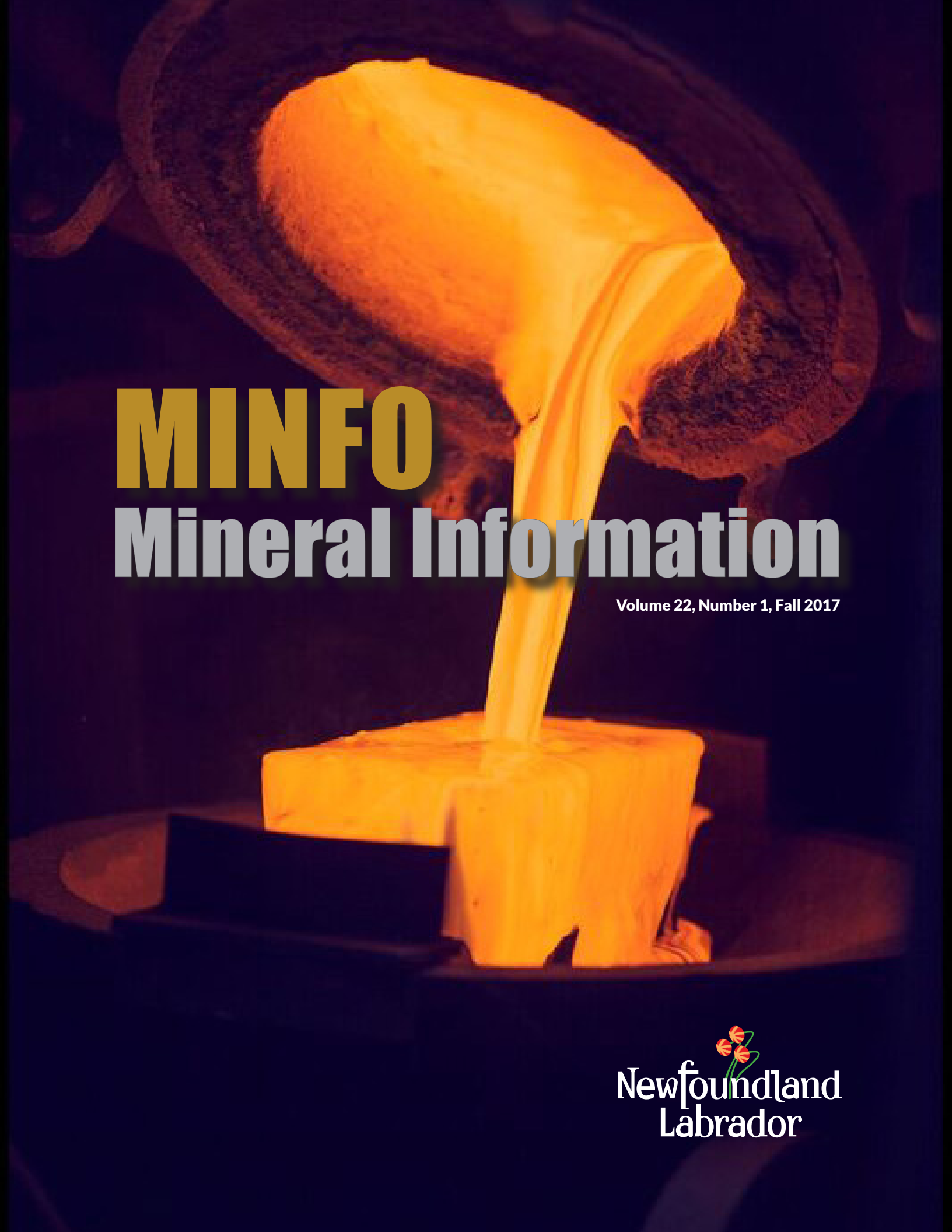


MINFO
Mineral Information

Volume 22, Number 1, Fall 2017

Newfoundland Labrador

GOLD

Gold is an element with a variety of physical properties that make it a precious metal. Gold is a soft, brilliant yellow metal that is highly malleable, ductile and able to conduct both electricity and heat. It is resilient due to being resistant to oxidization (will not tarnish), highly dense and is unaffected by most acids and bases. These properties have led to gold being used in jewelry, electronics, dental and medical appliances, aerospace applications and as a financial instrument.

Anaconda Gold Dore Bar

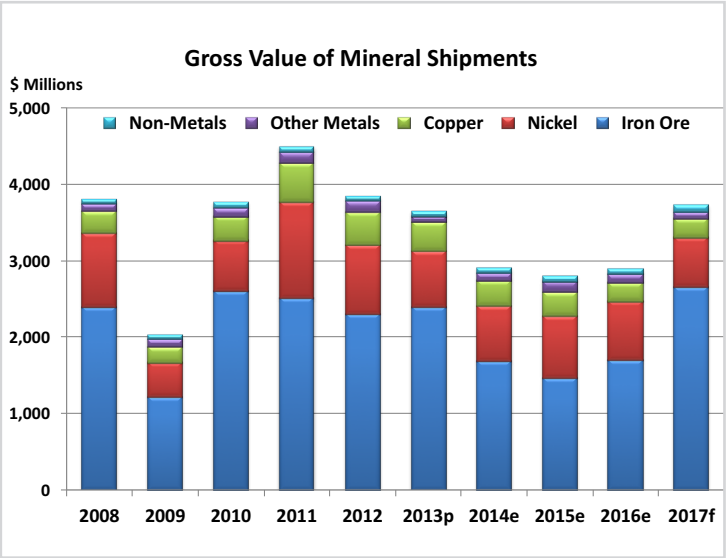
The price of gold is not only affected by typical commodity supply and demand balances but also by events impacting the global economy as an investment into gold is seen as safe-haven. The World Bank's latest commodity outlook published in April 2017 noted that demand for physical gold remains weak while mine supply continues to rise. This combined with low interest rates, low inflation and general geopolitical stability had led to a decline in gold prices from a high in 2011 of over US$1,800 per ounce to a low of US$1,050 per ounce in December 2015. Gold has since recovered and as of late September 2017 was trading around US$1,300 per ounce. This recovery is based on investment demand resulting from geopolitical and economic uncertainty such as tension surrounding North Korea, Syria, Afghanistan and US/ Russian relations.

Gold has been mined historically in the province and is currently mined by Anaconda Mining and Rambler Metals and Mining Canada on the Baie Verte Peninsula. These operations generate a combined 275 person years of employment annually. Past mining areas such as Hope Brook on the South Coast and Buchans in central Newfoundland provide potential targets for exploration. Marathon Gold continues to advance the Valentine Lake Gold Camp south of Buchans with a 60,000 metre drill program to expand its current 2.1 million ounce gold resource. The province has recently experienced an increased interest in gold exploration resulting in increased claims staked and exploration expenditures. This activity will increase the likelihood that gold will continue to be an important commodity in the Newfoundland and Labrador mining industry.

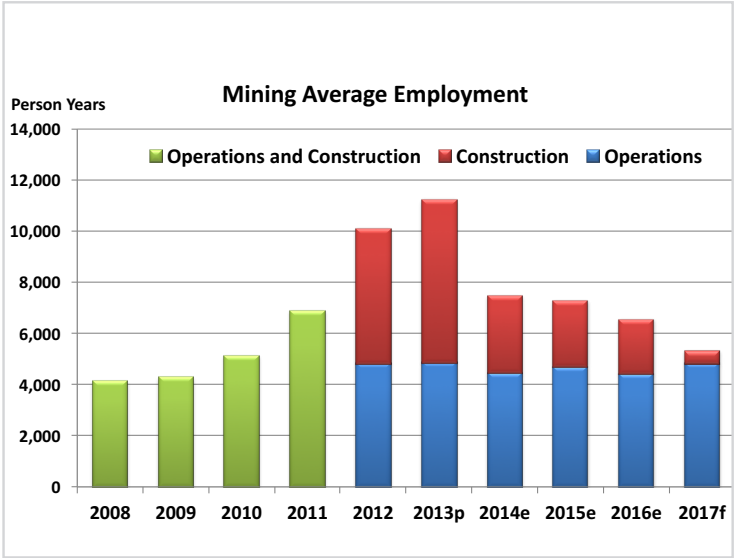
For additional information on gold, please visit: www.gov.nl.ca/nr/mines/outreach/education/gold.html

Cover Photo Credit:Anaconda Mining Inc.

MINERAL PRODUCTION & EMPLOYMENT UPDATE



Sources: Department of Natural Resources and NRCan
p: Preliminary; e: Estimate; f: Forecast



Note: Construction and operations employment are reported separately since 2012.
Sources: Department of Natural Resources and NRCan
p: Preliminary; e: Estimate; f: Forecast

The Newfoundland and Labrador gross value of mineral shipments and mining employment have remained strong despite lower commodity prices. With projects at various stages of development, such as the Vale Underground Mine, IOC's Wabush 3, Tata Steel Minerals Canada Howse Project, Tacora Resources Wabush Mine, Anaconda's Stog'er Tight West Pit Expansion, and Rambler's Lower Footwall Zone Expansion, the mining industry will continue to provide significant financial and employment contributions to the provincial economy.

The gross value of mineral shipments for Newfoundland and Labrador is forecast to total $3.7 billion in 2017. This reflects a 29 percent increase from the 2016 estimated gross value and is primarily the result of an increase in the value of iron-ore shipments.

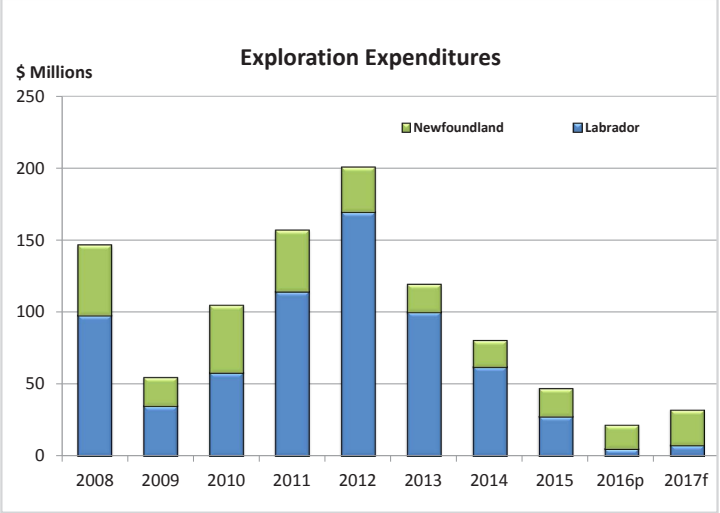
Mineral industry employment in 2017 is projected to be 5,320 person years. This is a 19 percent decrease from the 2016 estimated 6,542 person years. The decline is the result of the elimination of construction employment associated with the completion of the Vale Newfoundland and Labrador Long Harbour processing plant in late 2016.

Additional information on mineral production in the province is available at:
www.gov.nl.ca/nr/mines/production

Rambler Miner

EXPLORATION HIGHLIGHTS

Exploration expenditures for Newfoundland and Labrador are forecast to increase to $32.6 million in 2017 after experiencing a continual decline since 2013 reaching $22 million in 2016. The search for gold and base metals (including nickel) were major contributors to the exploration industry in 2016 with gold accounting for approximately half, and base metals approximately one third of exploration expenditures. Their respective contribution continues into 2017.



Source: Department of Natural Resources
p: Preliminary, f: Forecast

Despite lower commodity prices and a difficult investment climate, increased interest in gold on the Island of Newfoundland is generating signs of a turnaround in our mineral industry. Since Fall 2016, the island has had a significant increase in claims staked and this has contributed to the first annual increase in exploration expenditures since 2012. Diamond-drilling activity approximately doubled in 2016 over 2015 driven by several ambitious programs. While these indicators remain below the historical highs experienced in 2011, 2012, nevertheless these increases are a welcome improvement to the mineral exploration industry in the province.

Additional information of mineral exploration in the province is available at:
www.gov.nl.ca/nr/mines/exploration/index.html

GEOLOGICAL SURVEY FIELD PROJECT FOR 2017

The Geological Survey of Newfoundland and Labrador had an active field program in 2017 consisting of 10 field projects across the province. On the island, there were bedrock mapping projects on the Bonavista Peninsula and in the St. Alban's area of the south coast, regional surficial geology mapping and till geochemistry projects in central and western Newfoundland, gold and base-metal mineral deposits studies in central and eastern Newfoundland, industrial minerals studies in western Newfoundland and on the Burin Peninsula, coastal-erosion monitoring around the island, and geological hazard research in the Daniel's Harbour area. In Labrador, a bedrock mapping and mineral deposits project was initiated examining base metal, PGE, and gold potential of the northern Labrador trough. In addition, there were 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 programs and products can be found at:
www.gov.nl.ca/nr/mines/Geoscience/index.html

Geological Survey Student

UPCOMING REGULATORY AND LEGISLATIVE CHANGES

The Mineral Development Division is in the process of revising its Mining Act Guidelines which complement the Mining Act. The existing guidelines have been in draft format since July 2010. The revised guidelines will provide the proponent with the details and format required for an acceptable Development Plan and Rehabilitation and Closure Plan. After consultation with industry, the revised Mining Act Guidelines are expected to be available in 2018.

As part of the guideline review, Natural Resources is considering new measures that would ensure that financial assurance covers the cost of longer term post-closure tailings dam safety inspections and reviews.

The Mineral Lands Division (MLD) is responsible for administering the Mineral Act, Mineral Regulations, Quarry Materials Act, and Quarry Materials Regulations.

The MLD has initiated a preliminary review of the Mineral Act and Mineral Regulations but a timeline on the development of draft revisions has not been finalized. The revised Environmental Guidelines for Mineral and Quarry Materials Exploration are currently being finalized for implementation.

Draft revisions of the Quarry Materials Act and Quarry Materials Regulations are complete. A complete consultation process is planned with implementation of the revised statutes planned for 2018.

MLD is also undertaking a review of administrative processes and plans to develop appropriate policies to ensure consistent decision-making under legislative authority.

Open Pit Development, Canada Fluorspar

Photo Credit: Canada Fluorspar (NL) Inc.

FOR THE PROSPECTOR: SERVICES AND FUNDING

The Matty Mitchell Prospectors Resource Room (Matty Mitchell Room) is a Geological Survey project, conceived and established by the Survey in 1998. The principal sponsors of the project are Mining Industry NL and the Mineral Incentive Program (MIP), Department of Natural Resources. The Resource Room is currently in its 19th year of operation.

Matty Mitchell Room, 50 Elizabeth Avenue

The Matty Mitchell Room's geologist helps provide advice, geoscientific support and technical assistance to prospectors and the general public. Users have access to extensive resources including a large collection of rock and mineral samples. The geologist works with the province's prospectors helping them prepare for local and international meetings such as the Annual Review of Activities (St. John's), Roundup (Vancouver) and Prospectors and Developers Association of Canada (PDAC) (Toronto). Networking at these major conferences has given prospectors many opportunities to option their properties to local and international mining companies, thereby attracting considerable investment to the province.

The Prospectors Assistance Program, under the MIP, provides training and direct financial support to individual prospectors and is designed to encourage and promote development of the mineral-prospecting industry and the discovery of wealth-generating mineral deposits. Direct financial assistance is provided to eligible residents who are at least 19 years of age and involved in independent mineral exploration activities. Approved projects on crown land or the proponents' registered claims are supported by grants of up to $6,000 for traditional and grass-roots prospecting. Up to a maximum of $6,000 is also available for air support to remote properties with no other means of access. Prospector grants up to $12,000 may be available for prospects considered to be at an "advanced" stage of exploration.

The Department of Natural Resources, in partnership with College of the North Atlantic, offers a Prospectors Training Course annually. Graduates qualify for designation as 'genuine prospectors' under Regulation 13 of the Mineral Regulations 1143/96.

For additional information, please visit:

www.gov.nl.ca/nr/mines/prospector/matty_mitchell/

www.gov.nl.ca/nr/mines/exploration/mip

CORE STORAGE PROGRAM

The Department of Natural Resources operates six core storage facilities located at St. John's, Buchans, Springdale, Baie Verte, Pasadena and Goose Bay. These facilities house a drill core sample collection of approximately 1.4 million metres, collected from mining and mineral exploration projects in insular Newfoundland and throughout Labrador.

The core storage facilities provide a reference collection of the rock record of the province that can be used by explorationists to promote and advance the mineral potential of their properties, as well as scientific research by academia.

As part of Government's Way Forward Initiative, the core storage program is collaborating with the College of the North Atlantic and Memorial University to potentially develop an "all in one" drill core digitization system to provide high-quality digital hyperspectral data and other information from the drill core archives to companies worldwide.

An internal review of occupational health and safety practices and polices began in 2016. At times, this review has resulted in limited access to drill core samples while third party consultants conducted inspections. Despite limited access, use of the facilities remains above historical average. Since January 1, 2016, clients have visited the core storage facilities 33 times and conducted 233 person days of work. They have examined 70,571 metres of drill core from 391 drill holes.

All six facilities have reached indoor storage capacity and new drill core samples to be archived must be kept in outdoor storage areas. Drill core will continue to accumulate as mineral exploration companies can earn assessment credits by delivering core samples directly to the storage facilities.

The drill hole database containing information on drill core samples in storage was updated June 2016. The update added 251 new records and is accessible on the Department's Geoscience Atlas.

For more information about the core storage program visit: www.gov.nl.ca/nr/mines/geoscience/drill.html.

Examination of drill core in Buchans

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