

**Competitive Environment for Exploration / Mining Workshop  
Friday, April 8, 2011, Holiday Inn, St. John's**

**Participants**

Bob Kelly, Teck Duck Pond Operations  
John M Hanchar, MUN  
Sherry Dunsworth, Marathon Gold Corporation  
Len Muise, Triple Nine Resources Ltd.  
Phonce Cooper, Canada Fluorspar Inc.  
Victor French, Triple Nine Resources Ltd.  
Robert Wheeler, VALE  
Tim Froude, Golden Dory Resources Corp.  
Gerry O'Connell, NL Chamber of Mineral Resources  
George Ogilvie, Rambler Metals and Mining Canada Ltd  
Derek Wilton, MUN  
Andrea Marshall, Aurora Energy Resources Inc.  
Jamie Powell, Stantec  
Frank Blackwood, Research and Development Corp.  
David Copeland, Paragon Minerals Corp.  
Linda Wrong, Labrador Iron Mines Holdings Ltd.  
Damian D'Aguiar, IOC  
Jon Feldgajer, Canadian Boreal Initiative  
Peter Dimmell, Silver Spruce Resources Inc.  
Patrick Laracy, Vulcan Minerals Inc.  
Kaylen Hill, Dept. of Environment & Conservation  
Heather Bruce-Veitch, IOC  
Angie Mehta, IOC

**Group Facilitators – DNR Staff**

Tony Burgess, Manager, Mineral Industry Analysis  
Alex Smith, Director, Mineral Development Division  
Lawson Dickson, Director, Geological Survey  
Martin Batterson, Senior Geologist - Geological Survey Division

A brief summary of points made during discussion is provided below.

**Topic: Exploration Incentives and Prospector Assistance**

Prospector Assistance

- Need more prospector training – follow up with people after the initial course; keep more graduates active in the industry.
- Advanced training required – more on-the-ground training/mentoring. 6-8 month PTC to fully train a prospector. Development of module based programming. Can tailor a course to meet the needs of a particular community or group
- Allocate more resources for prospector mentoring; one geologist for the entire province is not enough
- Need for follow up on data management; gps, computers
- Simplify the paperwork

- Recognition of Prospecting as a 'trade'; and bring in a journeyman system. A draft skills template was developed years ago; outline of skills sets required. Prospectors should be given more training/information on environmental issues
- Recognition that there is a need for training throughout the industry – not just prospectors. (Eg: lack of trained drillers)
- \$2500 for remote access is not enough. Have to increase this to encourage prospectors to explore in remote areas
- Give presentations on prospecting to high school students
- Purchase equipment for use by prospectors: scintillometers, beep mats, hand-held XRF
- Leverage more assistance from industry for prospector training; industry should take on more of a role
- Industry geologists need to take more time to visit prospectors – even when they do not believe an option agreement will develop. Offer advice.
- Develop clear guidelines for Free, Prior and Informed Consent requirements from Aboriginal Communities around prospecting (what level of site access and site disturbance triggers required Aboriginal consultation and consent)

#### Exploration incentives

- Junior Exploration Assistance (JEA) program is fabulous. \$100,000 toward a multi-million dollar program speaks volumes. Tells the company that NL is 'mining friendly'. Investors are attracted when they see gov't funding/supporting a project. This money is spent in rural NL – employing people; buying supplies and goods. JEA funding has gone into most of the significant finds in the province over the past while.
- More funding for grass-roots needed without taking away from advanced projects
- Offer a tax-based incentive for advanced programs
- Small juniors rely heavily on funding; do not have the resources
- First-come first-served system should be assessed; should merit carry more weight
- \$2.9 million is not enough money – should be more. This level of funding has not been increased to keep up with increasing costs.
- This direct funding program offered by NL is close to the best in the country – bump up the amt. of money offered to make it the most attractive.
- Gov't should expand the program to include assistance for start-up of mining projects. Large portion comes back in taxes – personal and corporate
- Have a second offering (fall?) for projects that were not advanced enough in the spring
- Allocate funds to facilitate community consultations; formal province-wide.
- Dept. should have an economic analysis done on MIP to demonstrate the economic spin-off of the programs.
- Funding ratio changes to recognise variance in market; more \$\$ also change the ratio: 75/25
- Offer incentives to hire students/prospectors; have this as a budget item. Intent is training for students/ prospectors.
- Develop a program to fund research program for MUN students: outcome of research could take project to next step.
- Credit as exploration costs, the costs of conducting consultations with Aboriginal communities

### **Topic: Infrastructure – Exploration and Mining**

#### **Concerns**

#### Power

- Lack of power is a major impediment to new development. eg. Iron-Lab West, VB underground, Michelin, Long Harbour and other island developments
- Considered to be reaching crisis point. – Is a demand right now! – Affecting the ability to raise capital.

#### Forest Access Roads

- Keep open and maintained
- Critical for exploration
- Culverts and bridges a major issue
- No consistent message from Government – competing interest
- Multiple competing uses
- Liability a big concern
- Balance the need for infrastructure and road access with mitigating conservation measures because existing and/or increasing forest access roads impact wildlife and the environment

#### Rail Capacity- Lab West

- Will be a long term issue for future development

#### Ports

- Not sufficient facilities
- Some historic ports closed or unusable
- Adds to road use – GHG and maintenance

#### R & D

- Need for new infrastructure – equipment – intellectual
- Hard to raise money from companies

#### Municipal

- Lack of capacity in Lab West – housing!

### **Are we ready for new developments? - Recommendations**

#### New hydro capacity – production and transmission

- Will encourage development
- Investment in province
- Spur new discoveries
- Help communities
- GHG (reduction)

#### New Roads

- Spur exploration
- Partnerships with industry
- Maintain existing network

#### Long term infrastructure strategy needed

- Hydro
- Roads
- Ports
- Community involvement critical
- R&D

## **Topic: Geoscience, R&D, Education, Training and Core Storage**

Training and core storage dominated discussions.

### Geoscience

- Funding needs to be increased. Universal theme.
- Thematic projects should be revisited. Multidisciplinary programs e.g., Robert's Arm – Buchans belt.
- Increased contact (synergies) between the different institutions – MUN, CNA, Mines Branch

### Education

- Time for NL to develop School of Natural Resources.
- Improve linkages between MUN, CONA and DNR.
- Practical training from prospecting through mining engineering.
- Importance of training forgotten during downturns.
- Increased funding for co-op students needed.
- Recruiting of young people into industry crucial.
- Mining Engineering most needed program.
- Scholarship funding needs to be increased.
- Industry also responsible to attract human resources.
- Takes long lead time to develop education programs.
- Educational institutions require business case and support from industry to develop programs.
- Desire and timing is conducive for MUN to participate.

### Public Awareness of Mining

- Introducing mining, engineering and geoscience to school students.
- Companies and government must be involved.
- High-paying jobs.
- Rural jobs mainly.
- Outreach and recruitment must have rural focus.

### Drill core storage

- Universally seen as critical service.
- Need to preserve the hundreds of millions of dollars spent to get core.
- Concerns raised about running out of storage space for drill core.
- Concerns of long term maintenance - suggestion for plastic core boxes.
- Accessibility a concern. More staff required.
- Stated that drill core could represent the single most important piece of geoscientific data.

## **Topic: Regulation and legislation**

- Regulation process frustrating but workable. The number of people to deal with is small enough for direct contact.
- Need to better define information required for permit types at environmental stage which should be scaled based on project size.

- Need more flexibility in approvals and a more streamlined process need with timelines that must be met. Time frame for permits to be issued should consider activity i.e. 3 weeks for a drilling program.
- Predictability important for planning – there are business risks associated with unexpected delays
- Have sufficient staffing to regulate efficiently. Review should be done of resources required to properly regulate our legislation. Alternative is to reduce regulation so current staffing can regulate. Specific to rush of exploration applications; ensure overlap of people – allow for staff vacations etc.
- There are conflicts between legislation administered by other government departments, we need better coordination. i.e. DFO vs Environment and company's caught in the middle of changing policies. Government should appoint an advocate for companies, separate from DNR.
- Inconsistencies between how industries are reviewed between government departments.
- Working group could be established to improve communication; Voisey's Bay management committee may be a model to look at or similar setup in New Brunswick. Advocate to coordinate and communicate with proponents. Government must foster an atmosphere of support vs adversarial in permitting at other departments.
- There are gaps in regulations, ventilation requirements for underground mining is one example. There are challenges in dealing with OHS.
- Mines regulations should be clear on where exploration can be done. Open for staking should mean open for exploration, working within a municipality an issue, watersheds.
- There have been issues with Corner Brook pulp and paper, and working on their land. Government and Industry can be more proactive with forestry companies
- The 20 year limit on claims creates difficulties if discovery made near end of license; should be a provision for extending under mineral act i.e. Development License.
- Expiring of exploration approvals at year end is a problem, creates a burden on approvals process, causes a slow start in January, New Year's bottleneck.
- Mineral Land Claims should have 2 years before the first report is required.
- Tracking system is needed for permitting and approvals process.
- Assessment of project area for permitting and approvals and potential land use issues should be an allowed cost under mineral claim system.