

Junior Exploration Assistance Performance Measures Evaluation 2023-24

Program Objective

Junior Exploration Assistance (JEA) aims to further the sustainability of the mineral industry and grow the mineral inventory of the province by:

- Supporting activities that may lead to the discovery of new mineral districts, occurrences, prospects, and/or deposits (new discoveries).
- Supporting the advancement of mineral discoveries through the stages of defining National Instrument (NI) 43-101 compliant mineral resources (advancing projects).
- Supporting grassroots exploration activity (grassroots).
- Enhance Newfoundland and Labrador's competitiveness as a world class mineral exploration destination (competitiveness).

The following metrics are performance measures to determine if JEA objectives are being met.

Summary

During 2023-24, in addition to the \$1.3 million Provincial JEA, the Atlantic Canada Opportunities Agency (ACOA) provided \$1.3 million in funding as part of a three-year program to provide focused assistance for companies exploring for critical minerals.

A total of 27 companies fulfilled their work commitment on projects and submitted final report expenses requesting \$3.27 million in rebates. A total of \$2.82 million was available as rebates and supplied to companies, including \$220,000 in unused Prospector Assistance Grant funds, as per the IET Policies and Procedures for the Administration of the Mineral Incentive Program.

JEA Performance Measures

1) Target: Support three projects undertaking grassroots exploration activities.

Data:

Fiscal Year	Number of Grassroots Projects	Amount of Investment	Grassroots JEA Rebates
2023-24	6	\$2,161,392.58	\$791,822.81
2022-23	13	\$3,350,610.17	\$479,088.89
2021-22	13	\$4,113,238.99	\$581,269.52

Conclusion: During 2023-24, there were six projects undertaking grassroots exploration activities. Of note, two of these projects are by companies that are new to this province. Grassroots (regional scale and early stage) Exploration continue to generate new mineral prospects. New companies are attracted to the province's exploration industry. Target has been met.

2) Target: Support three projects that have advanced beyond grassroots.

Data:

Fiscal Year	Number of Advanced Projects	Amount of Investment	Advanced Project JEA Rebates
2023-24	21	\$7,178,510.46	\$2,025,003.19
2022-23	24	\$12,143,746.66	\$959,403.31
2021-22	18	\$10,103,440.66	\$894,566.72

Conclusion: In 2023-24, 21 projects performed advanced stage exploration. This has been supported by higher levels of grassroots exploration in 2021-22 and 2022-23 that resulted in advanced exploration projects in 2023-24 remaining high. Target has been met.

3) Target: Support three projects with enough exploration investment to receive a maximum rebate.

Data:

Fiscal Year	Number of Projects Receiving Maximum Rebate	Investment by Maximum Rebate Projects
2023-24	16	\$8,267,562.74
2022-23	24	\$14,166,298.24
2021-22	17	\$12,110,567.94

Conclusion: In 2023-24, 16 projects received maximum grant amounts indicating these are larger exploration programs. This is a drop from our record high in the previous year but is supported by projects progressing past the grassroots stage to include advanced exploration actions such as diamond drilling. Target has been met.

4) Target: Support one project with updated resource statement/preliminary economic assessment (PEA)/feasibility study.

Data:

Fiscal Year	NI 43-101 Statement or Update	PEA or Pre-Feasibility	Feasibility Study or in Progress
2023-24	3	-	-
2022-23	-	1	1
2021-22	1	-	2

Conclusion: JEA rebates help advance mineral discoveries through the stage of defining National Instrument 43-101 compliant mineral resource and subsequent economic evaluation including Preliminary Economic Assessment, Pre-Feasibility Study, and Feasibility Study. TRU Precious Metals Corp., Magna Terra Minerals Inc. (2647102 Ontario Inc.), and Big Ridge Gold Corp. have received funding through the program and published updated NI 43-101 technical reports for their respective properties. The data indicates projects are using JEA funding to advance to this later stage exploration. Target has been met.

5) Target: Attract three new exploration companies to participate in the JEA.

Data:

Fiscal Year	Number of Projects by First Time Rebate Recipients	Investment by First Time JEA Recipients
2023-24	6	\$1,421,364.28
2022-23	13	\$4,147,799.08
2021-22	11	\$5,650,130.33

Conclusion: JEA rebates help attract new investment to the province by providing incentives to support first time JEA recipients advance projects. During 2023-24, six companies participated in JEA for the first time. Target has been met.

6) Target: Leverage greater than two times provincial JEA funding in exploration investment.

Data:

Fiscal Year	Number of Projects with Expenditures < 2 Times the Rebate	Number of Projects with Expenditures ≥ 2 Times the Rebate	Number of Projects with Expenditures ≥ 4 Times the Rebate	Total Investment
2023-24	3	19	5	\$9,339,912.04
2022-23	-	-	37	\$15,494,356.83
2021-22	-	3	28	\$14,216,680.65

Conclusion: JEA rebates improve NL competitiveness by helping attract additional exploration investment. During 2023-24, 19 projects made exploration expenditures between two and four times the rebate amount, and five projects made exploration expenditures at least four times the rebate amount. Target has been met.

Of note, some companies submitted only enough expenses to receive the maximum rebate but invested significantly more in exploration on projects. Companies are employing this strategy to simplify their applications and reporting under the program, this has not reduced the actual exploration investment. However, it does result in the Total Investment that companies have submitted to the program not capturing the full amount of private investment leveraged by JEA funding.

7) Target: Fully disburse the annual JEA budget to support mineral exploration.

Data:

Fiscal Year	Number of JEA Rebates	Total JEA Rebates	Per Cent of Available Budget Disbursed
2023-24	27	\$2,816,825.99	100%
2022-23	37	\$1,438,492.20	100%
2021-22	31	\$1,475,836.24	100%

Conclusion: The total available JEA budget to support the province's exploration industry has been awarded. Target has been met.

8) Target: Support mineral exploration towards the goal of five new mines by 2030 as outlined in Mining the Future 2030: A Plan for Growth in the Newfoundland and Labrador Mining Industry.

Data: New Mine	Number of JEA Rebates	Notes
Argyle	1	Mined from August 2020 to January 2023
Valentine Gold Project	9	Mine under construction, ore being stockpiled, mill commissioning planned for Q2 2025

Potential New Mine	Number of JEA Rebates	Notes
Great Atlantic Salt Project	1	Released from EA April 19, 2024
Maritime Resources Green Bay Gold Project (Hammerdown)	9	Released from EA May 2021.

Conclusion: Since the release of **Mining the Future**, one mine (Argyle) has opened, and one (Valentine Gold Project) is under construction. Both utilized JEA support to help establish its mineral resource. There are also two projects that have utilized JEA support and progressed to being released from Environmental Assessment (EA), the first step in obtaining approval to begin operations. In addition to supporting projects through the stages of exploration, JEA has supported exploration projects in advancing toward mine development. The target is well on the way to being met.

Critical Mineral Assistance (CMA) – Specific Performance Measures

IET had entered into an agreement with ACOA to deliver targeted exploration assistance for critical minerals beginning in the fiscal year 2023-24. This agreement includes funding for three years up to 2025-26 and includes specific performance measures to evaluate the effectiveness of CMA.

CMA provided support to those exploration projects with a primary focus on critical minerals. In years when all funding is not allocated per the policy and guidelines to primary critical mineral exploration projects, then projects with a secondary critical mineral focus will receive funding. During 2023-24 all funding was used by primary critical minerals focused projects. CMA is evaluated beyond the JEA performance measures to determine if this incentive is supporting critical mineral exploration within Newfoundland and Labrador. Specific CMA performance measures have been analyzed to determine if this objective is being met through the following targets.

1. **Target: Increase in the number of projects undertaking primary and secondary target critical mineral (CM) exploration throughout the province of Newfoundland and Labrador.**

Data:

JEA Projects Completed and Received Rebates					
Year	CM as Primary Focus	CM as Secondary Focus	Non-CM Focus	Total Projects Completed	Per Cent CM as Primary Focus
2023-24	9	5	13	27	33%
2022-23	7	3	27	37	19%
2021-22	7	7	17	31	23%
2020-21	5	3	15	23	22%

Conclusion: CMA provided increased support for nine exploration projects with a CM as a primary target and as a result helped advance the inventory of CM projects. The number of primary CM projects increased by two, which is a 28.6 per cent increase from 2022-23. As per program policies and procedures, the CMA budget was used by projects with CM as a primary target, therefore no funds went to support projects with CM as a secondary target however the number of these projects also increased by two. The target is being met.

2. Target: Increase in dollars invested in critical minerals exploration on the island portion of the Province and Labrador.

Data:

JEA Eligible Project Investment for Critical Minerals on Newfoundland				
Year	CM as Primary Focus	Eligible Expenses	Rebate Requested	Rebate
2023-24	4	\$1,633,751.85	\$402,303.43	\$402,303.43
2022-23	2	\$424,782.87	\$300,000.00	\$90,900.00
2021-22	4	\$565,321.92	\$275,620.97	\$110,248.39

JEA Eligible Project Investment for Critical Minerals in Labrador				
Year	CM as Primary Focus	Eligible Expenses	Rebate Requested	Rebate
2023-24	5	\$2,516,093.15	\$905,500.57	\$905,500.57
2022-23	5	\$3,081,192.13	\$905,203.00	\$274,276.00
2021-22	3	\$1,828,478.57	\$512,444.86	\$204,977.94

Fiscal Year	Non-CM investment	CM Investment	Total Investment	CM – Investment as Per Cent of Total Investment
2023-24	\$5,189,967.04	\$4,149,945.00	\$9,339,912.04	44.43%
2022-23	\$11,988,382.83	\$3,505,975.00	\$15,494,356.83	22.63%
2021-22	\$11,822,880.16	\$2,393,800.49	\$14,216,680.65	16.84%

Conclusion: The effectiveness of CMA to drive CM exploration in the province is being evaluated based on the funding ask by industry for CMs as the primary exploration focus. There was no CMA funding remaining to support exploration of CMs as a secondary exploration focus.

Newfoundland (Island):

On the Island CM exploration expenditures in 2023-24 were nearly 400 per cent of 2022-23 and 300 per cent that of 2021-22. Much of the increase was driven by discovery of lithium on what was previously a gold project in Southwestern Newfoundland, and the positive exploration results from a historical copper project in central Newfoundland. The potential of these projects and the available CMA has enabled companies involved to raise financing and successfully execute planned work.

Labrador:

In Labrador CM exploration expenditures in 2023-24 were down 20 per cent from 2022-23, but up 72 per cent from 2021-22. The decline was the result of two companies that have been undertaking significant exploration in Labrador experiencing management and financial challenges. Both are advanced projects with significant exploration and are expected to see future exploration once challenges are resolved.

For 2023-24, projects with CM as primary focus increased substantially reaching 44.4 per cent of total JEA participant investment even though overall investment was down. Overall, provincial CM investment increased 18.4 per cent while provincial non-CM investment declined by 56.7 per cent. The target is being met.

3. Target: Identification of new critical mineral exploration potential areas in proximity to other existing exploration projects.

Data:

Exploration that leads to a better understanding of the mineral potential of an area can help drive additional exploration in the region. This is evidence of a potential mineral district that has greater potential in attracting additional staking and investment. The location of the Letter of Intent and executed exploration projects were evaluated to assess the potential development of a CM district.

Newfoundland:

The original discovery of a spodumene (Lithium) -bearing LCT pegmatite dyke at the Kraken Pegmatite in 2021 was made by Sokoman Minerals Corp. (Sokoman) and Benton Resources Inc. (Benton). Exploration for 2023-24 consisted of soil geochemistry, trenching, mapping, and diamond drilling and was supported by CMA and Provincial JEA funding. CMA supported exploration was successful in expanding and defining the dyke system in both the north and south direction along strike, as well as identifying a new pegmatite to the East.

These exploration results attracted the attention of Piedmont Lithium Inc. (Piedmont), one of North America's leading lithium companies. Piedmont has entered into a definitive agreement with Sokoman and Benton to acquire an Interest in the Killick Lithium Project and will also fund ongoing exploration by Sokoman and Benton up to CAD \$12 million.

Additionally, Falcon Gold Corp. and Marvel Discovery Corp. have staked ~1250 km² (~5000 mineral claims) over available areas of similar geology in the region. This should lead to additional exploration for lithium in the region.

Labrador:

Five Labrador JEA projects were completed in 2023-24. Three were in areas that have not seen exploration in several years. The addition of CMA in 2023-24 coincides with these companies being successful in raising the necessary exploration funding to conduct exploration. With several new CM occurrences discovered by companies during the 2023-24 exploration, we anticipate these projects will continue or expand with the help of CMA and Provincial Critical Mineral Assistance funding available for 2024-25.

- Labrador Uranium Inc. – Central Mineral Belt
- Sterling Metals Corp. – Adeline
- Labrador Gold Corp. – Hopedale

Conclusion: The available CMA has assisted companies involved to secure financing and facilitate a shift toward CM focused projects. The discovery of lithium and subsequent CMA supported exploration by Sokoman and Benton in Southwestern Newfoundland has led to large investment in the project and claim staking by other companies to begin to support this as a district scale lithium play. In addition, the restart of exploration in areas of Labrador is also supporting potential new discoveries by encouraging future nearby exploration. This target is being met.