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From Copper to Coal,
Oil to Uranium,
Gold, to Silver, to Diamonds.

Welcome to Mining in Canada.



A message from the Minister of Growth, Enterprise and Trade

The mining and petroleum industries represent the second largest primary resource sector of Manitoba's economy with a 2015 value of production projected at \$2.3 billion.

The department of Growth, Enterprise and Trade is working hard to drive economic development across our province. Throughout our history, Manitobans have always relied on our abundant resources to drive our economy. Today, exploration and development of our mining and petroleum resources remain some of our most important economic drivers.

The mining and petroleum industries represent the second-largest primary resource sector of Manitoba's economy with a 2015 value of production projected at \$2.3 billion. Despite the challenges the mineral sector has experienced in attracting new capital over the past few

years, it is encouraging to see many mining and petroleum companies continue to operate and invest in our province. This activity continues to foster partnerships and leads to continued growth and new opportunities.

My goal as Minister is to cultivate an environment that produces positive results. We want to encourage responsible development across all sectors and encourage investors to continue to look positively toward our province. Economic development is especially important for Manitoba's northern and aboriginal communities. As such, we are initiating a special targeted program for northern Manitoba called "Yes! North." This program

aims to develop strong partnerships to attract new companies, assist entrepreneurs and facilitate expansion of existing businesses to provide quality jobs and a stronger economy in the North with a focus on the sustainable development of natural resources, including forestry, mining and petroleum. Manitoba also continues to offer the most comprehensive mineral incentives program in Canada, offering direct and indirect financial support to the industry.

I invite you to discover the potential for mineral and petroleum opportunities in Manitoba.

The Honourable Cliff Cullen

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A Manitoba Geological Survey geologist logging his observations on the shores of Knee Lake, Manitoba. Photo credit: Manitoba Growth, Enterprise and Trade, www.gov.mb.ca/jec

Manitoba:

Working to Establish a Competitive Advantage

Mining in Manitoba is, in many ways, similar to other jurisdictions across Canada. Falling commodity prices over the last several years have made it a tough go for both established operations and development projects alike and, within Manitoba specifically, the mining sector has been stymied by an oppressive tax regime that cuts into mining deeper than into other Manitoban manufacturers and more heavily than most other Canadian jurisdictions.

These factors have all combined to produce a relatively low level of mining activity across the province but, with a new Progressive Conservative government in power, there are signs that the industry might be in store for a rebound.

"The Mining Association of Manitoba believes in the sustainable development of mineral resources for the benefit of all Manitobans," says Mark Scott, Vice President at the Mining Association of Manitoba Inc. "We are happy to work with the new provincial government to improve the province's standing on the issues of concern to our industry—competitiveness, access, process certainty, workforce development, and health and environmental performance."

One of the more contentious issues in the province, particularly for Manitoba's prospectors and developers, centres on the use of duty to consult. This self-imposed provincial mandate requires the government to consult with First Nations communities when any proposed activity may impact Aboriginal treaty or territorial rights. The problem for industry is that all of northern Manitoba is considered to be traditional lands—aside from the region surrounding Flin Flon and

Snow Lake—so it falls under the umbrella of duty to consult. And while Manitoba's mining sector would agree that duty to consult is an extremely important step in helping to build a sustainable industry for the future, its one size fits all approach, and undefined rules and timelines, has slowed new development.

"There were a lot of issues with the NDP, First Nations, and the duty to consult process that really hurt us and our ability to get on the ground to do our work," says Ruth Bezys, President of the Manitoba Prospectors and Developers Association. "What most of my members do is low impact exploration, such as ground mapping and soil sampling. Do we really need to have a full blown duty to consult for this type of work? It is still early days but that is a question that our new Progressive Conservative government will need to answer."

In spite of higher taxes and regulatory hoops to jump through, Manitoba does bring some competitive advantages to the table for its mining sector. Several known mineral belts in Manitoba have been developed over the decades and Manitoba has excellent established infrastructure and services in place. Manitoba also has an excellent public geological database, an established corps of prospectors, and growing First Nations interest in participating in the mining industry. Manitoba also generates abundant and competitively-priced green hydroelectricity with additional generating and distribution capacity currently in the works.

These strengths have allowed for some projects in the province to advance.

Since acquiring the former Rice Lake Mine near Bissett last January, Klondex Mines has been steadily ramping up project development activities at its True North Gold Mine. These activities continue to advance and are on schedule, remaining within budget.

Much of the work has been completed in repairing the mine, which was out of commission for a period of time, and Klondex expects to recover up to 12,000 gold ounces in 2016 through a combination of test stope mining and the Tailing Reprocessing Project, adding further value by reprocesses material from the tailings from the existing mill.

Alamos Gold's Lynn Lake gold project is a highly prospective past-producing gold camp consisting of five near surface deposits with significant existing infrastructure in place. The Lynn Lake project consists of two primary deposits at the MacLellan Mine and the Farley Lake Mine, and is proceeding through its feasibility study after passing a preliminary economic study in 2014.

The project is located in the North belt of the Lynn Lake Greenstone Belt. Both the MacLellan Mine and Farley Mine deposits are located within this belt, which is also known as the "Rainbow Trend."

"Manitoba is open for business and our mining sector is committed to the industry and its development within the province," says Scott. "We will continue to work together with government and First Nations to grow the economy of our province for the benefit of our communities and all Manitobans."