

# Wade Locke Analysis of Mining Developments

## **SCHEDULE "A"** **SCOPE OF WORK**

- evaluate the economic benefits of current and proposed mining developments in western Labrador based on data provided by DNR
- benefits would include employment (construction, operations), mining tax and royalties, corporate tax, indirect taxation, contribution to GDP, indirect benefits (service, supply industries).
- Time frame 2011-2031
- Projects to be considered include
  - IOC current operations, CEP II, III and two further phases of 8 mt production increase
  - Alderon – 8 mt/ 16 mt production
  - Tata Steel Minerals Canada Labmag project
  - Wabush Mines current operations
  - Julienne Lake project

### **Scenarios**

Three scenarios to be considered, plus base case.

Base case: current benefits as of 2011-12

- **Scenario 1:**
  - CEP II completed in 2013
  - CEP-III in 2017 (6mt expansion)
  - Alderon in production @ 8mt 2017-18 no pelletizing
  - IOC 8mt expansion in 2019-20
  - No further developments
- **Scenario 2**
  - CEP II completed in 2013
  - CEP-III in 2016 (6mt expansion)
  - Alderon in production @ 8mt 2015-16 no pelletizing
  - IOC 8mt expansion in 2019-20
  - TSC Labmag ramping up from 2017 to full production in 2021-22 no pelletizing
  - Alderon additional 8 mt in 2019-20
  - Julienne Lake 8 mt in 2021-22 no pellets
  - No further developments
- **Scenario 3**
  - CEP II completed in 2013
  - CEP-III in 2016 (6mt expansion)
  - Alderon in production @ 8mt 2015 with pelletizing
  - IOC 8mt expansion in 2017, further 8 mt in 2019 and 2021
  - TSC Labmag ramping up from 2016-18 to full production with pellet plant
  - Alderon additional 8 mt in 2019
  - Julienne Lake 8 mt with pellets in 2018, 16 mt in 2020