

Québec's Mining Industry

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1. Legal framework of the mining industry in Québec

Legal aspects

Legal framework of the mining industry in Québec

General Principles:

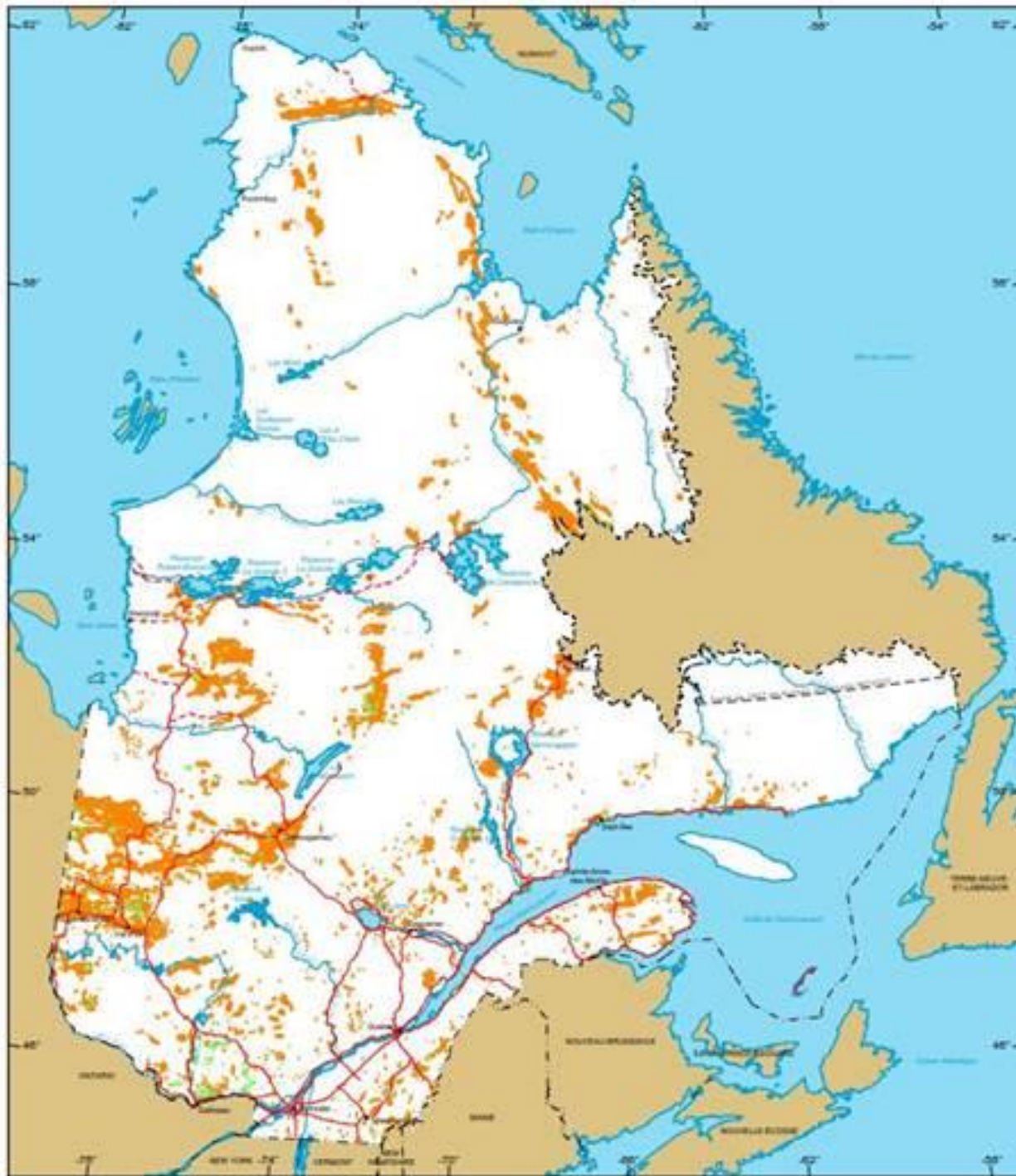
- Free entry system, subject however to numerous restrictions;
- Mineral rights and surface rights are severed; the former are owned by Quebec state, which can grant various forms of mining rights in accordance with mining legislation;
- Primary piece of legislation: Mining Act

Legal framework of the mining industry in Québec

Permitting:

- **Mining Claim:**

- Grants the exclusive right to explore for mineral substances on land subject to the claim (s. 64, Mining Act), which includes the right to access to the land (with some exceptions or requirements on private lands or public lands leased or used, s. 65 and 235, Mining Act);
- Is obtained through map designation or by staking, although very little land remains susceptible to staking (s. 40-63, Mining Act);
- Valid for a period of 2 years, but can be renewed if prescribed works have been conducted or fees paid in lieu of works.



Active mining titles:

- 155 097 (2015)

Area:

- 7 226 024 ha
(4,3 % of total territory)

Legal framework of the mining industry in Québec

- **Mining Lease**

- Grants the right to mine mineral substances (s. 100, Mining Act)
- Conditions of granting include (s. 101, Mining Act):
 - Approval of rehabilitation and restoration plan (new)
 - Environmental certificate of authorization is granted (new)
 - Payment of annual rent
 - Filing of a project feasibility study as well as a scoping and market study as regards processing in Québec (new)

Legal framework of the mining industry in Québec

Mining Lease (Cont')

Term: 20 years (s. 104, Mining Act)

- Can be renewed three (3) times for periods of 10 years
- Following the 3rd renewal, five-year extensions may be granted (s. 104, Mining Act)

Legal framework of the mining industry in Québec

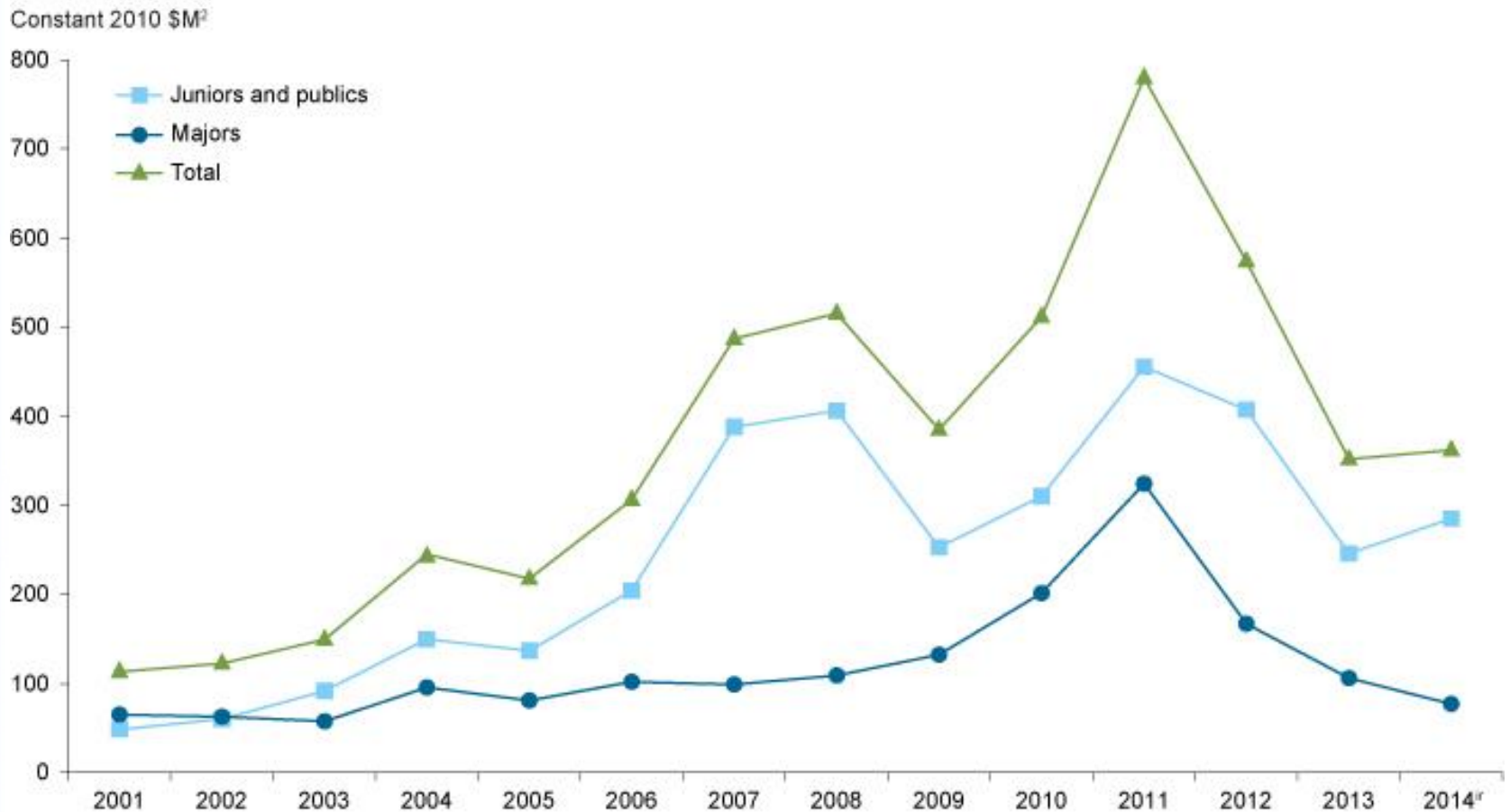
Post-mining

- Rehabilitation and restauration requirements for both holder of claims who conducted certain exploration work and holder of mining leases who conducted operations (s. 232.1, Mining Act)
- Rehabilitation and restauration works must being within three (3) years after cessation of operations (s. 232.7.1, Mining Act)
- Such works to be conducted pursuant to approved rehabilitation plan, which has to be revised every five (5) years, or more often in some circumstances (s. 232.6, Mining Act)

2. Mining exploration in Québec

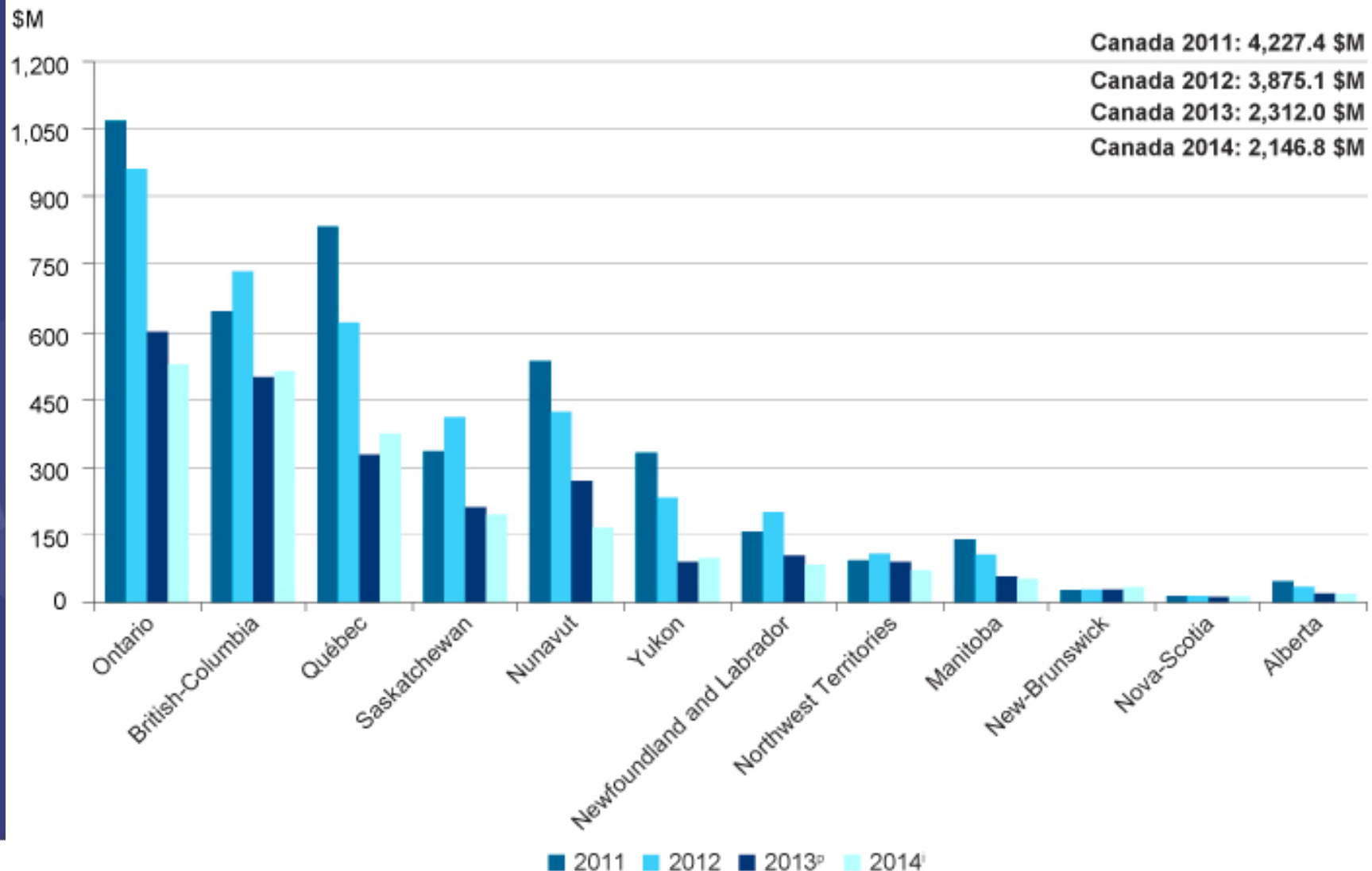
Expenditures, key players and comparisons

Trends in expenditure on exploration and development by type of stakeholder in Quebec, 2004-2014



Source: Institut de la statistique du Québec, *Annual Survey on mineral exploration, deposit appraisal and mine complex development expenditures*.

Mineral exploration and deposit appraisal expenditures, Canada, 2011-2014



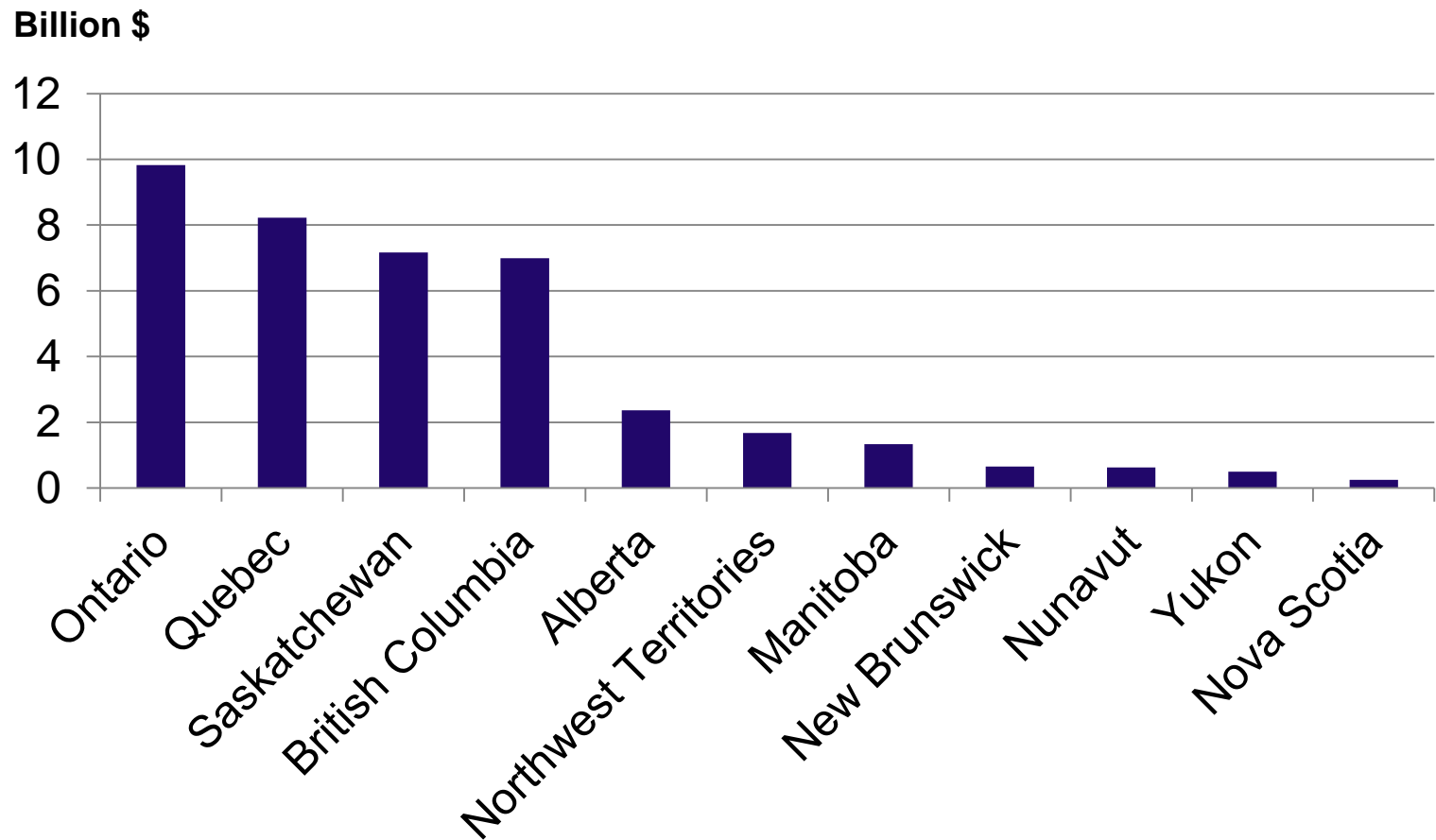
1. 2011-2012: final data; 2013: preliminary data; 2014: intentions.

Sources: Natural Resources Canada, *Federal-provincial-territorial Survey of Mineral Exploration, Deposit Appraisal and Mine Complex Development Expenditures* (except Québec).
 Institut de la statistique du Québec, *Annual Survey on mineral exploration, deposit appraisal and mine complex development expenditures* (Québec).

3. Mining production in Québec

Operating mines in Quebec

Mineral production by province and territory (2013)



Sources: Natural Resources Canada; Statistics Canada

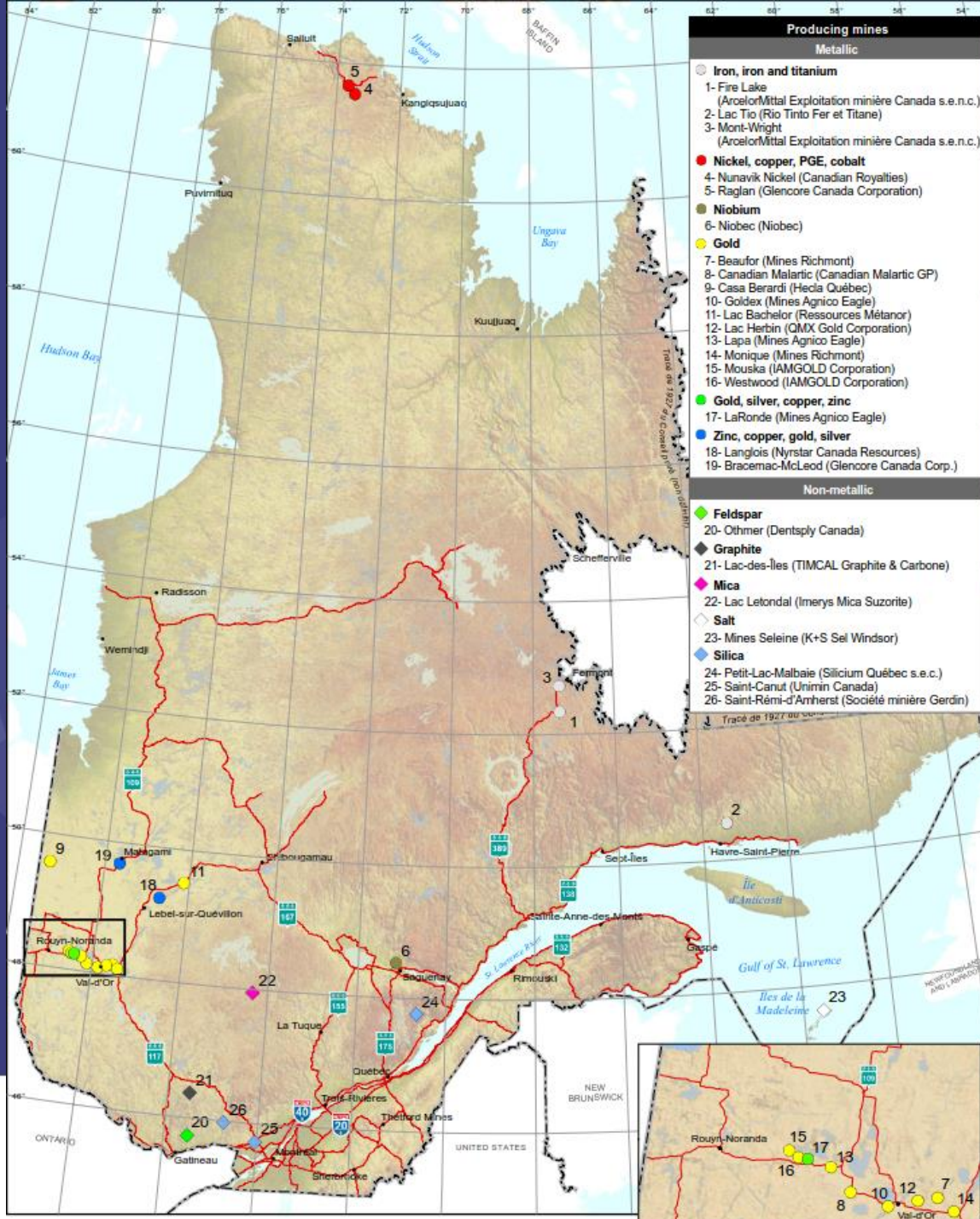
Producing Mines in Quebec (2014)

Mines are located in specific geographical regions:

A. Côte-Nord

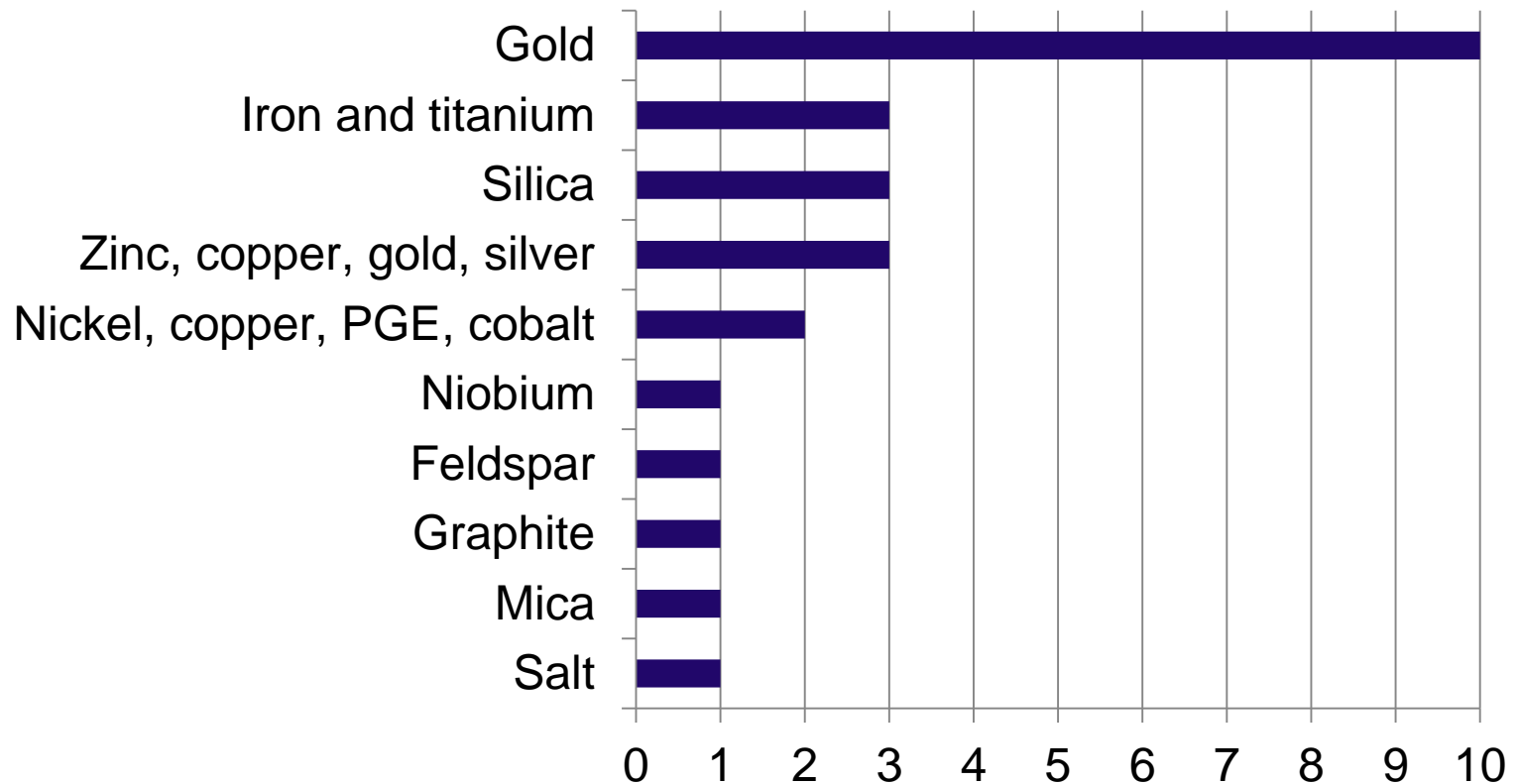
B. Abitibi-Témiscamingue

Source: Ministère de l'Énergie et des Ressources naturelles, Direction de l'information géologique du Québec, January 2015



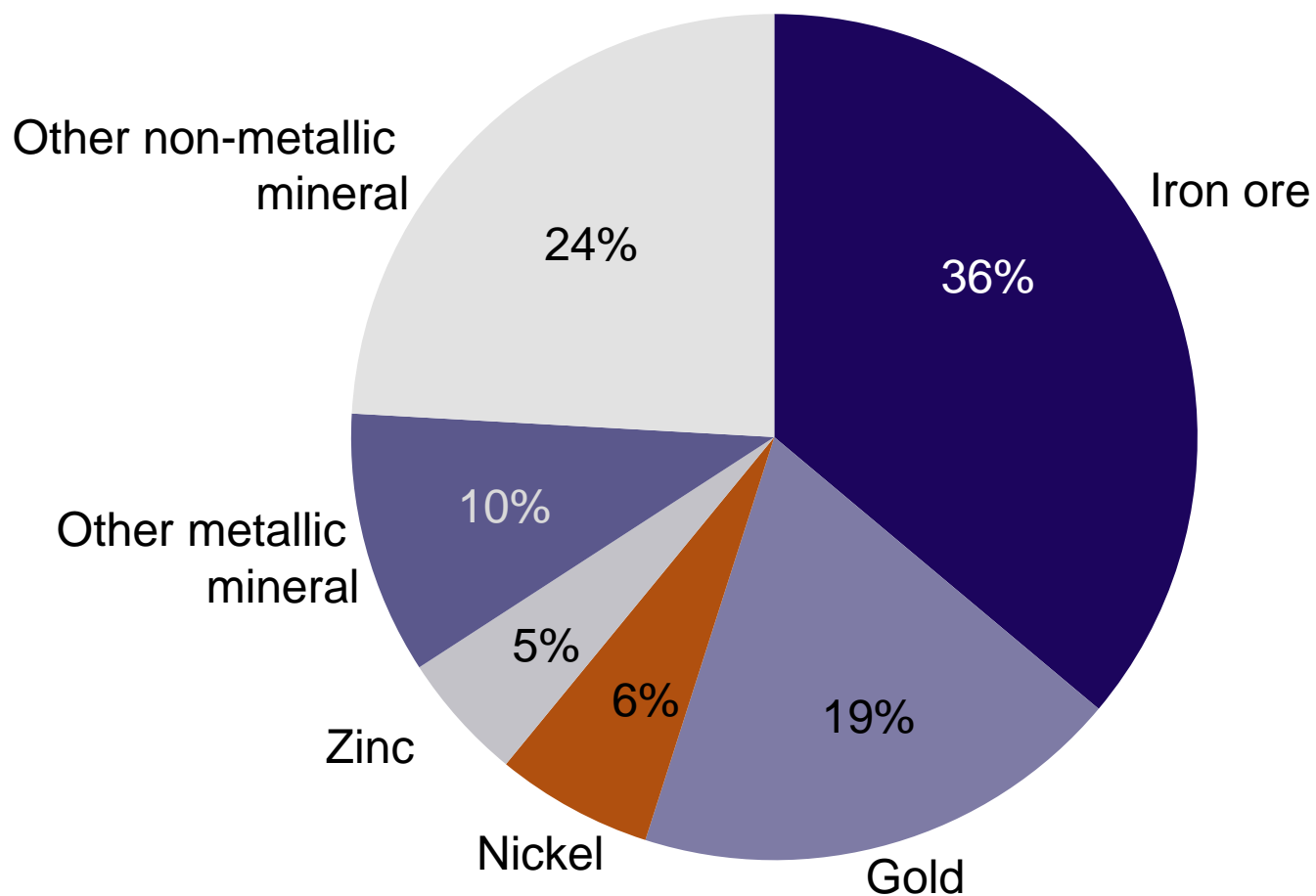
Number of mines in Quebec by commodity

On a total of 26 active mines in Quebec

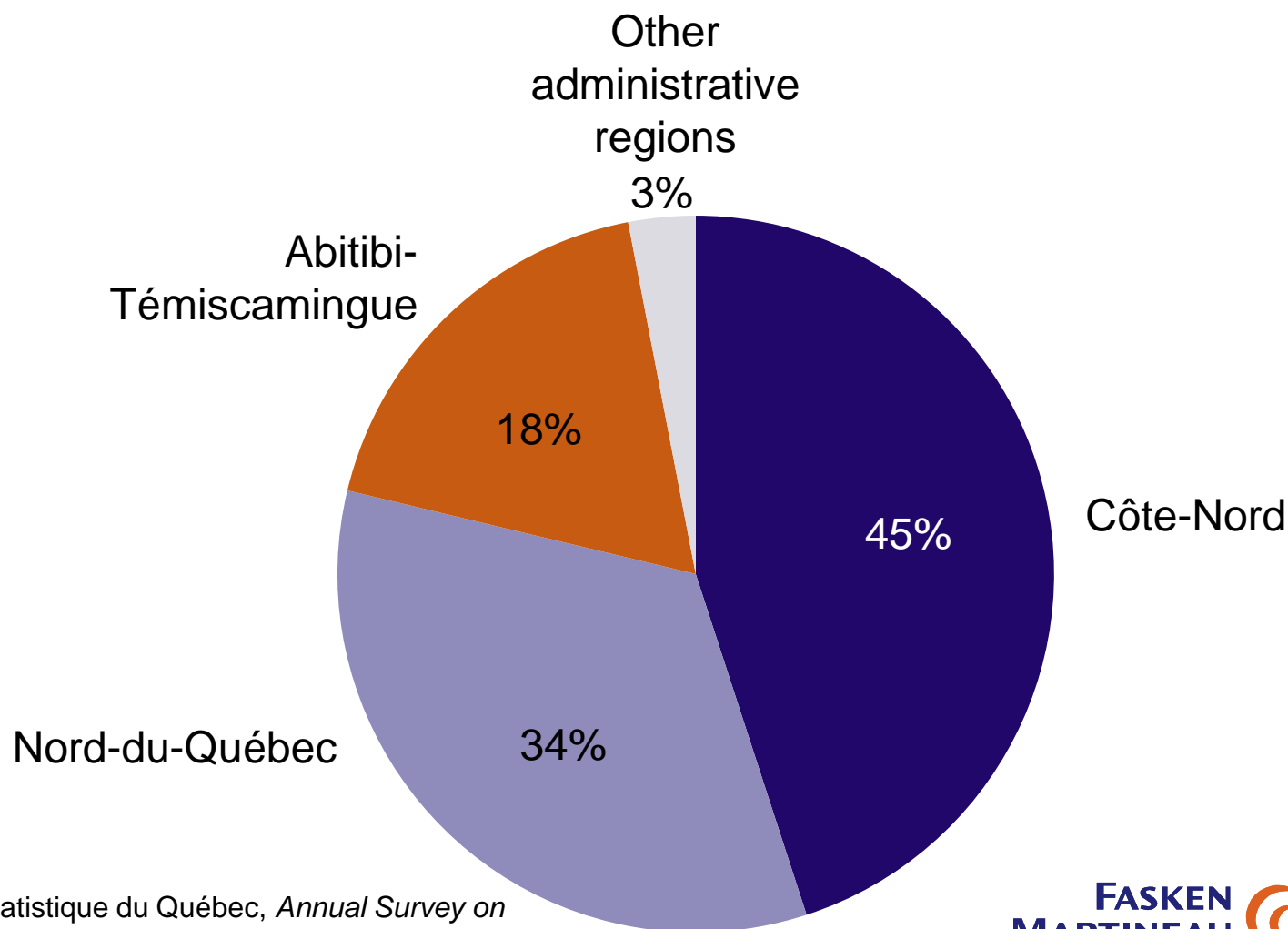


Source: Ministère de l'Énergie et des Ressources naturelles,
Direction de l'information géologique du Québec, January 2015

Value of mineral production in Quebec by commodity



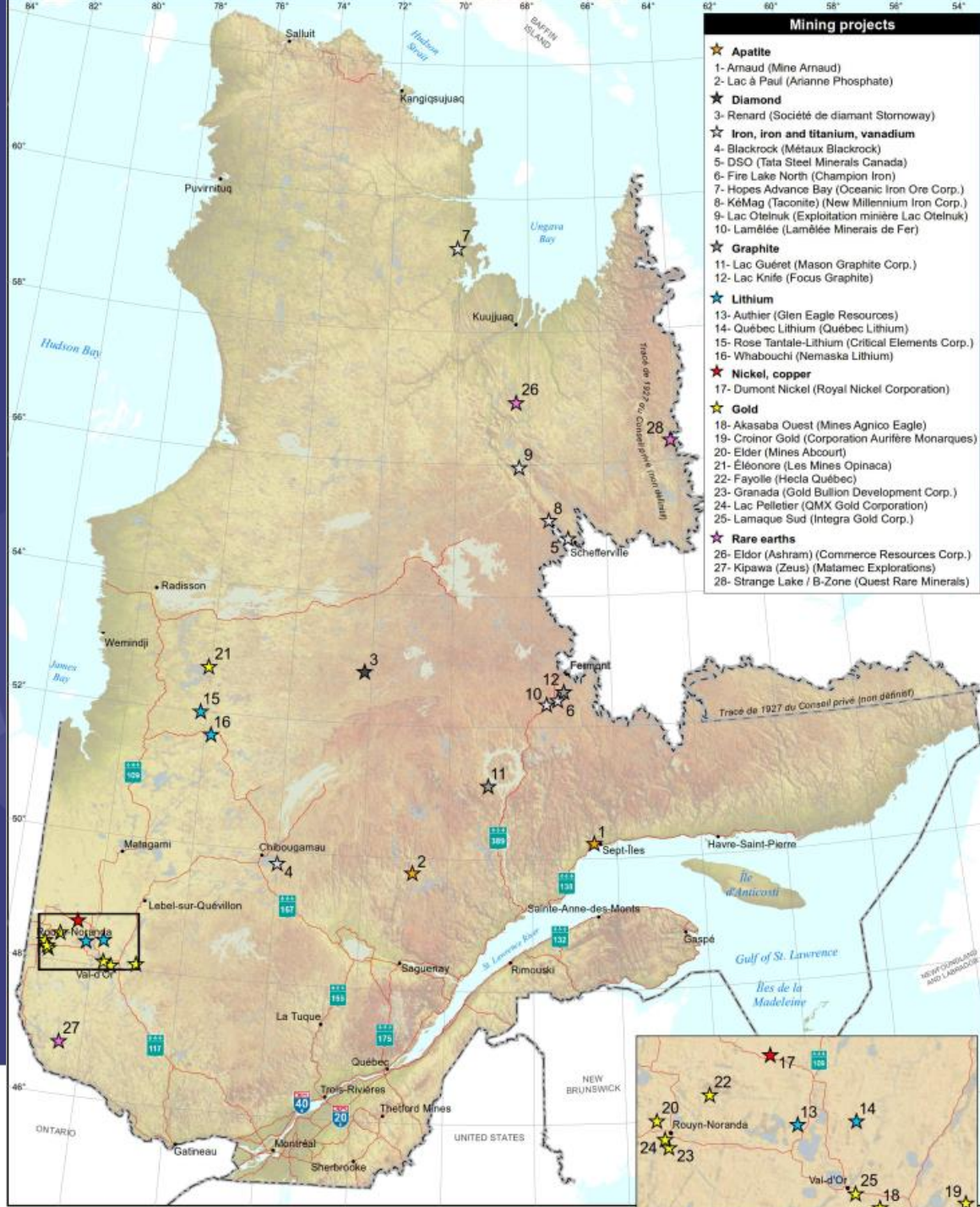
Distribution of mining investment by Quebec administrative region (2013)



Source: Institut de la statistique du Québec, *Annual Survey on mineral exploration, deposit appraisal and mine complex development expenditures*, November 2014

4. Projects under development

Junior and intermediate companies



Major mining projects in advanced phase

Source: Ministère de l'Énergie et des Ressources naturelles, Direction de l'information géologique du Québec, January 2015

6. Plan Nord

Summary

Our playground in Qc

Surface Area

1,200,000 km²
72 % of territory

Population

120,000 habitants
2 % of population

Source: MERN, 2012



What is Plan Nord?

- An ambitious project for the development of Québec's territory located North of the 49th parallel;
- The Plan Nord creates steps for developing the economic potential of the territory;
- The span of execution is 25 years;
- Partnerships and sustainable development are the two essential elements of the plan.

Development of Plan Nord

Key factors:

- (i) Access to Infrastructure
- (ii) Access to Energy
- (iii) Access to Territory



The screenshot shows the Canadian Mining Journal website. The main header features the title "CANADIAN Mining Journal" in large, bold letters. Below the header are navigation tabs for "News", "Magazine", "Subscribe", and "Buyers' Guide". The article title is "INFRASTRUCTURE: Quebec Liberals promise \$20M rail study under revived Plan Nord". The author is Marilyn Scales, dated 2014-06-09. The article text discusses the Quebec government's commitment to Plan Nord, mentioning a \$1 billion infrastructure fund and investments in mining, oil, and gas companies.

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DAILY NEWS Jun 9, 2014 4:15 PM - 0 comments

INFRASTRUCTURE: Quebec Liberals promise \$20M rail study under revived Plan Nord

By: Marilyn Scales
2014-06-09

Fresh off last month's election win, Quebec's new Liberal government has boosted its commitment to Plan Nord. Once again the province is throwing its weight behind plans that recognize now vital natural resources development is to the provincial economy.

On June 4, Quebec finance minister Carlos Leitao pledged over a billion dollars to the Plan. The 2014-15 budget will pump \$63 million into major road infrastructure. A whopping \$1 billion has been set aside for the province to acquire equity interests in mining, oil and gas companies so that the province can share in potential profits. A total of \$100 million will be invested in educational facilities to train northern residents and, in particular aboriginals, in the skilled trades. Over \$600 million will go to the forestry industry for silviculture, new equipment, and biomass projects. The promotion of Northern Quebec as a

Questions?

Thank you!



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