

Junior Exploration Assistance Performance Measures Evaluation 2024-25

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 2024-25, \$2.6 million in provincial funding was provided - \$1.3 million towards the Provincial JEA, and \$1.3 million for the Provincial Critical Mineral Assistance (PCMA) for companies exploring for critical minerals. Additionally, \$1.3 million was provided by the Atlantic Canada Opportunities Agency (ACOA) for Critical Mineral Assistance (CMA).

A total of 35 companies fulfilled their work commitment on projects and submitted final report expenses requesting \$4.12 million in rebates. A total of \$4.09 million was available as rebates and supplied to companies, including \$204,000 in unused Prospector Assistance Grant funds, as per the Energy and Mines 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
2024-25	10	\$3,010,044.07	\$1,212,543.65
2023-24	6	\$2,161,392.58	\$791,822.81
2022-23	13	\$3,350,610.17	\$479,088.89

Conclusion: During 2024-25, there were ten projects undertaking grassroots exploration activities. Of note, four of these projects are by companies that are new to this province. Grassroots (regional scale and early stage) exploration continues 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
2024-25	25	\$9,096,138.73	\$2,881,023.86
2023-24	21	\$7,178,510.46	\$2,025,003.19
2022-23	24	\$12,143,746.66	\$959,403.31

Conclusion: In 2024-25, 25 projects performed advanced stage exploration. This has been supported by continued high levels of grassroots exploration from 2022-23 and 2023-24 that resulted in the number of advanced exploration projects in 2024-25 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
2024-25	19	\$10,302,837.37
2023-24	16	\$8,267,562.74
2022-23	24	\$14,166,298.24

Conclusion: In 2024-25, 19 projects received maximum grant amounts, indicating these are larger exploration programs. This is a gain of three from 2023-24, but five below the record high in 2022-23. This shows strong support towards 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
2024-25	2	1	
2023-24	3	-	-
2022-23	-	1	1

Conclusion: JEA rebates help advance mineral discoveries through the stages of defining National Instrument 43-101 compliant mineral resource and subsequent economic evaluation including Preliminary Economic Assessment, Pre-Feasibility Study, and Feasibility Study. New Found Gold Corp. (Queensway Project) and Canterra Minerals Corp. (Lemarchant Deposit) have received funding through the program, and both published NI 43-101 compliant resource estimates for their projects in central Newfoundland and Canterra Minerals Corp. has also published a PEA. New Found Gold Corp. has a PEA in progress, and Aurora Energy Ltd (Michelin Deposit) and Golden Promise Mines (Golden Promise Project) are working to expand on previous NI 43-101 Resource estimates. 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
2024-25	16	\$7,314,795.73
2023-24	6	\$1,421,364.28
2022-23	13	\$4,147,799.08

Conclusion: JEA rebates help attract new investment to the province by providing incentives to support first-time JEA recipients advance projects. During 2024-25, 16 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
2024-25	5	25	5	\$12,106,182.80
2023-24	3	19	5	\$9,339,912.04
2022-23	-	-	37	\$15,494,356.83

Conclusion: JEA rebates improve NL competitiveness by helping attract additional exploration investment. During 2024-25, 25 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.

As in previous years, some companies submitted only enough expenses to receive the maximum rebate but invested significantly more in exploration on projects. Companies continue to employ this strategy to simplify their applications and reporting under the program. However, this results 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
2024-25	35	\$4,093,567.52	100%
2023-24	27	\$2,816,825.99	100%
2022-23	37	\$1,438,492.20	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.

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 Q3 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: One mine (Argyle) has opened, and one mine (Valentine Gold Project) is under construction with mill commissioning slated for Q3 2025. Both utilized JEA support to help establish their mineral resources. 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 on track to be met.

Critical Mineral Assistance (CMA) & Provincial Critical Mineral Assistance (PCMA) – Specific Performance Measures

Energy and Mines had entered into an agreement with ACOA to deliver targeted exploration assistance for critical minerals beginning in the fiscal year 2023-24. This agreement provides funding for three years, up to 2025-26, and includes specific performance measures to evaluate the effectiveness of CMA. In addition, the Government of Newfoundland and Labrador matched ACOA's \$1.3 million in funding for the fiscal year 2024-25.

CMA and PCMA 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, projects with a secondary critical mineral focus will receive funding. During 2024-25, all funding was used by primary critical minerals focused projects. Funding directed to support critical mineral exploration is evaluated beyond the JEA performance measures to determine if this incentive is supporting critical mineral exploration within Newfoundland and Labrador. Specific 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
2024-25	26	3	6	35	74%
2023-24	9	5	13	27	33%
2022-23	7	3	27	37	19%

Conclusion: Support was delivered to 26 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 seventeen, which is a 189 per cent increase from 2023-24. As per program policies and procedures, the CMA budget was used by projects with CM as a primary target; therefore, no funds were allocated to support projects with CM as a secondary target. The number of projects with CM as a secondary target decreased 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				
	Newfoundland		Labrador	
Year	CM as Primary Focus	Eligible Expenses	CM as Primary Focus	Eligible Expenses
2024-25	17	\$7,142,540	9	\$2,393,783
2023-24	4	\$1,633,752	5	\$2,516,093
2022-23	2	\$424,783	5	\$3,081,192

Conclusion: The effectiveness of CMA in driving CM exploration in the province is being evaluated based on the JEA eligible expenses 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 eligible expenditures in 2024-25 were 337 per cent greater than 2023-24 and almost 16 times that of 2022-23. Much of the increase was driven by 12 new first-time JEA Rebate participant companies. The potential of CM properties on the Island, coupled with targeted critical minerals funding, has attracted new companies, spurred the formation of new ventures and enabled companies to raise financing to successfully execute planned work. Target is being met.

Labrador:

In Labrador, CM exploration expenditures in 2024-25 were down about five per cent from 2023-24 and 22 per cent from 2022-23. The decline in total expenditures contrasts with the 80 per cent increase in the number of Labrador CM projects. Several of the CM exploration projects in Labrador were early-stage projects with small exploration budgets. At present, based on the eligible expenses approved under JEA for projects in Labrador with CM as a primary focus, this target is not being met. However, with the potential exploration at an increased number of properties and the potential for the resumption of some more advanced stage exploration, this measure will continue to be monitored for the upcoming year.

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:

A small Prospector-owned company, Quinlan Exploration Inc., conducted a JEA-supported modest exploration program targeting CMs (Copper, Antimony, Molybdenum, Zinc) during 2024. Results were sufficient to attract an option agreement that is expected to help drive increased future exploration in the New World Island area.

Since the discovery of the Lithium at the Killick Lithium Property in southeastern Newfoundland, the price of lithium has plummeted. A longer-term commodity price view has resulted in Sokoman Minerals Corp., Benton Resources Inc., and Piedmont Lithium Inc. creating Killick Lithium Inc. to continue exploring the Killick Lithium Project. JEA continued to support this exploration in 2024.

Infini Newfoundland and Labrador Ltd. conducted a grassroots exploration program on its Portland Creek Uranium Property, located near Daniel's Harbour on the Great Northern Peninsula. This is a new property with limited historical exploration.

Canterra Minerals Corp. conducted drilling in its Lemarchant Property (VMS – copper, Zinc, Lead) near Millertown. This is the first significant exploration in several years on the property.

Vital Battery Metals Ltd conducted a large exploration program on its Sting Copper Project situated southeast of Trout River within the Bay of Islands Ophiolite Complex, which is considered to have the potential to host copper mineralization as Cyprus-type Cu-Zn (+/- Au, Ag) VMS deposits.

Labrador:

Beginning in 2023-24, there is a renewed interest in Uranium in Labrador for the first time in more than a decade. The addition of CMA/PCMA coincides with both Saga Metals Corp. (Double-Mer Project) and Aurora Energy Ltd (Michelin Project) being successful in raising funding to conduct exploration on long-known uranium prospects during 2024-25. With this new Uranium exploration, we anticipate these projects will continue or expand with the help of CMA and PCMA funding available for 2025-26.

Viridian Metals Corp. is continuing a CM (Ni-Cu-Co) focused exploration program during 2024 as a follow-up on historical exploration, and their own 2022 geophysics and 2023 exploration on the Kraken Project, Labrador.

Several other smaller first-time JEA Participants are trying out new exploration areas and ideas in various parts of Labrador for critical metals such as Copper, Nickel, REE's, Vanadium and Titanium. All made possible by the introduction of CMA and PCMA.

Conclusion: The available CMA/PCMA has assisted companies involved in securing financing and facilitating a shift toward CM-focused projects. The discovery of lithium and subsequent CMA-supported exploration by Sokoman and Benton in Southwestern Newfoundland continues to support this as a district-scale lithium play. In addition, the restart of uranium exploration in the Central Mineral Belt of Labrador is also supporting potential new discoveries by encouraging future nearby exploration. Other underexplored areas of the province are being targeted for Critical Minerals. This target is being met.