



Annual Sustainability Report 2020

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Message From Leadership

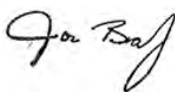
Who could have foreseen the changes compelled by a global pandemic and by any measurement 2020 will go down as a year of rethinking the art of the possible. Meeting those challenges demonstrated our determination and commitment to our people, our communities and our environment.

Are we at an inflection point? If so, we are prepared and perfectly positioned to meet the needs of a carbon neutral future and a more diverse and inclusive world. Our strategy to produce Tacora Premium Concentrate using hydro-electric power is just the beginning as we prepare our Company for the green steel revolution.

Empowering people in an equitable work environment is the right thing to do. Decarbonizing our business is the right thing to do. We will continuously improve in these areas, be transparent, report on our goals and although we are a small Company, take a leadership position in our industry.

Our most important asset is our great people. I believe that together we will deliver a sustainable future. The bar will be set high. From our supply chain to our customers, Tacora will be a catalyst for positive change. We provide a pathway to carbon neutral steelmaking and a framework for excellence in teambuilding.

Together we will win.



Joe Broking
President & CEO





01

Company Overview

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Profile

Tacora Resources Inc. (the “Company” or “Tacora”) is an innovative iron ore mining and mineral processing company focused on the acquisition, development, and operation of iron ore reserves and assets which allow for the sale of high-grade iron ore products throughout the world.

The Company is privately owned by a collection of world-class mining investors including Proterra Investment Partners, Aequer Holdings, Cargill, Orion, MagGlobal and the Tschudi Group.

Our core values are the foundation of the Company and its high-performance culture with safety being the highest priority. We are passionate about innovation and excited about the future of iron ore. Empowering our people in a collaborative way ensures achievement of performance improvement initiatives, efficient project execution, and entrepreneurial thinking – all of which allow the Company and the communities which we operate in to sustainably grow and prosper.





Profile

Scully Mine Background

On July 18, 2017, Tacora completed the acquisition of the Scully Mine, an iron ore mine and processing facility located south of the Town of Wabush in Newfoundland and Labrador, Canada, together with the Wabush Lake Railway.

Following the completion of a Feasibility Study (NI 43-101) for the Scully Mine in December 2017, as prepared by G Mining Services, Inc. and Ausenco, the Company focused on opportunities to finance the restart of Scully Mine. On November 27, 2018, Tacora announced it had closed on US\$212 million in private equity and senior secured debt financing, which together with up to US\$64 million in mining equipment debt financing, fully funded the restart of the Scully Mine. In addition, during the course of the 2018 fiscal year, the Company entered into an amended long-term offtake agreement with Cargill and finalized certain port access agreements and rail/transportation agreements in anticipation of the successful restart of the Scully Mine.

During the course of the 2019 fiscal year, the Company restarted mining operations and commercial production at the Scully Mine. On May 25, 2019, ore was delivered to the crusher and the first mill was successfully started up on May 28, 2019. During June 2019, the Company successfully commissioned its concentrator and produced its first batch of wet concentrate, undertook its first mine blast and celebrated its first loaded train. On August 30, 2019, the Company announced that its first seaborne vessel shipment of iron ore concentrate produced at the Scully Mine departed the Port of Sept-Iles, Quebec, with a payload of 69,770 wmt of premium concentrate bound for a customer in Europe. Throughout the remainder of the 2019 fiscal year, the Company continued the process of ramping up commercial production (including bringing all six mills into operation).

Profile

2020 Year

During the 2020 fiscal year, the Company continued its focus on ramping up production at the Scully Mine. The Company’s short-term strategy is to improve the Scully Mine and achieve name plate production capacity of six Mtpa of high-grade iron ore concentrate in the first half of 2022, on a run rate basis. As the Scully Mine begins to generate positive cash flow from operations, Tacora expects to focus on strengthening its balance sheet and pursuing growth opportunities.

During 2020, Tacora was able to successfully navigate through the COVID-19 pandemic while preserving the health and safety of both our workforce and our Company for the long term. The COVID-19 pandemic caused its fair share of challenges, as disruptions in the supply of critical spare parts, consumables and contract labor contributed to a slower than expected ramp up of operations at the Scully Mine. However, Tacora was able to implement the requisite COVID-19 protocols and thanks to our dedicated workforce, the Company did not have a single confirmed case of COVID-19 thus allowing Scully Mine to safely operate throughout 2020.





Governance

We pride ourselves on our commitment to robust corporate governance. We believe that it is essential to delivering excellence across our company. Our Board of Directors is the most senior governance body within our company. The mandate of our Board of Directors is to oversee management in its day-to-day conduct of our business and affairs. Our leaders possess an entrepreneurial drive for excellence, with large business capabilities. Our board strives for the highest standards and levels of conduct.

We value employee rights, maintaining a strong relationship and history of cooperation with the United Steelworkers Union.

Board of Directors

Nick Carter

Non-Executive Chairman

- » 30+ years of combined experience in the energy sector in various executive roles and board posts culminating as President and COO of Natural Resources Partners LP
- » Currently serves on multiple boards in the mining, energy and non-profit sector

Joe Broking

Director & CEO

- » 23+ years experience in operations management, human resources management, capital fundraising, investor relations, corporate finance and information technology management.
- » Prior experiences include work with several large multi-national corporations, international assignments, manufacturing management as well as economic development and most recently as Chief Financial Officer for Tacora Resources Inc. and Magnetation LLC.
- » Has helped raise over \$1.5 billion in capital and implemented world-class business systems to support the build out of five iron ore mines and a pellet plant.

Michael Barton

Director

- » Prior experience includes CEO of Pala Investments, a mining-focused investment company based in Zug, Switzerland, and prior to that, was Vice President at Hatch Corporate Finance (now HCF International Advisers), a mining and metals-focused corporate finance boutique
- » Currently Portfolio Manager at Orion
- » Joined 2021

Sam Byrd

Director

- » 20+ years of experience, predominantly within the mining sector, in private equity, industry, investment banking and finance
- » Currently a Managing Director at Proterra where he helps direct investments in the Metals & Mining sector

David J. Durrett

Director

- » 20+ years of experience in the mining industry in production, logistics and sales
- » Currently founder/CEO of a private industrials mineral company and previously co-founder/CEO of NBI, an industrials mineral company sold to US Silica
- » Previously managed industrial minerals mines in Canada which were sold to Unimin and Lafarge

Peter Steiness Larson

Director

- » 15+ years of experience, including currently serving as the CFO of the Tschudi Group, as well as 6 years with Burmeister & Wain Shipyard AS (Finance and Project development), 5 years with Elsam Project AS (Project Finance Manager) and 4 years with Enron Nordic Energy (Manager for Structured Projects)
- » Joined 2021

Board of Directors

Larry Lehtinen

Director

- » 40+ years of experience in iron ore and ferrous operations and management
- » Previously Chairman/CEO of Tacora, CEO of Magnetation, VP at Steel Dynamics, VP at Cliffs Natural Resources, and VP at Inland Steel

Phil Mulvihill

Director

- » 20+ years of experience in business development, investments, workouts, capital markets and commodity & derivative transactions
- » Currently leads and is responsible for the solutions and structuring team for Cargill's global metals business

Torben Thordsen

Director

- » 25+ years of experience, predominantly within the mining sector, in private equity, corporate finance, investment banking and industry
- » Currently a Partner at Proterra with responsibility for the Metals & Mining private equity strategy and team

James Warren

Director

- » 20+ years of experience in private equity, legal, risk, government affairs, compliance, governance and overall business strategy
- » Currently General Counsel & CCO at Proterra where he is responsible for all legal/compliance matters



Management



Joe Broking
President & CEO

- » 23+ years of experience in operations management, human resources management, capital fundraising, investor relations, corporate finance and information technology management.
- » Previously worked with several large multi-national corporations, international assignments, manufacturing management as well as economic development and most recently as Chief Financial Officer for Tacora Resources Inc. and Magnetation LLC.



Hope Wilson
Chief Accounting Officer

- » 23+ years of combined experience in the areas of certified public accounting, SEC compliant reporting, corporate finance, compliance, audit, corporate tax, information technology and financial system implementations
- » Previously worked as an accountant at Laserex Systems, Ceridian Employers Services and Boyum and Barendscheer



Hubert Vallee
VP, Business Development

- » 20+ years of operational, managerial, and leadership experience in the mining & metals and pulp mill industries, including project engineering and development, mill management, and business development.
- » Previously CEO of Canadian Metals Inc., President and CEO of Lamelee Iron Ore Ltd., Senior Vice President of Project Development of Century Iron Mines Corporation, and Vice President of Project Development for Phase II of Bloom Lake



Sylvain Lessard
VP, Mining Operations

- » 30+ years of experience in the mining industry, progressing through more demanding roles in all aspects of open pit and underground mining operations
- » Previously GM at Arcelor Mittal, GM at First Metal, Mining Superintendent at Cliffs and Project Manager at Kiewit



Achille Njike
VP & Chief Technical Officer

- » 17+ years of experience in the mining industry, progressing through more demanding roles in integrated Operations, Asset Management, Business transformation & Operations Excellence
- » Previously led the integrated Maintenance Operations, Asset Management, Automation, Electrical & Control Systems and Operations Infrastructure at Rio Tinto Kennecott Utah Copper mine



Marie-Andrée Morin
VP, Projects

- » 25+ years of providing engineering and construction-related management services to support project development in the mining and minerals industry.
- » Significant experience with industry leaders during her extensive career, including SNC-Lavalin and Ausenco Engineering Canada, and has overseen projects for clients such as Lundin, Royal Nickel, Sydvaranger, and more.



Vision & Core Values

At Tacora our culture is unique in the mining industry. We believe our core values of safety, determination, teamwork, sustainability, and winning provide a framework for building and sustaining a high performance, highly engaged team that prioritizes personal and workplace safety. We focus on creating a work environment where employees can utilize their individual skills and knowledge while maintaining a team-based, inclusive approach to meeting greater challenges. We maintain straight lines of communication between our operations and management, so we can move collectively toward achieving our goals. These practices allow Tacora to efficiently and effectively execute projects and process improvements.

Vision


Aligned with our values, Tacora’s vision is to be recognized as a development platform in mining of new and existing mine sites, applying modern mining techniques and an entrepreneurial mindset to achieve:

- » The highest levels of safety and environmental performance,
- » Delivery of high-quality products at costs which are sustainable long term,
- » Earning the respect from all its stakeholders and being recognized as a model in the industry.


Core Values

Tacora is a responsible mining company. We work to build our corporate citizenship, earn the respect of the regions in which we operate and meet our customer expectations.


Tacora passionately believes in its key core values:




Safety




Determination



Sustainability



Teamwork



Winning

Vision & Core Values



Safety

We prioritize the personal safety of our employees. We empower our employees to take safe work practices into their own hands and urge them to stop any unsafe act or operation quickly. The duty each employee has regarding safety is a deep-rooted value that everyone at Tacora uses, on or off our mine sites. Our mission is that everyone goes home safe, every day.

Awareness and safety instruction is taught at Tacora to ensure the competency in our workforce to distinguish, comprehend, and oversee hazards in the Mine’s operations. Safety training includes topics such as first aid, hazardous materials management, lockout and tag-out, confined space entry, fall protection, and other programs aimed to provide the necessary tools to maintain a safe and healthy team. Tacora requires a drug and alcohol-free workplace as another means to help ensure the safety of all our employees. The ultimate goal is zero harm.



Determination

We are passionate and excited about the future of iron ore. We are focused on our goal of producing Tacora Premium Concentrate for our customers and achieving nameplate capacity annually. We are determined to build the best mining Company in the world where all our employees know they are valued and treated with the upmost respect and appreciation.



Teamwork

We mandate a flat, team-based organization that empowers our team members to take initiative as problem solvers and make decisions. Our ‘One Team’ mindset eliminates silo mentality where everyone is equal and strongly focused on achieving our health, safety, environmental, and production goals.



Sustainability

We are focused on keeping positive relations with our neighbours, thorough ecological stewardship, environmentally responsible mining of the lands where we operate, and honest communications with all area stakeholders. We aim to earn the respect of the regions in which we operate, meet customer’s expectations, and be sustainable by producing a premium product while maintaining a low-cost structure. We see these duties as critical, and these values are embraced and enforced by our leadership.

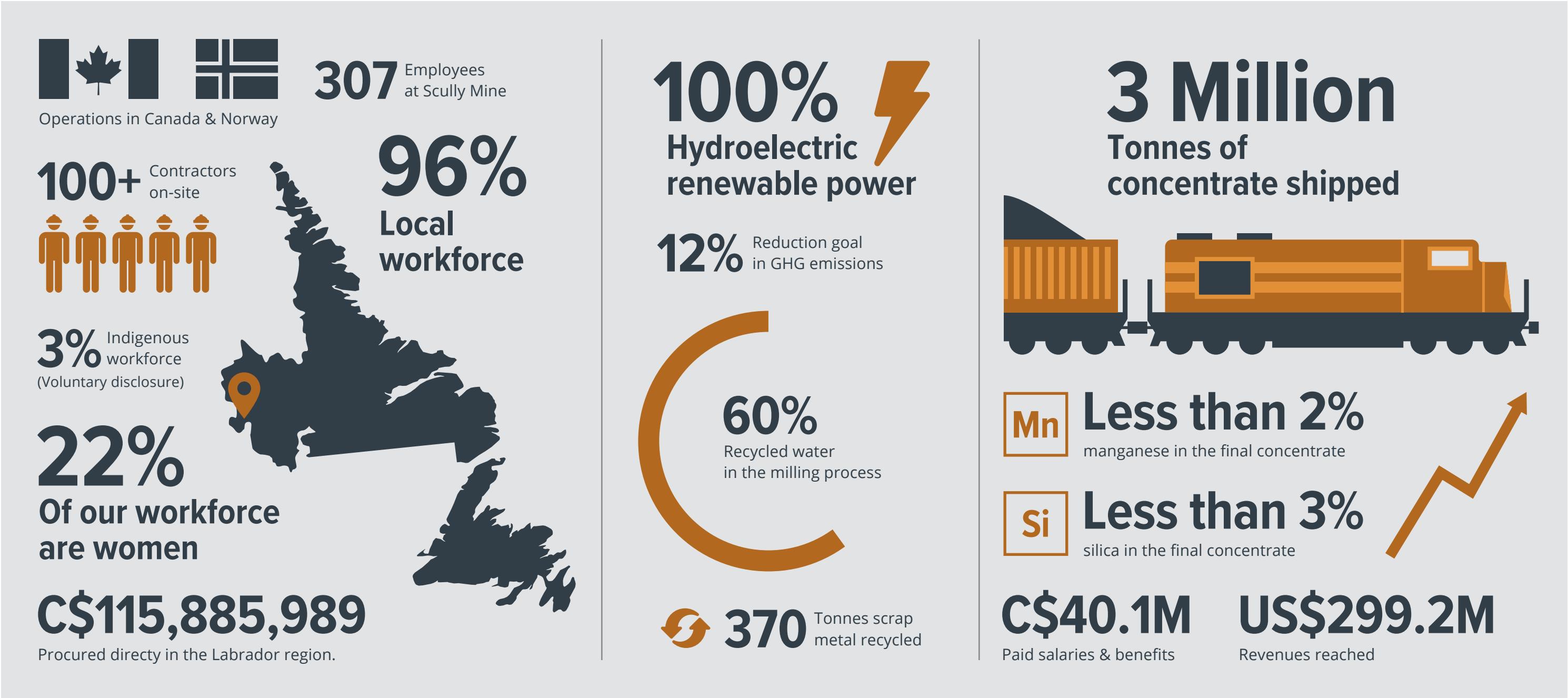


Winning (Leadership & High-Performance Work Systems)

Our key differentiator for sustainable success and profitability is our Tacora Operating System (TOS). We believe in winning which requires hard work, dedication, determination, creativity, efficient execution, and a ‘One Team’ mindset, all while maintaining safety as a top priority. These principles define what drives Tacora’s business.



Performance Highlights





Risk Management

Risk management is fundamental to achieving our business goals and requires a culture of operational discipline. We proactively manage the threats or opportunities to our operations to achieve the highest value. We make risk-informed decisions that reflect our culture of embedding sustainability considerations by proactively managing risk we protect our reputation, eliminate business interruption threats and aggressively capture opportunities to strengthen our performance. This is achieved by applying processes and tools such as risk management standards, risk registers and matrices to effectively identify, assess and manage risk response across the business.



To foster an effective risk culture



To ensure that business risks are identified, understood, and managed effectively



To proactively oversee, review and approve the approach to risk management



To ensure the compliance with federal and provincial regulations and Tacora’s policies and standards

Ethics & Compliance

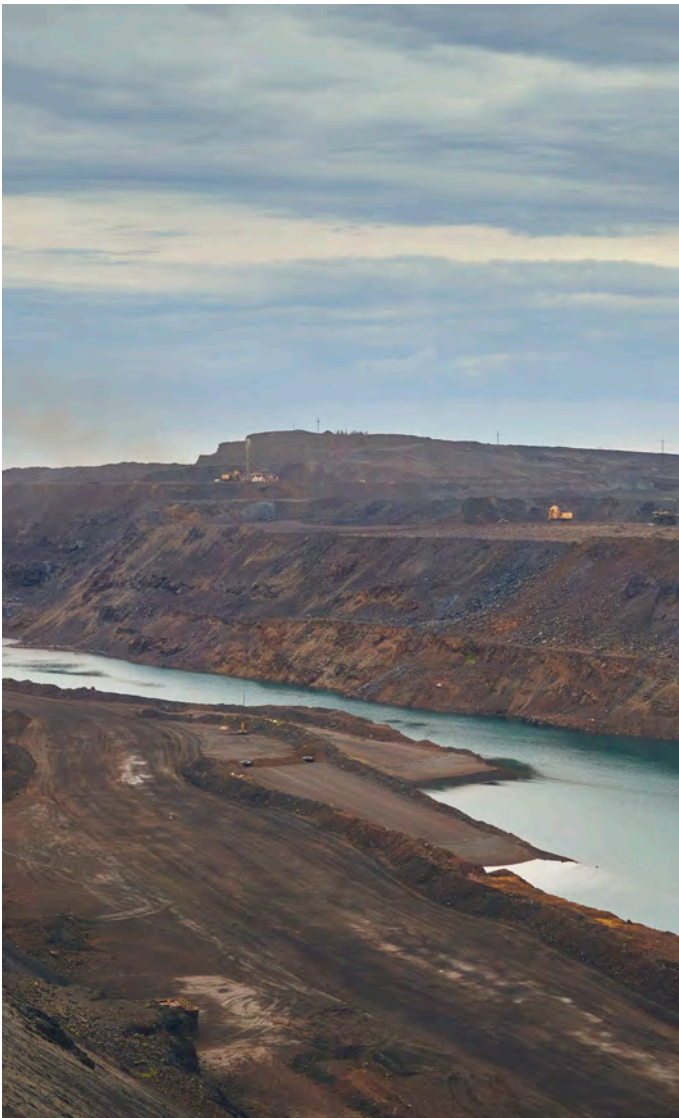
How we conduct ourselves at work is vital to the success of Tacora. The principles of honesty, transparency and respect are integral to our five core values which define the culture that ensures we create value for the Company in a sustainable manner. To make expectations clear, we rely on internal policies which establish an inspirational framework for leadership and set the standards for all employees. These principles shall be upheld and apply to all levels of the organization.

The Tacora Employee Policy Manual includes policies for Employment, Compensation, Standards of Conduct, Respectful Workplace, Drug and Alcohol and Violence in the Workplace. Together these policies define our expectations of employees, they promote a diverse and inclusive workforce and provide for a strong, healthy workplace. Every Tacora Employee has a right to work in a safe, healthy, and productive work environment in which all people are treated with dignity and respect.

Any business interested in supplying Tacora must demonstrate it is qualified. Our pre-qualification process requires suppliers to submit detailed information which demonstrate acceptable internal health, safety and environmental procedures, human resources policies and code of conduct. We provide clear rules regarding third party conflicts of interest and receiving third party benefits to ensure a conflict free and equitable procurement process.

The Company supports the principles of first consideration and full and fair opportunity for qualified suppliers located within the province of Newfoundland and Labrador. We are committed to providing business opportunities to women, Indigenous peoples, persons with disabilities and people from visible minority groups, which are collectively referred to as “designated groups.”

We regularly communicate policies with employees through training and specific conversations during annual one-on-one performance reviews and personal goal-setting initiatives. In addition to diligent communication with our employees and suppliers, we continuously evolve our monitoring and prevention program which enables us to ensure compliance with our policies, procedures, principles, and values.



Innovation and Growth

At Tacora, we will stay apprised of the market’s fast pace of change by innovating to remain relevant. Being innovative will keep the company ready for the future and attract top talent, leading to growth, increased productivity, and higher revenues. An example of our innovative approach is deployment of our 5G-capable (fifth Generation-capable) Long-Term Evolution (LTE) network.

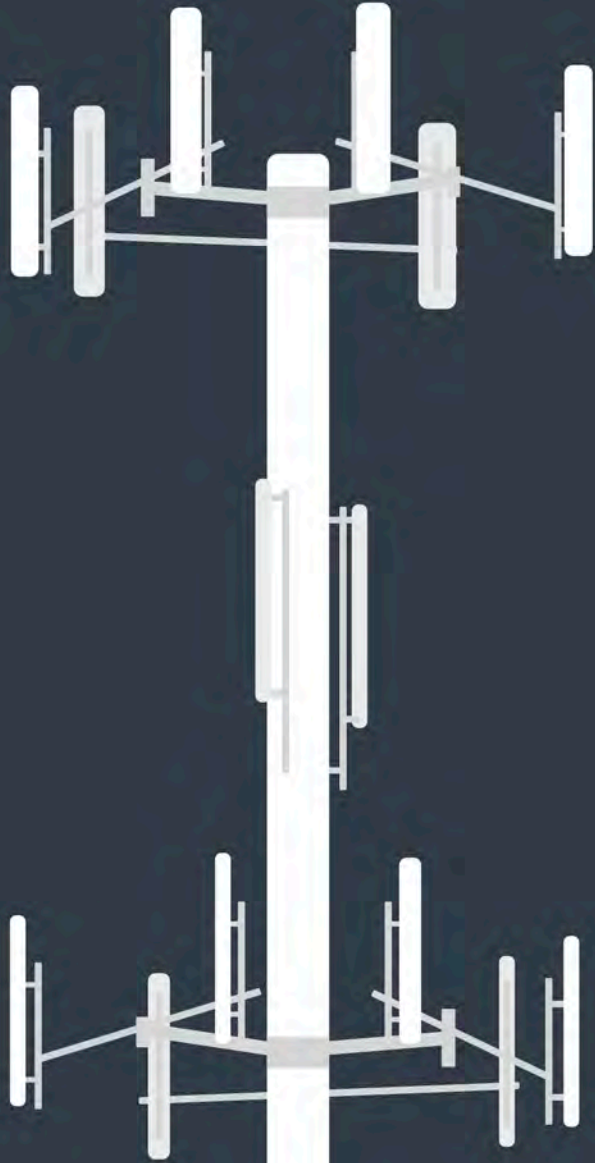
A private 5G-capable LTE network was deployed at Tacora’s Scully Mine in January 2020. Tacora has reached a Canadian mining milestone by becoming the first fleet dispatch system operators in Canada to run our system fully on an LTE network. The use of this technology will enable Tacora to implement its new fleet dispatch system.

Ambra Solutions, the engineering firm behind this project, designed, configured, and tested the infrastructure offsite so that the installation was completed within five days on site. The same area covered by 2 fixed LTE transmission sites would have taken more than 20 Wi-Fi access points. The 2-site solution increased efficiency by eliminating the need to move trailers during blasting and by minimizing the amount of maintenance required. The network also implements licensed band LTE technology to ensure interference-free wireless communication.

Propagation of this private LTE network was required for the pit areas which span an area of approximately 15 km2. The actual coverage is more than 150 km² which represents more than 10 times the size of Scully Mine. This network will enable new IoT applications to monitor pumphouses and other IoT sensors located throughout the site. Finally, this LTE network can be used to provide Voice over LTE (VoLTE) and Push-to-Talk communication to all employees eliminating the need for a separate VHF or UHF system. VoLTE has up to three times more voice and data capacity than older systems.

One of the first LTE deployments outside of Australia.

150km² coverage



Innovation and Growth

Scully Mine - Growth and Improving Performance

Tacora is implementing its strategy to grow the Scully Mine. This implies reducing its operating costs and de-risking achieving name plate production capacity of 6.0 Mtpa of high-grade iron ore concentrate. Opportunities aimed at achieving the current asset full potential of 6.5 Mtpa also form part of the strategy. Activities undertaken to achieve this goal, and improve performance overall include:

Productivity Growth

The short-term opportunities have known engineering solutions and provide immediate benefits which will be fully implemented in 2021. Some of these activities included:

- » Installation of spiral scavenger recovery circuits.
- » Commissioning of the High Tension scavenger circuit.
- » Implementation of the Loadout expansion project.
- » Centralizing Operations Control & Advanced Process Control (APC)
- » Purchase of a Komatsu WA900 20 t loader and Two Komatsu 785 100 t trucks to enhance our stockpiling strategy.

Capacity Growth

A series of projects are being developed and are to be implemented in 2021 and 2022 to increase overall production capacity of the Scully Mine to 6.5 Mtpa. These initiatives include:

- » Lines 7 and 8 of the manganese reduction circuit.
- » The fines by-pass system.
- » Purchase of two additional Komatsu 830E Haul Trucks

Manganese Removal Circuit (MRC) Technology

Tacora is proud of the innovative MRC Technology implemented prior to the recent startup of the Scully Mine. The installed 6 MRC lines use rare earth magnets (high intensity separators) to separate manganese from iron concentrate. Scully Mine is the only iron ore mine in Canada applying this technology. Further, economical concentration methods of the recovered manganese are under Research and Development to assess the potential of producing manganese as a by-product of making iron concentrate. In parallel, available markets for the product will also be assessed.

Expansion Growth

Understanding the potential of the Scully Mine from a geological standpoint enables the right sizing of future expansions under concept and order of magnitude levels of definition. These studies will be further advanced exploring production levels up to 10Mtpa.





Innovation and Growth

Future Growth - Sydvaranger Mine Acquisition

On January 13, 2021, the Company completed the acquisition of 100% of the share capital of Sydvaranger Mining AS (the “Sydvaranger Mine” or “Sydvaranger”). The Sydvaranger Mine is a long-life iron ore open pit, mineral processing plant, and port. The concentrator and port facilities are in the town of Kirkenes, Norway and the mines are 8 km to the south near the town of Bjørnevatn, Norway. As a result of the acquisition, Tacora has the option to restart the Sydvaranger Mine which is shovel ready and fully permitted in a tier 1 jurisdiction. Sydvaranger is currently under a care and maintenance program.



02

People

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Human Resources / Rights

At Tacora - Scully Mine, a team of 307 resilient, skilled, and dedicated employees are at the core of our company. Our core values are the foundation of the Company within our high-performance culture and safety is the highest priority. Empowering our people in a collaborative way ensures achievement of performance improvement initiatives, efficient project execution, and entrepreneurial thinking – all of which allow the Company and the communities in which we operate to sustainability grow and prosper. We are committed to ensuring an inclusive and diverse work environment.

We firmly believe that our employees are the foundation of our business success. Our accomplishments in 2020 are testament to their hard work, dedication, and commitment to delivering on our business strategy.



Human Resources / Rights

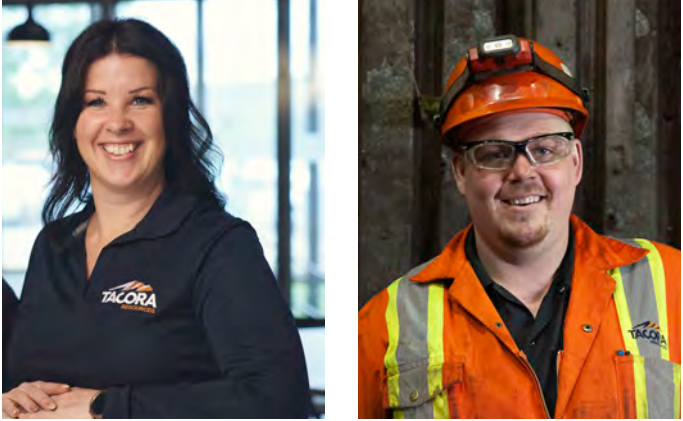
We set employee standards that are aligned to our company values, consistent with industry requirements; and we hold ourselves accountable. Our aim is to attract, retain and develop the best talent to deliver strong and sustainable business outcomes. A safe and inclusive workplace culture is fundamental to our employee experience. Our responsibility and commitment to ensuring the safety of our employees and those affected by our business, remain core to our strategic commitment “always safe”. We want to attract the best people to our organization and provide them with opportunities to succeed. Our Respectful Workplace Policy/ Code of Conduct and company values outline our expectations of employee behaviour.

In 2020, we worked to further integrate human rights into our management system, build capacity to address and manage risks, and continued to embed human rights due diligence into our processes through our Respectful Workplace Policy and COVID-19 Response Plan.

The COVID-19 pandemic introduced a need for new ways of engaging with potentially affected stakeholders and has tested the resilience of our workforce and required many changes to the way we work. Our first priority remains the safety, health and wellbeing of our people. The policies and processes we put in place have enabled us to successfully adapt our business and support our people. We have also provided extensive resources to support our people’s mental health and wellbeing during these challenging times.



307
Scully Mine
Employees



C\$40.1M
Salaries &
Benefits



Human Resources / Rights

We recognize that hiring and training a local workforce is a structural benefit for our operations and the communities we operate in. We take a site-specific approach to help maximize the number of employment positions filled by residents.

Tacora (Scully Mine) had 307 employees in 2020. Tacora relocated a total of 78 employees to Lab West in 2020.

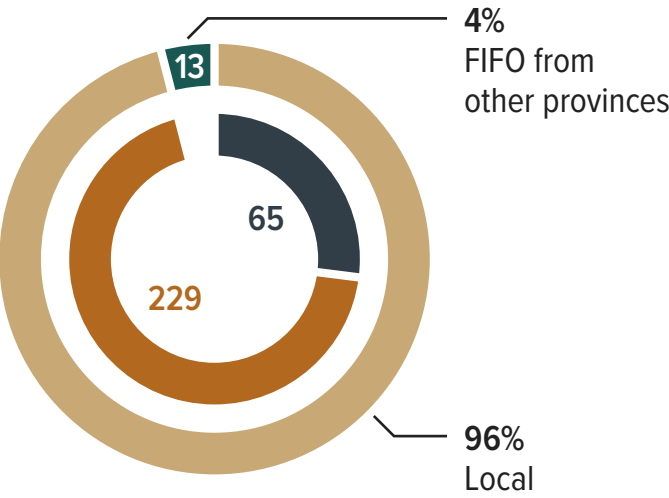
- » Labrador West/Labrador Region - 229
- » Newfoundland – 65
- » Other Provinces – 13

Wages & Benefits

Tacora offers an innovative and industry leading compensation plan which incorporates the opportunity for all employees to earn a monthly Safe, Quality Tonnes (“SQT”) bonus. The details of the compensation plan include the following: competitive base pay, monthly SQT bonus, comprehensive employer paid group benefits plan, employer paid RRSP plan, travel benefit, and other short-term incentive plans. When combined, the Tacora compensation plan provides our employees with the opportunity to be the competitively paid metals and mining employees in the respective market.

Co-Op and Summer Student Employment Program

Tacora offers a dynamic, engaging, and challenging opportunity for students to expand their knowledge and skillsets working along dedicated employees from a variety of backgrounds.



Co-Op Students

Starting in 2021, Co-op students enrolled in 2nd to 4th year mining engineering, business, or geology degree programs that are hired by Tacora, will be responsible for a variety of tasks, some of which will include: following safe work practices, data analysis, administrative support tasks, and supporting employees in project planning, monitoring key performance indicators, surveying, and reporting. Tacora applies a long-term approach to hiring co-op students, which fulfills current gaps, succession planning and future needs. In 2021, Tacora will also engage with students through work terms and work placements.

Tacora will be broadening their recruitment strategies in 2021 by attending career fairs and other available events, to connect with potential co-op students from Memorial University of Newfoundland and College of the North Atlantic.

Summer Students

In 2020, Tacora welcomed 31 summer students to the team. In addition to providing students with valuable summer work experience, the summer student program also ensures productivity and production are not impacted by full-time employees off on annual leave. Summer students are hired and trained to perform the same duties as unionized workers. Our students work across all areas of operations and gain valuable experience related to mining, while aligning with their related field of study.

Apprenticeship Programs

Tacora supports the development and growth of our employees in various apprentice trades through subsidized paid leave while attending block training. In 2021, Tacora will launch the Tacora Resources Scholarship Program that will provide apprenticeship scholarships for new students entering 1st year into a trades program related to the mining industry. Tacora commits to working with the province to identify skilled trade shortages, implement training / apprenticeship programs in these areas and supporting the growth of women in mining trades.

We hire in various areas for summer students:

- » Mine Operations (Haul Truck Operators, Pit attendants, clean up)
- » Mine Maintenance (Laborers & Welding & Mechanical Helpers)
- » Concentrator Operation & Service and Cleanup Crew
- » Laboratory Students
- » Building Maintenance
- » Health, Safety and Environmental
- » Power Engineering

Training

Tacora is committed to working with Indigenous peoples and local governments as well as community organizations to understand their needs so that they may be more effectively included in education / training, employment and business opportunities.

Investing in the education, training, and leadership of designated groups delivers high economic and social development returns.

All employees and contractors undergo a formal orientation training, after which an exam must be taken and passed to prove that the recipient understands the safety measures put in place at Tacora.

- Health & Safety
- Machinery
- Heights
- Lockout Tagout
- Dangerous Goods
- General Training

Current professional development training consists of:

Aerial Work Platform	●	Apprenticeship Training	●	Confined Space Entry	●	Confined Space Fall Arrest	●
Emergency First Aid/CPR/AED	●	Fall Protection	●	Fire Extinguisher Awareness	●	Forklift Safety	●
Isolation Officer	●	Job Specific Training	●	Joint Occupational Health & Safety Committee	●	Lockout and Tagout	●
Mine Pit Permit	●	OHS Site Orientation	●	Overhead Crane Safety	●	Personal Lock Holder	●
Power Line Hazards	●	Radiation Officer	●	Radiation Safety	●	Rigging	●
Skid Steer	●	Standard First Aid	●	Supervisor Health & Safety	●	Transportation Of Dangerous Goods	●
Telehandler Training	●	WHMIS	●				

Inclusion and Diversity

Tacora supports and values the diversity of the people and communities in which it operates. Inclusivity, integrity and respect are inherent to the company's core values. Tacora is continually building on our Gender Equity, Inclusion & Diversity Plan (GEIDP).

As a socially responsible mining company, Tacora has entered into impact and benefits agreements with both (i) Indigenous peoples as well as (ii) the Province of Newfoundland and Labrador. Tacora's social obligations include commitments related to direct employment and procurement opportunities. Tacora is committed to providing employment opportunities, business and other benefits to women, Indigenous peoples, persons with disabilities and people from visible minority groups, which are collectively referred to as designated groups. Tacora's Gender Equity, Inclusion and Diversity Plan includes commitments and actions that the Company will take to ensure that members of these historically underrepresented groups are afforded full opportunities for employment and business opportunities within Tacora. With well communicated and enforced policies and procedures, Tacora provides a supportive work environment, offers training, facilitates the recruitment, employment and retention of designated groups in non-traditional areas and occupations, promotes access to business opportunities and prevents and prohibits harassment and sexual discrimination in the workplace.

21.7%
Positions held
by women

3%
Indigenous Employees
(*voluntarily disclosure)



The Importance of Diversity and Inclusion

We know having a diverse and inclusive work environment goes beyond gender and local representation. Diversity is about having an inclusive culture that values and respects people's differences, as well as supporting one another to achieve great things. This is fundamental to Tacora's strategy and business transformation aspirations, including our culture change objectives. We are working closely with all our teams to build an increasingly diverse and inclusive business by embedding inclusion into all aspects of leadership and the workforce experience.

Tacora's commitment to diversity and inclusion includes:



Collaboration
and Accountability



Communications



Supportive and
Inclusive Work Culture



Continuous Improvement



Employment Targets



Procurement Targets



Health & Safety

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Our Approach

Tacora is committed to its employees, and we work hard to strengthen our culture of respect and transparency and practice a management style that both listens to employees and actively addresses concerns. We believe that our success depends on a skilled and motivated workforce and that employee engagement is key to our success.

To effectively foster a meaningful work experience, we believe it is important that our employees know the Company’s direction and priorities and understand how their efforts and successes contribute to our overall Health, Safety and Environment (HSE) priorities.

Our Key Beliefs at Tacora (Guiding Principles)

We believe that all injuries and fatalities are preventable.

We believe in a culture where the health and safety of all workers is our highest priority.

We believe that excellence in health and safety is important to our long-term success and the first step towards achieving zero harm.

Commitment to Training

We understand the importance of workers being fully prepared for the work they do. All workers on our worksite must be competent and fully trained and certified for the work they are performing.

Shared Responsibility

We are collectively and individually responsible for the safety of all workers and all worksites.

Individuals must assume responsibility for their own safety and co-workers’ safety by following all safety rules, procedures, and practices, refusing to perform unsafe work, and taking collective responsibility for others’ unsafe conduct.

Contractors must also take a leadership role in ensuring worker health and safety and assuring accountability for safety on the worksite.

Continual Improvement

We are committed to the on-going improvement of our practices and support efforts to develop and implement new methods, procedures, and technologies that have the potential to improve safety. We actively engage our workforce to provide feedback and improvement initiatives.

Recognition of Safety Performance and Practices

The commitment to health and safety is to all workers, not just direct employees. When engaging contractors, sub-contractors, and others to provide services, the selection process and administration of contracts include recognition and support of good safety performance and practices.

Leadership

Our leaders uphold our beliefs, values, and standards.

Our leaders never walk past an unsafe activity or workplace condition without taking action.

Our leaders believe in leading by example, and actively engage our workforce to provide feedback and improvement initiatives.



Performance

From the start-up and through 2020 improvements were made to the HSE Management Program and to the leadership approach in order to embed best practices and the lessons from incidents across our business and build the right culture. Senior leaders are actively involved in incident investigations which positively impacts safety performance in our business.

The efforts in 2021 will be to increase awareness and understanding by employees that all incidents are preventable, and employees are empowered to make all the right decisions towards carrying out tasks safely. The communication of monthly safety themes and mandatory toolbox talks have been established to provide a focus on HSE. As safety standard champions are assigned to represent and improve the application of various safe operating procedures and as our employee base and operational performance levels become more stable, the higher safety awareness and actions towards eliminating worksite hazards will consequently contribute to achieving zero harm.

↓ 71%
All-injury frequency rate
from 17.4 to 4.9

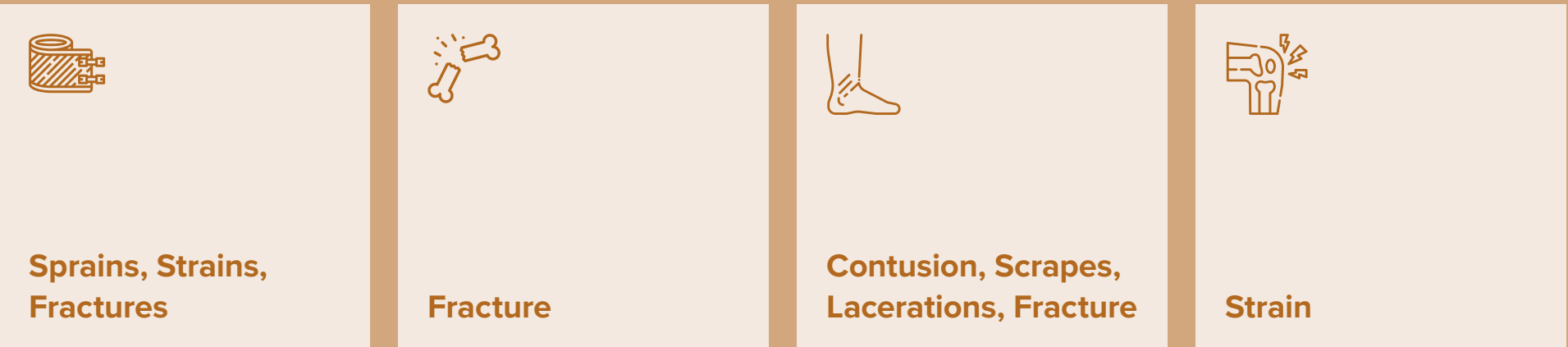
↓ 73%
Lost time incident frequency rate
from 43.6 to 11.6

**per 200,000 hours worked*

Lost time Claims by Type of Incident



Lost time Claims by Nature of Injuries



Industrial Hygiene

As a part of Tacora’s health, safety and environment program, industrial hygiene plays an integral role. Many of the hazards associated with industrial hygiene stem from acute injuries or incidents which can lead to long term chronic effects if not properly addressed. As a result, efforts are focused on identifying, monitoring, and reducing exposures to potential hazards including physical, chemical, ergonomic, and biological agents. These hazards can lead to both acute and chronic occupational diseases.

Tacora’s industrial hygiene programs work to determine risks by identifying and monitoring potential exposures unique to operational areas and work groups. Where identified potential exposures are minimized utilizing the hierarchy of controls to reduce the risk to employees. As a part of this, programs and procedures have been implemented to control employee exposures.



Over the course of 2020, the goals of the industrial hygiene program were to begin building on baseline exposure data collected in 2019. This aided in the development of similar work groups for employees and physical workplaces. The data was then used to carry out sampling programs to evaluate, control, and minimize the risk of potential exposures. In addition to planned sampling, monitoring is conducted for those instances where concerns are identified, elevated levels are detected and to support ongoing projects.

During 2020, 38% more samples were taken than planned to gain the baseline information, address concerns and measure elevated levels of contaminants. Many of these samples were completed in the breathing zone of Tacora employees to identify the respiratory risks and most impacted work areas.





Occupational Health

Tacora has an onsite Primary Care Paramedic as well as trained Advanced Medical First Responders.

We strive to eliminate all hazards and risks to worker’s health. To accomplish this, occupational hygiene risk assessments and findings are carried out through monitoring and exposure controls, which protect all our employees’ health.

We also recognize that the most common occupational diseases are hearing loss and respiratory illness. To mitigate occupational disease instances, programs have been implemented to monitor and assess employees for exposure, and controls have been put in place. The main programs implemented, among others, have been the hearing conservation and respiratory protection programs. The hearing conservation and respiratory protection programs include medical assessments conducted on a

prescribed schedule by qualified off-site medical personnel. The medical assessments are comprised of chest x-rays and miner medicals. Miner medicals provide a means of monitoring our employees’ wellness, including their hearing and lung health. As a result, appropriate measures can be taken to safeguard against exposure and irreversible damage to employee’s health.

In 2020, Tacora completed noise exposure assessments to support the implementation measures required to manage hearing hazards and risks. A site-wide dust study to identify areas with the risk of exposure and implement controls such as modifications to dust collection units to improve air quality was also completed.



Crisis Management – COVID-19

COVID-19 is a new form of infectious coronavirus that belongs to the same family as influenza and SARS. It is spread by contact with exhaled body fluids on the mucous membranes of another individual, commonly spread by coughing or sneezing and/or touching contaminated surfaces with such fluids. Although congregations of people in groups are prohibited, even close contact with two or three people can pose a risk of transmission. In order to ensure a healthy and safe work environment for all workers, we have established and implemented specific work procedures in order to heighten the awareness of the threat of the disease, and to prevent the spread.

The procedures must also reinforce the importance of strict monitoring of the COVID-19 situation and to constantly alert the business regarding safe practices that will reduce the hazard of contracting the disease. The procedures and protocols will assist in preventing infection to not only our workers, but also to the suppliers, contractors, and surrounding communities.

At the beginning of the COVID-19 pandemic, Tacora quickly responded to the crisis by implementing various control measures to ensure the risk to the business was as low as reasonably practical and to ensure that the communities of the Labrador West region would not be affected because of the company’s continuous operation.



Management Plan

The primary responsibility of Tacora is to the health, safety and well-being of employees, visitors and service providers. This includes measures that will reduce the risk of exposure to COVID-19 in the workplace. The following steps are recommended to ensure that physical distancing is practiced in an enclosed workplace such as an office or other restricted work environments:

- » Authorized Critical Work pre-approval required for all service providers residing outside of the Labrador West region,
- » Activities that ensure the safety and security of our people,
- » Continuity of our operations,
- » Maintaining the integrity of our assets,
- » Proof of a negative COVID-19 test required prior to site entry. Mandatory self-isolation, when not on Tacora property,
- » Pre-entry COVID-19 questionnaire to be completed every seven days,
- » Temperature screening at the Security Gate,
- » Mandatory face masks in all areas of the business,
- » Mandatory face masks required for personnel and contractors travelling in the same vehicle,
- » Contractor trailers brought onsite to separate workforces,
- » Proper hygiene etiquette measures to be followed,
- » Janitors are assigned to clean common areas more frequently,
- » Cleaning of high touch surfaces required for equipment and vehicles,
- » Aggressive physical distancing (keeping people physically separated),
- » Staggering lunch breaks so employees can maintain 2-meter separation in lunchrooms,
- » Hold pre-shift meetings in an area where people can properly distance themselves / stagger pre-shift meetings, and
- » bCUBE available onsite for COVID-19 testing.

Emergency Preparedness

Tacora values the implementation of the company's Emergency Response Plan (ERP) and has developed measures to safeguard the personnel onsite, environment, community, and property and assets.

The ERP ensures that a necessary emergency preparedness level is available and used as a guidance document the Tacora operations. The plan was based on an assessment undertaken to identify the types of reasonably foreseeable emergencies and comprehensive plans developed to support those emergencies.

We work very closely with the local Fire Department and have a secured Mutual Aid Agreement in place. Volunteers of the local Fire Department have been on site to become familiar with the business areas, location of fire suppression systems and equipment.

Our emergency response plans are reviewed regularly, and ERP training has been provided for employees & leaders.





04

Communities

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Our Approach

At Tacora, we are committed to supporting our local communities and aim to make a positive and lasting impact by contributing to the sustainability and prosperity of the communities in which we operate. Tacora’s continued mission is to develop long-term lasting sustainable relationships built on shared values and common goals.

We believe that being socially responsible is essential to our operating and financial success. We are committed to developing relationships based on open and honest communication with our stakeholders and communicating with them in a timely manner. We highly value community engagement and work continuously to maintain our license to operate. Our goal is to maximize the benefits of mining while minimizing any negative consequences from our activities.

Our operations regularly engage with community stakeholders to incorporate their values and concerns into our business activities. Our engagement programs and activities include formal and informal communication and feedback sessions; community partnerships; sponsorships and community investments.



2020 Performance

Tacora’s activities generate significant and enduring economic benefits for the communities in which we operate. We believe in contributing to the prosperity and sustainability of our local and regional economies. We continue to invest in social, educational, environmental, and recreational programs that benefit local communities.

Tacora generally looks to support projects that provide benefit to a significant number of community members or meaningful groups within the communities where the Company operates. A portion of the funding goes towards initiatives that encourage active, healthy lifestyles. Tacora also sponsors groups, events and facilities to build relationships and have a positive impact on the communities surrounding our operations.

Communities Investments

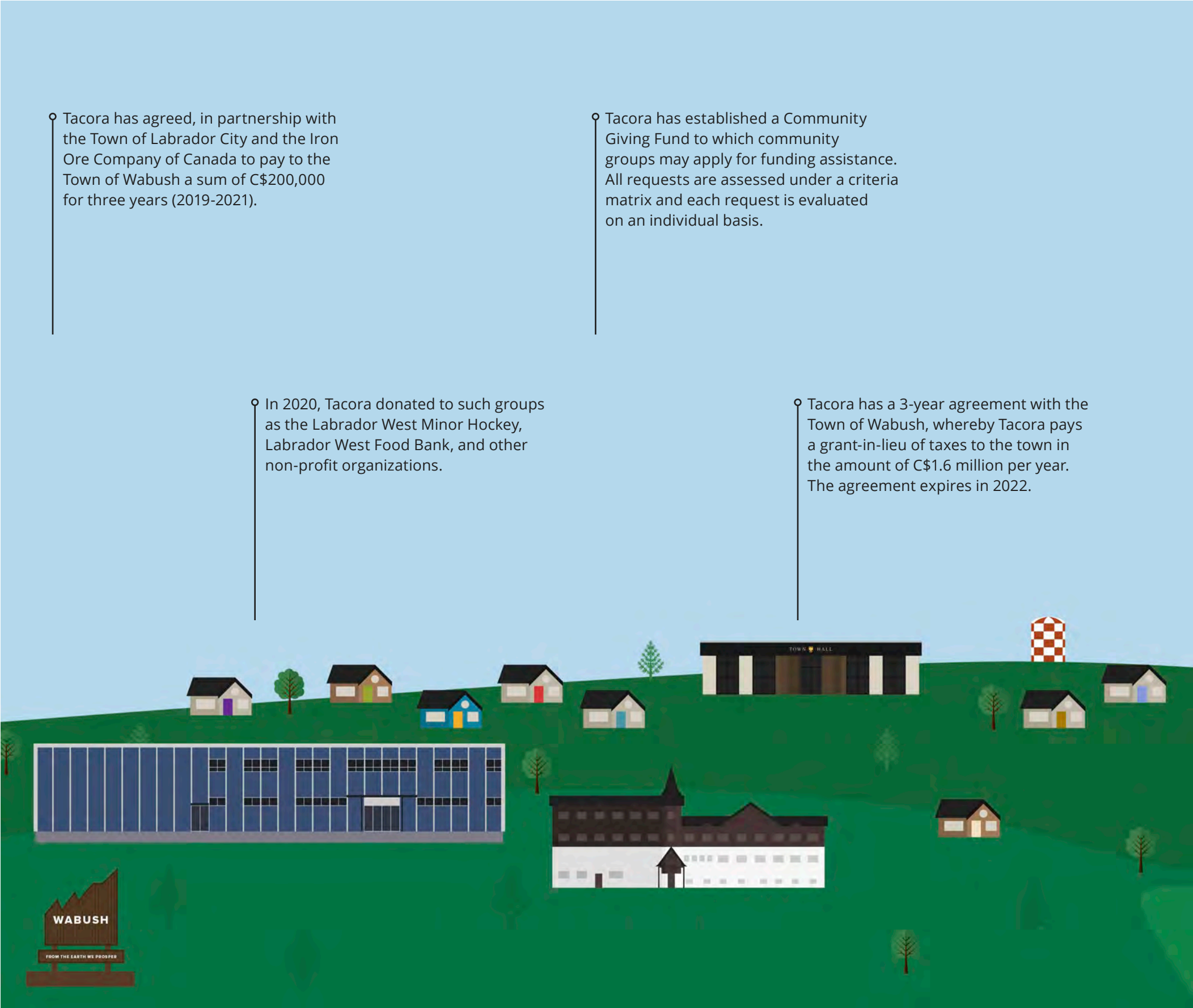
In 2020, Tacora procured a total of C\$147,920,860 in goods and services. Of the C\$117,657,735 that was procured locally in Newfoundland and Labrador, C\$115,885,898 was directly procured within the Labrador region.

Tacora has agreed, in partnership with the Town of Labrador City and the Iron Ore Company of Canada to pay to the Town of Wabush a sum of C\$200,000 for three years (2019-2021).

Tacora has established a Community Giving Fund to which community groups may apply for funding assistance. All requests are assessed under a criteria matrix and each request is evaluated on an individual basis.

In 2020, Tacora donated to such groups as the Labrador West Minor Hockey, Labrador West Food Bank, and other non-profit organizations.

Tacora has a 3-year agreement with the Town of Wabush, whereby Tacora pays a grant-in-lieu of taxes to the town in the amount of C\$1.6 million per year. The agreement expires in 2022.



Community Relations During COVID-19

Towns of Labrador City and Wabush and COVID-19

- » Tacora has developed a thorough communication strategy with both the Towns of Labrador City and Wabush, mostly through virtual means during the COVID-19 pandemic.
- » Tacora is part of a Labrador West Community Stakeholders Group that has met on several occasions (virtually) to discuss COVID-19 concerns in the Labrador West region. We work together to stay informed on our COVID-19 restrictions, requirements, and procedures, particularly around any out-of-province workers we may have on site. This group includes medical facilities, local governments, and businesses in the local region.



Tacora is an active member of the Labrador West Chamber of Commerce.



Donating 20,000 N95 Masks to Eastern Health

Responding to the COVID-19 pandemic requires that everyone do what is possible to help. Tacora had an inventory of N95 masks that exceeded what is required for our team’s safety, thus it is our responsibility to get these resources to the health care providers during these trying times.

We want to thank Provincial Airlines (PAL) for transporting these supplies to Eastern Health where these masks can be distributed where the greatest need exists.

C\$25,000
In-Kind Contribution

Engagement with Indigenous Peoples

Tacora recognizes the diversity of Indigenous peoples who live where we work and operate. We value and cultivate our relationship. We engage directly with Indigenous peoples to foster meaningful and mutually beneficial relationships. We seek to ensure our operations are respectful to Indigenous peoples rights, cultural beliefs, and aspirations.

Tacora has successfully negotiated an Impact Benefits Agreement (IBA) with the Innu Nation of Labrador. The IBA outlines guidelines around hiring, procurement, and royalty payments. Tacora has agreed that the Innu Nation will be given prior notification of hiring opportunities and certain procurement opportunities on which Innu Partnership companies can submit quotes and bids.



US\$2,372,160
To companies affiliated with Indigenous peoples

Indirect Economic Impacts

Local Employment

At Tacora, we recognize the importance in delivering economic benefits (direct and indirect) for the communities, businesses, and governments where we operate. Tacora supports the principles of first consideration and full and fair opportunity for suppliers located within the Province of NL.

We recognize that local employment is a primary benefit of our operations for local stakeholders, a full 96% of Tacora employees are local. Through local employment, there are indirect impacts in stimulation of local economies, including demand for various local goods and services.

Skills

Tacora commits to working with the province to identify trade shortages and implement training/ apprenticeship programs in these areas. Educational opportunities and employee skill development are also offered by Tacora.

Investments

We believe in contributing to the prosperity and sustainability of our local and regional economies, and continue to invest in social, educational, environmental, and recreational programs that benefit local communities.

100+
Contractor employees hired at any given time

80+
Contracted Companies



05

Environment

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Tailings Rehabilitation

Flora Basin has been utilized for tailings disposal from the onset of ore processing at the Scully Mine since 1965. The Flora Basin tailings disposal area at the mine is approximately 1250 hectares (ha) in size and composed of coarse to fine sandy tailings material. Tailings areas are prone to significant aeolian erosion that can result in fugitive dust and increased levels of suspended sediment in the nearby basin. Approximately 868 ha had been vegetated up to 2016, as part of a site remediation program that began in 1997. Another 240 ha of inactive tailings remained to be vegetated. In 2018 Tacora purchased and reopened the mine operations. As a result, the tailings became an active site again, where only incremental revegetation programs are required, versus the complete remediation program for a mine closure.

In 2020, Tacora established 37 ha of vegetation on various exposed tailings areas. Hydroseeding was used to apply seed, mulch, fertilizers, etc. using a Finn T120 & Bowie 1500 Hydroseeder.

The hydroseed mix design that was used in the 2020 program included wood mulch, paper mulch, compost, tackifier, a custom seed mixture, wood pellet and fertilizer. Vegetating and fertilizing the tailings areas are an essential part of retaining biodiversity.



Custom Seed Mixture

- 1 - 31.0% Oats
- 2 - 15.0% Creeping Red Fescue
- 3 - 11.0% Fall Rye
- 4 - 8.0% Perennial ryegrass
- 5 - 7.0% Yellow Blossom Sweet Clover
- 6 - 5.0% Coated Birdsfoot Trefoil
- 7 - 5.0% Attack White Mustard
- 8 - 4.0% Timothy
- 9 - 4.0% Coated Double Cut Red Clover
- 10 - 3.0% Coated Alsike Clover
- 11 - 2.1% Tall Fescue
- 12 - 2.0% Sheep Fescue
- 13 - 2.0% Kentucky Bluegrass
- 14 - 0.9% Red Top



Tailings Rehabilitation

The Tailings Safety Initiative is an investor-led initiative to improve disclosure standards around tailings management in the extractive industry. Led by the Church of England Pensions Board and the Swedish Council on Ethics for the AP Pension Funds, the Initiative consists of 96 institutional investors representing over US\$10.3 trillion in assets under management.

Tacora is pleased to present the Tailings Storage Area questionnaire requested by the Initiative located in Appendix A. This information provides a brief overview of our tailings management system and other information that may be of value to our stakeholders.

323,619,279 m³
Planned Tailings Storage
Impoundment Volume
in 5 years' time.

8 years
of Dike Safety Inspection reports
to understand dike stability

Water

Value of Water

Water management is important for Tacora as a significant quantity of water is required for mining and mineral processing operations. Water used at Tacora is discharged back to the natural environment, necessitating responsible use and stewardship of this shared resource. Potential impacts can occur at both the point of supply and / or downstream of our operational sites related to water availability, recreational use, ecosystem value, aquatic and terrestrial habitats or community needs.

Water Quality Monitoring and Surveillance

Water quality monitoring procedures are implemented for timely detection of any changes to water quality or aquatic biodiversity that might be attributable to our activities. Tacora reports both planned and unplanned water discharges from all regulated discharge points at our operations.

Tacora completes required monitoring of effluent discharges and water quality, on a weekly, monthly and quarterly schedule, as required under the federal Metal and Diamond Mining Effluent Regulations (“MDMER”), and provincial Certificate of Approval (“CofA”) criteria including acute and sub-lethal biological testing. Metal levels for these samples did not exceed the limits specified in these regulations in 2020.



Water Management and Recycling

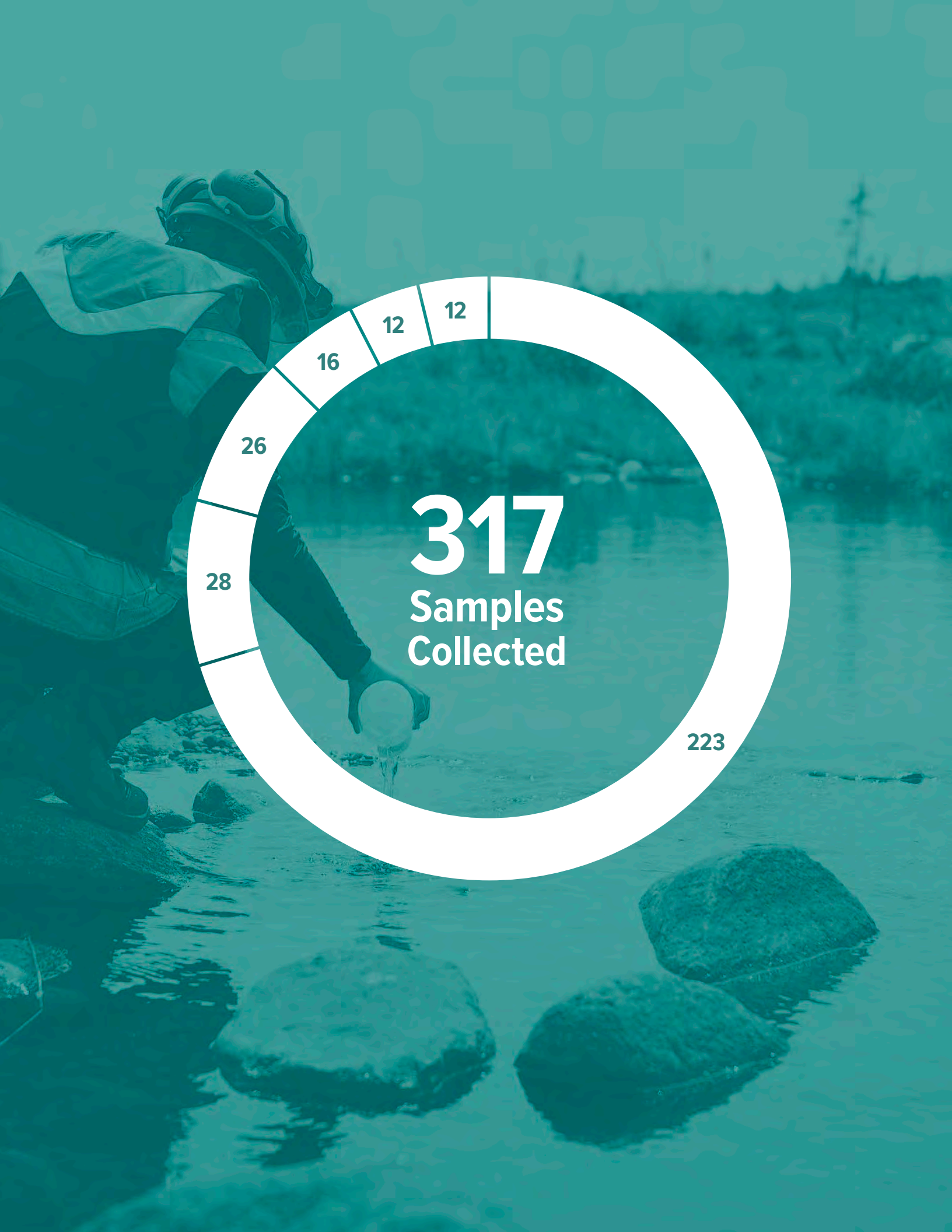
17,979,631 m³
Water withdrawn

0 m³
Municipal water used

16,000,000 m³
Water discharged through the tailings line

5%
Final concentrate tonnage emitted as steam via drying process

7,780,744 m³
Total mine dewatering



Water

We are fully committed to responsible water stewardship, implementing a comprehensive water management planning process to minimize any negative impact on water sources, other water users and receiving environments. Throughout 2020, our operations continued to commit to improvements in water assessment and management practices, evaluating water-use efficiency, initiatives to prevent unnecessary pressure on shared resources and measures to minimize environmental and social impacts.

Tacora’s operations all continuously seek to improve site water balances and water management plans, with inputs, internal flows and outputs being routinely measured to inform management planning and reporting.

We actively monitor the impacts of all our water withdrawals and discharges, focusing on aspects such as recreational value of water resources and receiving environments, water quality and aquatic biodiversity.

- » During 2020, we have continued prioritize water stewardship by identifying projects to reduce fresh water usage; and
- » Monitoring surface water, groundwater, and discharges to confirm the effectiveness of our environmental protection procedures and to enable timely identification of any issues that may arise.

Sample Type	Samples Collected
Final Discharge Points	223
Field Duplicates	28
Field Blanks	26
Exposure Areas	16
Reference Areas	12
EEM Only	12

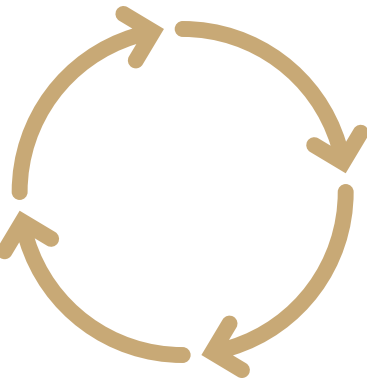
Air

Emissions & Air Quality

Air emissions generated by mining and mineral processing at Tacora have far-reaching impacts, extending beyond the boundaries of our operations. To protect the well-being of our workers, environment, and local community, we are committed to mitigating atmospheric emissions throughout the Mine's cycle of activities. The efficacy of mitigative measures implemented by Tacora is assessed through monitoring programs, designed to prevent poor air quality events and to be nimble in responding to regulation changes and operations evolution.

Emission Controls

Tacora processes ore in multiple stages to produce its final product. Air pollution control (APC) systems have been implemented at each stage, allowing for in situ dust control and air treatment before release to the atmosphere. Since mine reactivation, Tacora has conducted an engineering assessment of APC systems to evaluate performance and identify areas of improvement. The assessment was conducted to maintain reduction of in-plant dust generation, final product uptake, energy consumption and air emissions. Tacora has committed to modification and replacement of ageing APC systems to maintain continuous control of operational emissions.



Tacora's approach to emission and air quality management is governed by four guiding principles:

- » Reduce
- » Re-use
- » Recycle
- » Re-purpose



Site-wide APC assessments & improvements



Air quality monitoring station upgrades

Monitoring and Surveillance

Tacora monitors air emissions through both stack emissions testing and ambient air monitoring. Stack emissions testing is conducted by collecting samples from point sources at the Mine. Data collected from stack emissions testing is used to develop air dispersion models to estimate potential ground-level concentrations at nearby locations. Ambient air monitoring is used to evaluate the efficacy of mitigative measures and to ensure continued protection of regional air quality and the local environment. Tacora operates two ambient air monitoring stations in the Town of Wabush. Three parameters are measured between the two stations: sulfur dioxide (SO₂), total particulate matter (TPM) and particulate matter less than 2.5 microns in diameter (PM 2.5).

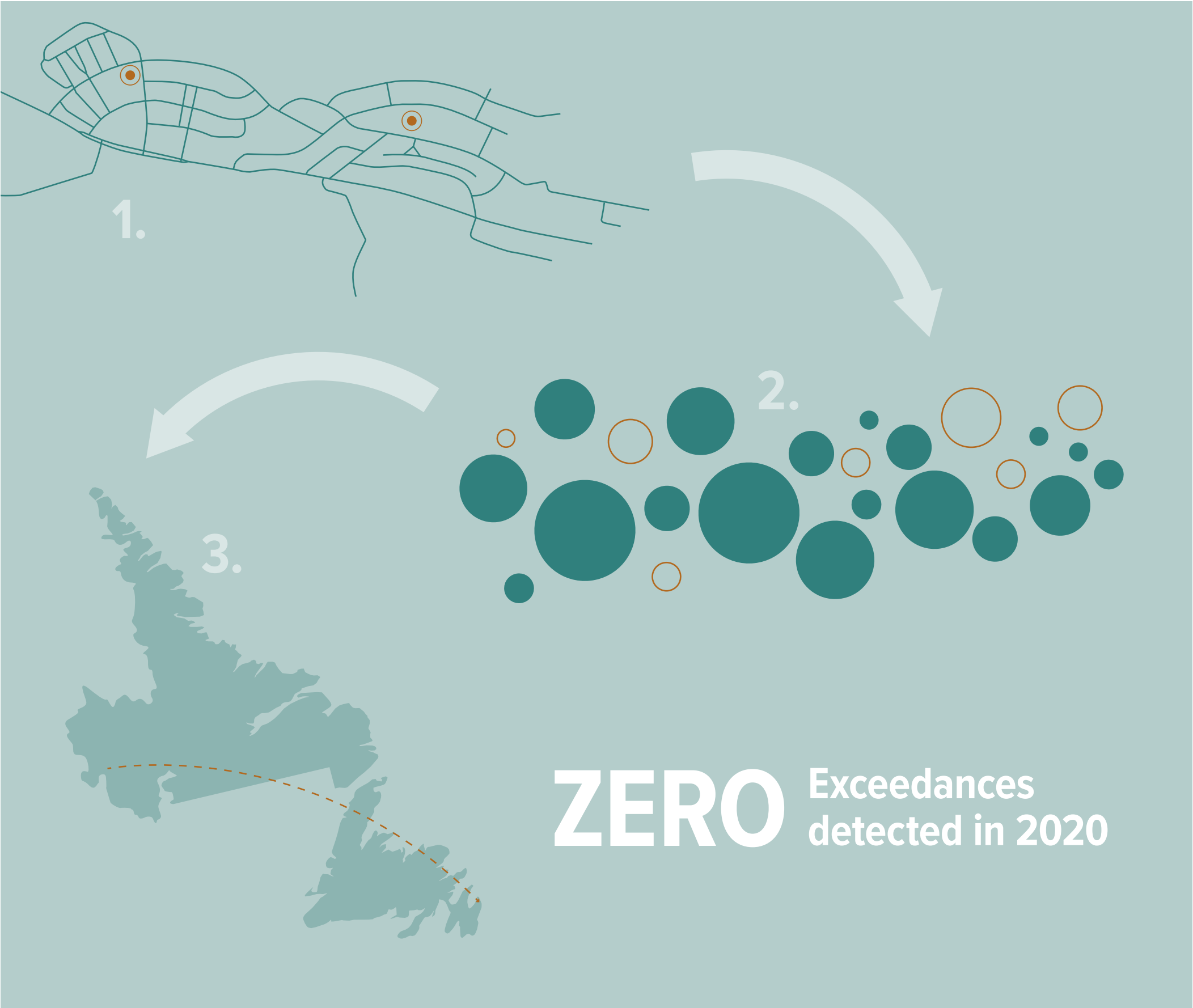
Compliance

Air emissions from the Mine are regulated under Tacora's CofA from the Newfoundland and Labrador Department of Energy, Climate Change and Municipalities. The CofA specifies ambient air and stack emission testing programs, guidelines, dispersion modelling and reporting requirements.

Air Surveillance / Monitoring

- 1. Continuous air monitoring stations strategically located in the town of Wabush to protect well-being of the community (JRS middle school & provincial building).
- 2. Parameters monitored:
 - » Total Suspended Particulate (TSP): The units measure total dust suspended in the air regardless of size. This is our primary nuisance dust measurement.
 - » Particulate Matter <2.5 microns (PM_{2.5}): The units measure the dust less than 2.5 microns in diameter and suspended in air. This is our health-based dust measurement.
 - » Sulfur Dioxide (SO₂): The unit measures low level SO₂ in the ambient air. SO₂ levels are directly related to the concentration of sulfur in fuel and the quantity of fuel being combusted.
- 3. Monitoring results are reported to the NLDECC on an annual basis.

In 2020, Tacora upgraded the SO₂ analyzer at the Provincial Building station and installed a new computer at the JRS station.



Climate Change & Energy

Mining and mineral processing are energy-intensive operations that contribute to climate change; a global challenge that Tacora aims to help solve. Key components of the climate change strategy at Tacora include managing energy consumption and reducing greenhouse gas (GHG) emissions both for our operations and the end user of our product. We produce high grade iron ore with few impurities, thereby enhancing the steel making efficiency while reducing environmental impacts.

Climate Change

We are proactively developing a long-term emissions reduction strategy to ensure a 12% reduction in GHG emission intensity (compared to 2022-2024 average performance) by 2027. The path to measurable emission reductions is defined by:

- » Calculating annual GHG emission inventories;
- » Identifying areas where mitigative measures are impactful and feasible;
- » Pursuing opportunities and technology that improve efficiencies as well as reduce energy consumption and GHG emissions;
- » Collaborating internally and externally on policies and regulations; and
- » Reevaluating our approach as technologies, goals and circumstances change.

Annual GHG emission inventories provide valuable insight of dominant emission sources and energy consumption distribution at the Mine. The 2020 GHG emission inventory was calculated, in terms of carbon dioxide equivalents, for the first full year of commercial operations at Tacora. Emissions in 2020 were dominated by stationary combustion equipment used in mineral processing operations. Findings from the 2020 GHG emission inventory has allowed us to prioritize researching potential energy efficiency; preliminary initiatives have the potential to reduce emissions associated with mineral processing operations up to 20%.

100%
Renewable hydropower

Energy

In 2020, we consumed 2,233 terajoules (TJ) of energy (i.e., electricity and fuels) at Scully Mine. Approximately 55% (1,235 TJ) of our energy requirement was fulfilled by renewable hydroelectric power.

Energy Source	Consumption (TJ)
Hydroelectricity	1,235
Oil ¹	845
Diesel	145
Propane	1
Gasoline	7

¹ #6 fuel oil and used oil



CO₂e Emissions (Tonnes)



62,602
Stationary Combustion



31,345
Transportation of Ore & Waste Rock



9,605
Electricity



1,169
Explosives



454
Mobile Combustion

Biodiversity

Biodiversity and Land

Protection of biodiversity has become increasingly important around the world, from obtaining and maintaining access to land and resources, to holding a social license to operate, and demonstrating responsible land stewardship to stakeholders. Biodiversity exists all around us, in anthropogenically-managed landscapes like the Tacora property in Wabush, as well as in natural, unmanaged settings. Efforts to conserve biodiversity contribute greatly to the suite of ecosystem services providing benefits to all people, such as the provision of freshwater, nutrient-cycling, wild foods, soil creation, recreational opportunities, and spiritual benefits. Biodiversity also has intrinsic value. It represents nature functioning as it should, with native species present and ever evolving, and with an inherent right to continued existence.

Tacora contributes to biodiversity management through biodiversity condition assessment, habitat degradation mitigation and progressive habitat restoration.



Our Approach

Tacora is dedicated to minimizing, mitigating, and remediating any effects that operations at the Scully Mine in the Town of Wabush may have on local ecosystems. Our guiding principle is due diligence – we conduct comprehensive baseline studies prior to starting work, foster collaborations that integrate conservation needs and development priorities, and strive to include community-based knowledge in plan development, where available.

Habitat management is crucial to ecosystem integrity and biodiversity conservation in the Labrador West region. Fish habitat is a valued component of biodiversity at Tacora, resulting in the adoption of three key fish and fish habitat protection strategies:

- » Environmental Effects Monitoring (EEM) to ensure freshwater environments are protected from negative impacts associated with mine runoff;
- » Baseline Habitat Assessments to judge how our activities will affect native fish species; and
- » Fish rescue operations to relocate species to pristine environments when waters may become unsuitable.

Tacora’s commitment to fish and fish habitat compensation and protection goes beyond existing waterbodies. To date, we have constructed new fish habitat for Flora Riverine and its extension project Hay Riverine, and the Loon Lake extension and enhancement projects.



Biodiversity

Tacora’s Rehabilitation and Closure plan outlines progressive rehabilitation work that includes an annual tailings revegetation program that is intended to keep pace with the tailings surface expansion. While revegetation has historically been accomplished by hydroseeding large swaths of land, Tacora undertakes a different approach. Tacora intersperses hydroseeding with a variety of native species to achieve a more biodiverse environment, eventually attracting an abundance of wildlife.



Tacora plans to add 6 duck nesting boxes in 2021





370 tonnes
Scrap metal recycled

Waste Management

Our standards include requirements related to hazardous materials, waste, waste rock and ore stockpiles, ensuring each operation manages waste and waste materials in a manner that minimizes environmental risks, promotes beneficial post-mining land use, and reduces closure and reclamation liabilities. We follow strict protocols for storage, handling and disposal of hazardous materials including fuels, chemicals and wastes; and periodically conduct additional studies to improve our ability to manage risks to human health and the environment.

Our Approach

All waste generated by the Company’s operations in 2020 was separated and disposed of following applicable waste regulations and the site waste management plan; the majority of both hazardous and non-hazardous materials were recycled.

Rehabilitation and Closure

Mining is a temporary use of the land. After cessation of operations of the Scully Mine and the associated metallurgical facilities, Tacora will rehabilitate the land in a safe and environmentally sound manner to achieve the following objectives:

Wherever practical, rehabilitation measures will be implemented progressively during the remaining mine life. This will especially be demonstrated with the ongoing revegetation program in the tailings management area. Many aspects of the reclamation measures, however, will be implemented once the mine and associated metallurgical facilities are closed.

Closure is not imminent at Scully Mine. The Mine’s currently approved 2017 Rehabilitation and Closure Plan (RCP) is designed to include operation into 2033. Considering ore reserves are available for mine operation beyond 2044, future revisions of the Rehabilitation and Closure Plan are planned, as RCP is intended to be a living document that will undergo internal annual reviews and revision and resubmission to the NL Provincial government every five years. A Financial Assurance of more than C\$41 million has been provided to government to cover the costs associated with rehabilitation and closure of the entire mine site. Future RCPs will reflect changes to mining plans, site conditions and as the degree of design detail in closure planning engineering advances.



To restore affected landscapes to a physically and chemically stable and safe environment, in order to protect public health and safety



To create a post closure site where no permanent water treatment or other operational measures are necessary to ensure that acceptable water and air quality will continue in perpetuity



To reduce or eliminate potential adverse environmental effects associated with each phase of the project



To return the property to the Lessor, MFC Industrial Ltd., after monitoring demonstrates closure objectives have been met.

Performance Information

Environmental Permitting and Compliance

We recognize that our demonstrated commitment to responsible and sustainable mining is a critical factor in maintaining credibility among our stakeholders and in supporting our ongoing license to operate. Permitting, approvals and compliance management are crucial for the effective regulation of mining-related activities to prevent possible negative impacts on the natural environment, as well as the interests and rights of local communities. Our mine operates under valid environmental approvals and licenses and routinely submit applications for new permits, when required, as well as submitting compliance reports for existing permits to demonstrate conformity with current legal and other obligations.

44
Spills reported

6,854,033
Tonnes of tailings deposited

3
TSS exceedance reports

14,056,350
Tonnes of waste rock generated

Approvals (Major & Ancillary)

2019

5 Major Approvals Obtained:

- » 2 Water Use Licences
- » Water Quality Stations Memorandum of Agreement
- » Certificate of Approval for Operations
- » Mill Licence

2020

2 Major Approvals Obtained:

- » Certificate of Approval for Waste Management System (Landfill)
- » Operating Permit (to carry out an industrial operation during the Forest Fire Season)

Amendment to Major Approval

- » Certificate of Approval for Operations

3 Ancillary Approvals Obtained:

- » 2 Permits to Alter a Body of Water
- » Town of Wabush Building Permit

Cumulative total end of 2020
Major and Ancillary Approvals: 10



06

Economic Performance

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Financials

Tacora is in the business of identifying, mining and processing iron ore mineral reserves and resources. The mining of iron ore at the Scully Mine is our main business at this time; however, other revenue streams may be added in the future. Our future performance is largely tied to the continued operation of the Scully Mine, other prospective business opportunities, the overall market for iron ore, and operating through the COVID-19 pandemic.

The Company recognizes revenue from sales of concentrate when control of the concentrate passes to the customer, which occurs upon delivery to the vessel or stockpile. Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) is adjusted to derive Adjusted EBITDA which excludes realized gains or losses on derivative instruments, foreign currency translation adjustments, and other infrequent or unusual transactions and is used by management to measure operating performance of the business.

Tacora’s objective when managing capital is to safeguard the business as a going concern while maximizing returns for shareholders.

The Scully Mine shipped an aggregate amount of approximately 3.0 million tonnes (Mt) of concentrate at a blended average FOB Cash Costs Pointe Noire of \$68 per tonne for the year ended December 31, 2020.

To maintain a strong balance sheet, Tacora considers various financial metrics, overall level of borrowings and their maturity profile, and other leverage ratios such as net debt to EBITDA.

US\$31.6M
Salaries
and Benefits²

US\$5.2M
Mining
Taxes Paid³

US\$1.2M
Municipal
Taxes Paid¹

1 Land Tax
2 Includes all employees
3 Total 2020 Mining Taxes Paid to Government. Includes NALCO and the withholding portion of Knoll Lake and MFC.



10M tonnes per year
Across our two operations

Investor Relations

The Company is privately owned by a collection of world-class mining investors, including:

- » Funds managed by Proterra Investment Partners LP;
- » Aequor Holdings LLC;
- » Cargill, Inc.;
- » A fund managed by Orion Mine Finance;
- » and MagGlobal LLC.

In July 2017, the Company purchased the Scully Mine, with a 6 million tonne per year iron ore concentrate capacity, and recommenced operations in June 2019. The acquisition of Sydvaranger in January 2021 provides Tacora with a 4 million tonne per year shovel-ready expansion opportunity and geographical diversification in a tier 1 jurisdiction.

Local Procurement

At Tacora, we recognize the importance in delivering economic benefits for the communities, businesses, and governments where we operate. Tacora supports the principles of first consideration and full and fair opportunity for suppliers located within the province of Newfoundland and Labrador. First consideration is given to services provided from within the province and to goods manufactured in the province, where those services and goods are competitive in terms of fair market price, quality, and delivery.

Tacora is committed to providing business opportunities to women, Indigenous peoples, persons with disabilities and people from visible minority groups, which are collectively referred to as “designated groups”. We promote and seek the use of local labor, suppliers, contractors, and organizations majority owned by members of designated groups and encourage business development within the province to the extent that local suppliers can be competitive in areas of cost-effectiveness.

Local Resource Commitment

Tacora is committed to maximizing the use of local provincial suppliers for materials used in construction and operations. In addition to utilization of local suppliers Tacora is committed to providing first consideration for employment to qualified provincial residents.

C\$115,885,898
**Directly procured within
the Labrador Region**



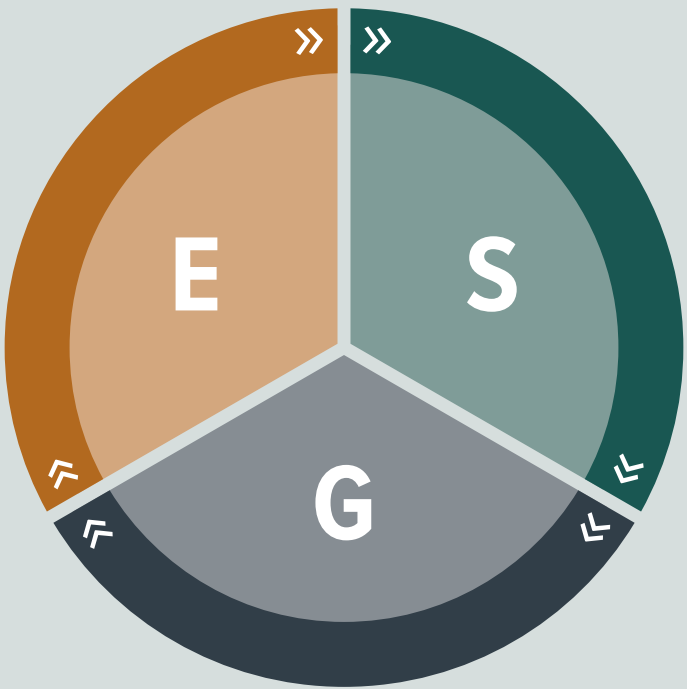
Environmental, Social, and Governance (ESG)

Environmental

- » Tacora takes pride in responsible environmental management. Our operations are designed to limit ecological effects to the lands where we operate.
- » The Mine is fully permitted and proactively engaging stakeholders to build trust towards environmental stewardship and compliance requirements.
- » Tacora uses 100% renewable hydropower for base load consumption at the Scully Mine.
- » Tacora plans to expand use of hydropower vs. oil and gas in the future as available utility power increases in Labrador West in the future.

Social

- » Tacora believes in being active in its local community and has undertaken initiatives including participating in the refurbishment of the local indoor pool and donating to youth and elderly support groups to further support the community.
- » To help combat the COVID-19 pandemic, Tacora donated 20,000 N95 masks to frontline medical workers in April 2020 and has offered resources for employees and their family’s vaccination efforts.
- » Tacora employs a diverse workforce with currently 22% women (above the national average of approximately 16%) and has set a goal to reach 25% by 2022.
- » Established IBA with local aboriginal community, offering them priority employment and business opportunities.
- » Tacora actively supports local community organizations helping the youth and senior citizen age groups where needed.



Governance

- » Executive management team focused on de-risking and creating value for all stakeholders.
- » Top tier board focused on the highest standards and conduct.
- » Entrepreneurial mindset with large business capabilities and drive towards excellence.
- » Commercial relationships with stakeholders are transparent and honest, based on trust and mutual respect.
- » Strong relationship and history of cooperation with the United Steelworkers Union.



Glossary

List of Abbreviations

5G Fifth Generation

C\$ Canadian Dollar

US\$ United States Dollar

APC Air pollution control

CEO Chief Executive Officer

CofA Certificate of Approval

COVID-19 Coronavirus Disease-2019

DECC NL Department of Environment and Climate Change

EBITDA Earnings Before Interest,
Taxes, Depreciation, and Amortization

EEM Environmental Effects Monitoring

ERP Emergency Response Plan

ESG Environmental, Social and Governance

FIFO Fly-in Fly-out

FOB Free On Board

GEIDP Gender Equity, Inclusion & Diversity Plan

GHG Greenhouse Gas

GMS G Mining Services, Inc.

ha hectares

HSE Health, Safety and Environment

HTTTP High Tension Tailings Transfer Pump

IBA Impact Benefits Agreement

IET NL Department of Industry, Energy and Technology

km kilometers

LTE Long-Term Evolution

MDMER Metal and Diamond Mining Effluent Regulations

Mt Million tonnes

Mtpa Million tonnes per annum

MOA Memorandum of Agreement

N95 Not resistant to oil (95)

NL Newfoundland and Labrador

PAL Provincial Airlines

PM Particulate Matter

RCP Rehabilitation and Closure Plan

SARS Severe Acute Respiratory Syndrome

SO₂ Sulfur Dioxide

SQT Safe, Quality Tonnes

List of Abbreviations

TPM	Total Particulate Matter
TSP	Total Suspended Particulate
UHF	Ultra high frequency
VHF	Very High Frequency
VoLTE	Voice over LTE
WHMIS	Workplace Hazardous Materials Information System
wmt	Wet Metric Tonne





Appendices

TIA Disclosure Questionnaire



Tacora Resources Inc.
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www.tacoraresources.com

1 October 2020

Tailings Storage Area Questionnaire

The Flora Lake Tailings Storage Area incorporates a lake and two dikes. It does not include a dam in the classical sense, as the dikes are both on the upstream side and no water is retained in the storage area.

Question	Response
1. "Tailings Dam" Name/identifier	Flora Lake Tailings Storage Area
2. Location	52° 54.9' N / 066° 50.7' W
3. Ownership	A combination of owned and leased property. Tacora is the sole operator.
4. Status	Active
5. Date of initial operation	1965
6. Is the Dam currently operated or closed as per currently approved design?	Currently operated
7. Raising method	Upstream
8. Current Maximum Height	35 meters above native soils
9. Current Tailings Storage Impoundment Volume	301,611,323 m ³
10. Planned Tailings Storage Impoundment Volume in 5 years' time.	323,619,279 m ³
11. Most recent Independent Expert Review	Golder report #19124559 (rev 1) September 3, 2020
12. Do you have full and complete relevant engineering records including design, construction, operation, maintenance and/or closure.	Yes
13. What is your hazard categorization of this facility, based on consequence of failure?	Significant
14. What guideline do you follow for the classification system?	Canada Dam Association



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Question	Response
15. Has this facility, at any point in its history, failed to be confirmed or certified as stable, or experienced notable stability concerns, as identified by an independent engineer (even if later certified as stable by the same or a different firm).	Not to our knowledge. There are no records of notable stability concerns included with Tacora's purchase of the mine.
16. Do you have internal/in house engineering specialist oversight of this facility? Or do you have external engineering support for this purpose?	Both
17. Has a formal analysis of the downstream impact on communities, ecosystems and critical infrastructure in the event of catastrophic failure been undertaken and to reflect final conditions? If so, when did this assessment take place?	No
18. Is there a) a closure plan in place for this dam, and b) does it include long term monitoring?	a) Yes b) Yes
19. Have you, or do you plan to assess your tailings facilities against the impact of more regular extreme weather events as a result of climate change, e.g. over the next two years?	Yes
20. Any other relevant information and supporting documentation. Please state if you have omitted any other exposure to tailings facilities through any joint ventures you may have.	6. We are also in the process of updating the Operations, Maintenance and Surveillance Plan to document improved practices. 12. Tacora has several years of Dike Safety Inspection reports to understand dike stability from 2012 ~ 2020. 17. The only infrastructure downstream of the Storage Area is a railway and one highway. As the Storage Area dikes do not retain water, the structural risk is associated with an earthquake event. This region in Canada has the lowest earthquake potential rating per NR Canada (2015).