

# Annual Sustainability Report 2021



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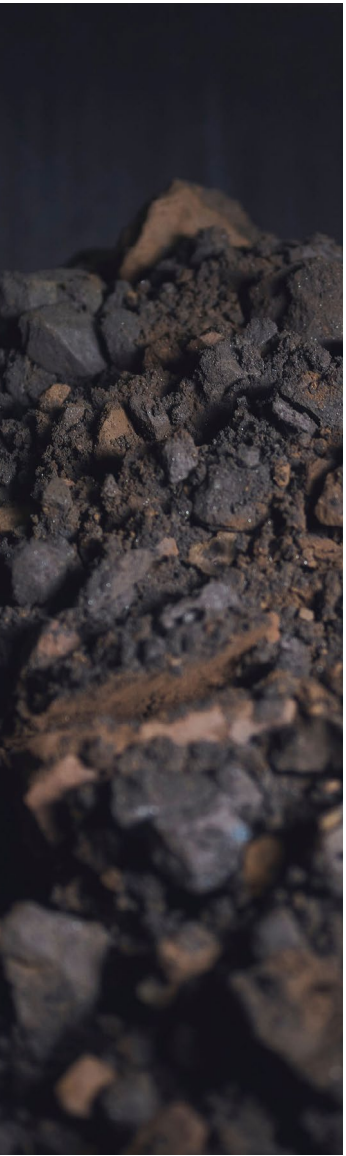
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# Overview

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# Message From Leadership

Who could have foreseen the changes the global pandemic would continue to compel throughout the 2021 year? It will go down as another year of rethinking the art of the possible. Meeting those challenges demonstrated our determination and commitment to our people, our communities, and our environment.

If we find ourselves at an inflection point, 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 incredible 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 will provide a pathway to carbon neutral steelmaking and a framework for excellence in team building. Together we will win.

**Joe Broking**  
President & CEO





# Profile

Tacora Resources Inc. along with its subsidiaries (collectively, the “Company” or “Tacora”) are in the business of identifying, mining, and processing iron ore mineral reserves and resources.

The Company is privately owned by a collection of world-class mining investors including Proterra Investment Partners LP, Aequor Holdings LLC, Cargill Inc., a fund managed by Orion Mine Finance, Titlis Mining AS and MagGlobal LLC.

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 in which we operate to sustainably grow and prosper.





# 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 2018 fiscal year, the Company amended the Cargill Offtake Agreement and finalized certain port access agreements and rail/transportation agreements in anticipation of the successful restart of the Scully Mine.

100%  
Renewable hydropower



As the Company progressed into the 2019 fiscal year, mining operations and commercial production at the Scully Mine restarted. 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).

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.



# 2021 Year

## Performance Highlights







# 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 the 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

JP

**Jacques Perron**  
*Director, Non-Executive Chairman*

- ✦ 35+ years of experience in the mining industry with extensive technical and operations experience in Canada and globally.
- ✦ Prior experiences include acting as President and Chief Executive Officer of Pretium Resources Inc., Thompson Creek Metals Company Inc., and St Andrew Goldfields Ltd. Mr. Perron has also held various management positions in a number of other mining companies, including IAMGOLD Corporation, Cambior Inc., Cameco Inc., Placer Dome Canada Limited, Breakwater Resources Ltd., JS Redpath Ltd. and Noranda Inc.
- ✦ Currently serves as a non-executive director on the board of Centerra Gold Inc.

PM

**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.

JB

**Joe Broking**  
*Director, President & 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.

TT

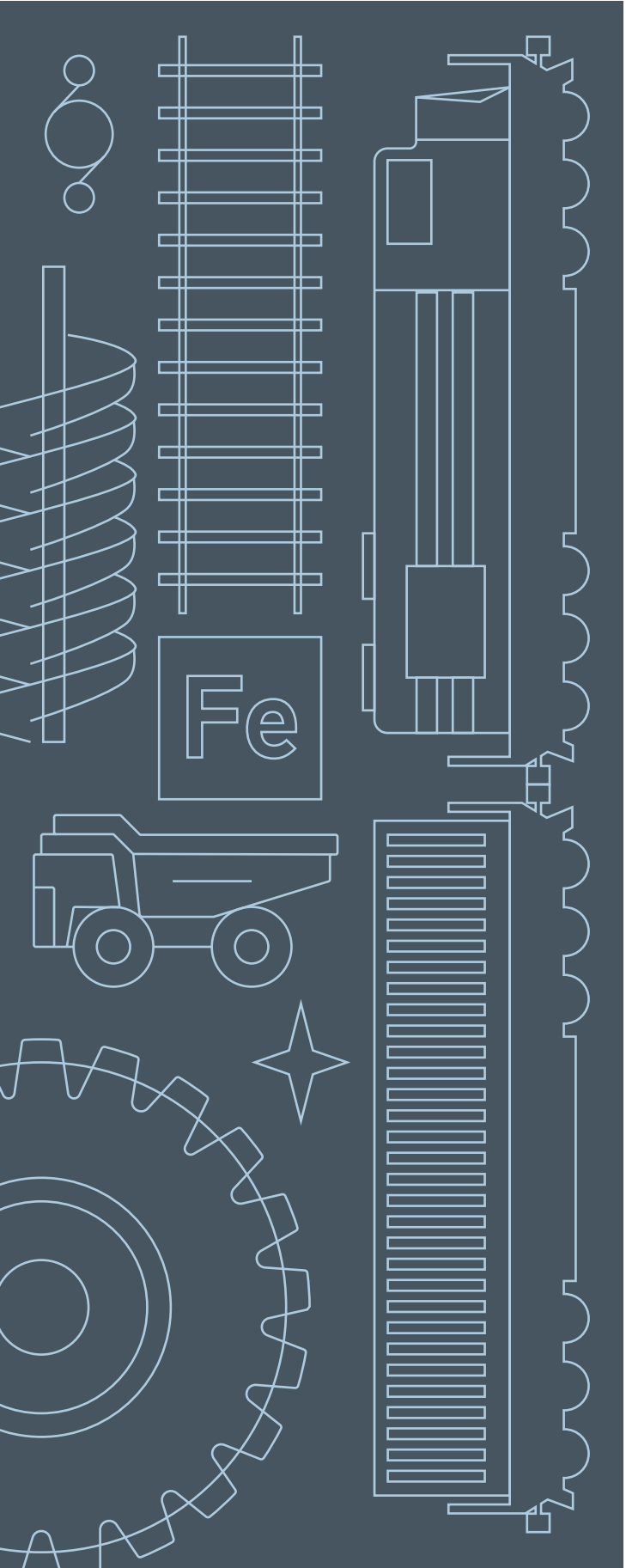
**Torben Thordsen**  
*Director*

- ✦ 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.

JH

**Andrew Ham**  
*Director*

- ✦ 20+ years of experience in research, industry, public and private equity finance, and investment banking experience in diverse commodities on six continents.
- ✦ Currently an Investment Manager at Orion Resource Partners LLP responsible for asset management and providing financing solutions of diverse investment structures for companies in the Metals & Mining sector





# 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.



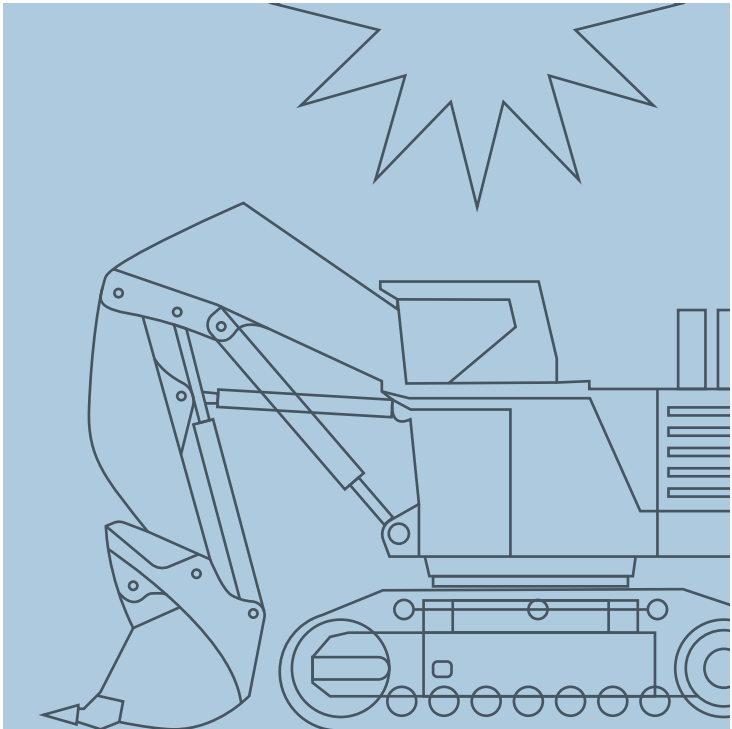
**Achille Njike**  
*Executive Vice President & Chief Operating Officer (C.O.O)*

- ✦ 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.



**Heng Vuong**  
*Executive Vice President & Chief Financial Officer (C.F.O)*

- ✦ 18+ years of global investment banking and capital markets experience, mostly focused on the metals and mining sector.
- ✦ Previously worked for Goldman, Sachs & Co. in Toronto, Beijing, and New York; most recently Managing Director, Investment Banking Services Canada.



**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.



**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.





# 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 execute projects and process improvements efficiently and effectively.

## 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 & environmental performance,
- ✦ Delivery of high-quality products at costs which are sustainable long term, and
- ✦ 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
- ✦ Sustainability
- ✦ Teamwork
- ✦ Determination
- ✦ Winning





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.



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.



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.



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 utmost respect and appreciation.



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.



# 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.

## Why risk management?

- ✧ To foster an effective risk culture,
- ✧ To proactively oversee, review and approve the approach to risk management,
- ✧ To ensure that business risks are identified understood, and managed effectively, and
- ✧ To ensure the compliance with federal and provincial regulations, and Tacora’s policies and standards.

All-injury frequency rate  
down from 3.20 to 3.10



# 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 & Growth

At Tacora, we 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.

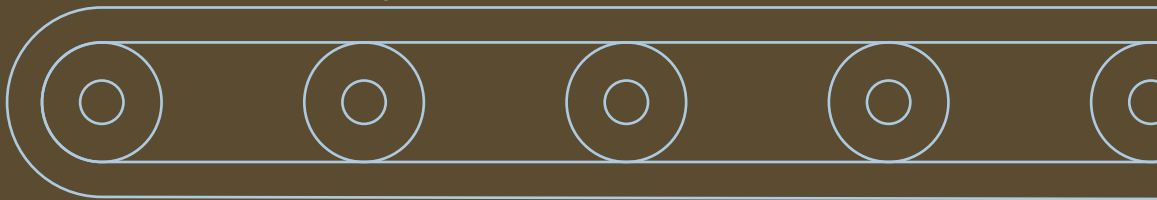
The key to our success both today and well into the future, is doing so sustainably. The following projects have led Tacora through 2021 and into the future by sustainably increasing the production capacity of the Scully Mine.

“The Big 3” projects were started in 2021, with completion planned for the end of Q3, 2022. They will increase overall production capacity of the Scully Mine to +6 Mtpa.

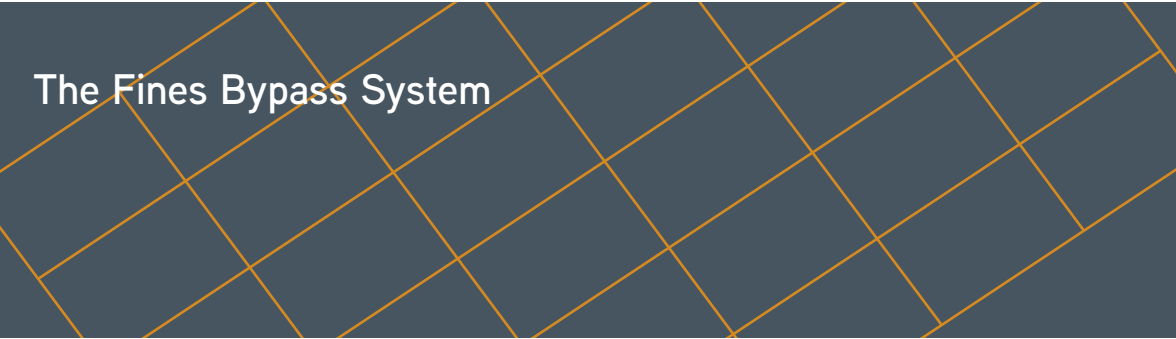


## Productivity & Capacity Growth “The Big 3” Projects

Lines 7 and 8 – Manganese Reduction Circuit



The Fines Bypass System



Scavenger Spiral Circuit



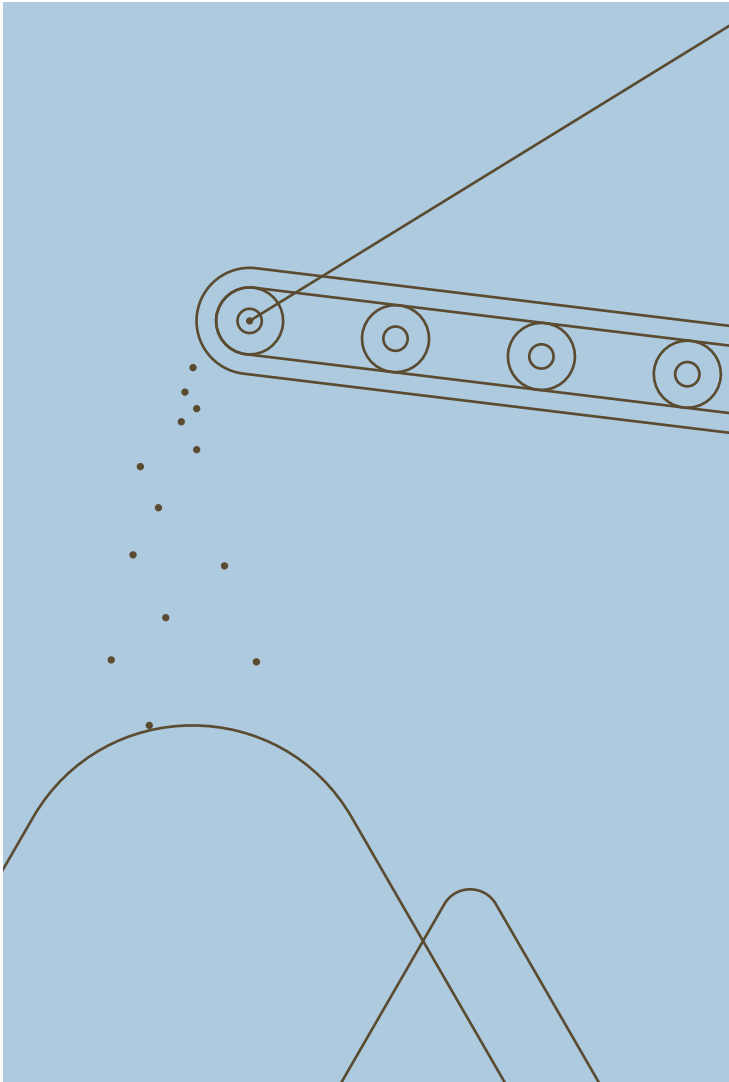


## Lines 7 and 8 of the Manganese Reduction Circuit.

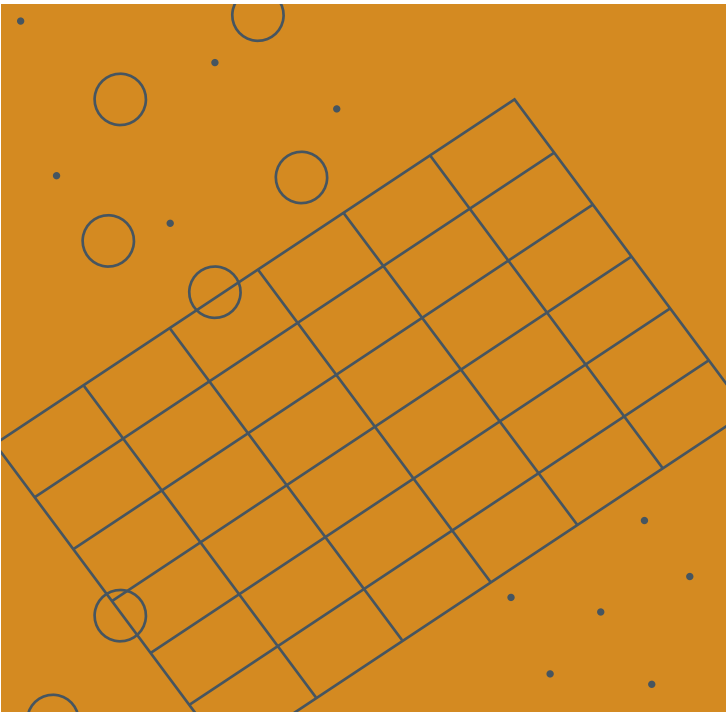
Through testing, it has been shown that optimizing the rare earth magnetic drum bed distribution on the magnetic drum circuit (MRC), improves processing capability, leading to an increase in weight recovery of between 2-3%. The circuit was demonstrated by Cliffs for two lines and the successful addition of four more lines prior to start-up in 2019, has in turn increased the current annual production to 5.4 Mtpa. However, this is not sufficient for our projected goal of +6 Mtpa, while maintaining concentrate grade.

The current half line MRC feed rate is 60 tph. In ramping up to +6 Mtpa concentrate, the MRC half line feed rate will need to be 68.5 tph to maintain the target manganese grade of between 1.7 and 2.2 % Mn. Additionally, the MRC line expansion increases the MRC recovery by reducing the feed per rotor, allowing for better feed distribution, and reducing estimated potential weight recovery losses of 202,500 TPY of dry concentrate for the first five years. This is critical because it will be a challenge to reduce Mn levels within the given mine plan. The expansion will cost a little over \$9.9 M with a two-year payback, which adds undoubted value to our operations.

2-3%  
Recovery increase



## The Fines Bypass System



Considering the current effective utilization of the 6 mill lines is 67%, the plant has been able to operate at a final concentrate production rate of only ~3.5 Mtpa, depending on weight recovery and throughput. The proposed Fines Bypass will allow the plant to quickly achieve a higher concentrate production rate with the current mill utilization rate, as it will not rely on all the crushed material going through the mills via ore storage.

The estimated increase in annual production capacity is between 500k dmt and 750k dmt per year. The base case assumptions around this increase are that there is no restriction on crusher feed. To achieve +6 Mtpa with this new screening circuit, the assumptions include:

- The Fines Bypass project is expected to improve the Scully Mine in 3 primary ways:
- Improve the time it takes to achieve +6 Mtpa of high-grade iron ore concentrate production,
  - Provide the concentrator team with more flexibility to implement and sustain the ongoing production improvement initiatives, which include increasing the effective utilization of the six mill lines to 89.5%, and
  - Increase the overall capacity of the Scully Mine.

- 2400 tph crushers,
- 20% - 1mm in the mill feed,
- 88% dry plant utilization, and
- 32.5% plant weight recovery.

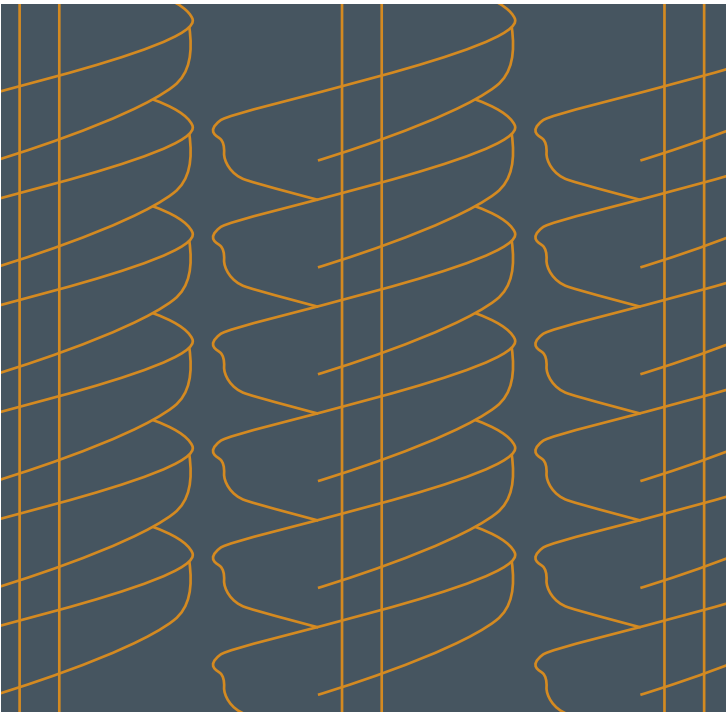
The attractiveness of this project is that whatever the crusher feed size distribution and the current mining area, there is a minimum of 10% less mill utilization required to hit the same concentrate production rate. Considering the impact that the Fines Bypass has on utilization and throughput, it also allows for “catch-up” capacity, which has always been a gap on the concentrate modeling scenarios. Ultimately, due to the addition of the Fines Bypass project we expect the Scully Mine will sustainably produce +6 Mtpa.



## Scavenger Spiral Project

To maximize the efficiency of operations, there must be a higher iron recovery, and by implementing the scavenger spiral circuit we are able to increase our iron recovery by greater than 4%. Increasing iron recovery increases the mine life at Scully Mine, at the same production capacity, or increases production capacity at the same mine life, as well as resulting in a lower cost per ton.

The original design of the Scavenger Spiral system as demonstrated by the pilot project, was a simple circuit whereby the recirculating load (cleaner cyclone u/f) was removed and redistributed to spirals. Spiral concentrate was then collected and fed directly to the drum filters, which in turn



>4%  
Higher iron recovery

captures the fine ore of the spiral cores. This also translates into reducing the amount of iron that we put into our tailings basin, while not affecting the milling process.

When the project began execution we were able to improve on the pilot, as there were additional opportunities identified to ensure the best quality design:

- ❏ Feeding spiral concentrate to the drum filter was abandoned due to moisture issues. The project team agreed that the best course of action was to dewater the fine concentrate in a hydrosizer, similar to the rougher process, and isolate the dewatering to the spare drum filter.
- ❏ Additional spirals were ordered, as it was better to secure additional spiral capacity and to include spares, considering the additional rougher capacity through the Fines Bypass System, and the ability to replace older scavenger spirals.

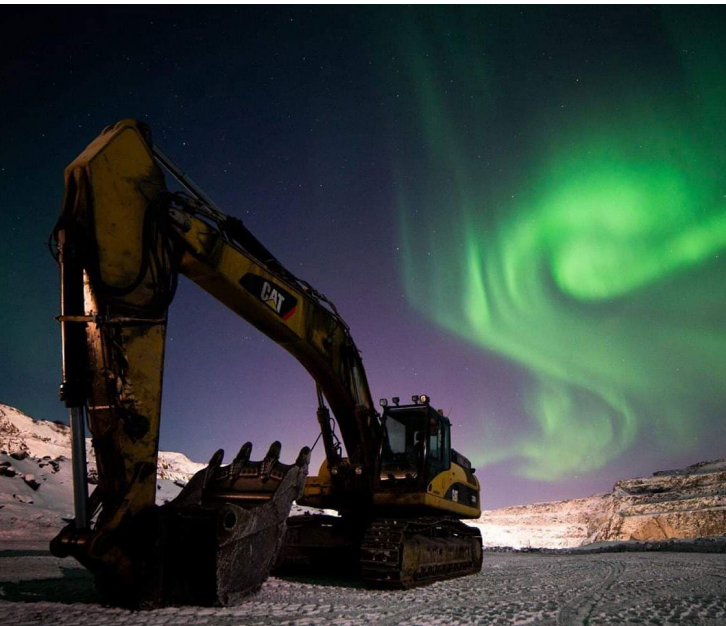
## Tackifier Innovation

In 2021, the intention of the revegetation was to establish dust control on key problematic areas of the tailings. The methods used to accomplish this task were drill seeding and hydroseeding.

Tackifier is an innovative technology introduced to the 2021 vegetation program. Tackifier is an environmentally friendly, 100% organic, non-toxic, and biodegradable product used to stabilize particles and reduce dust. Tacora established a total of 59.2 ha of vegetation using the drill seed method and approximately 18.2 ha using the hydroseeding or tackifier method on various exposed tailings areas.

The hydroseed mix design that was used in the 2021 program:

❏ <b>Wood Mulch</b>	2000 LB/HA
❏ <b>Paper Mulch</b>	2500 LB/HA
❏ <b>Compost</b>	5510 LB/HA
❏ <b>Tackifier</b>	22 LB/HA
❏ <b>Seed</b>	827 LB/HA
❏ <b>Wood Pellet</b>	800 LB/HA
❏ <b>Fertilizer</b>	220 LB/HA

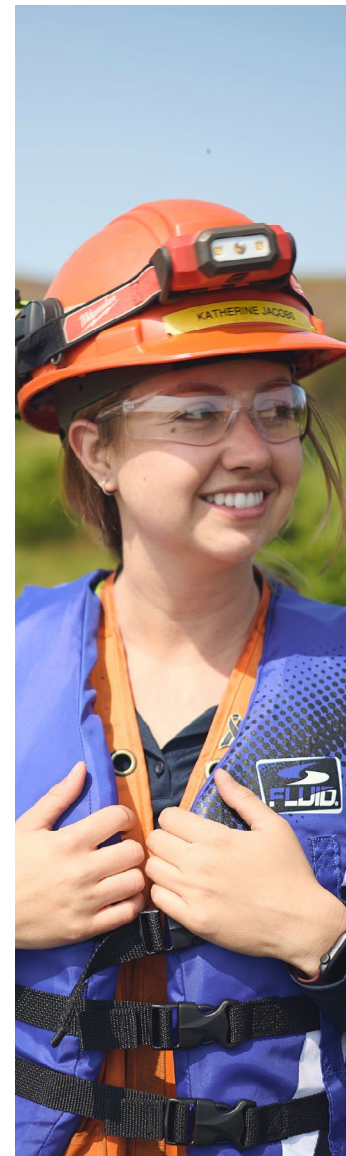
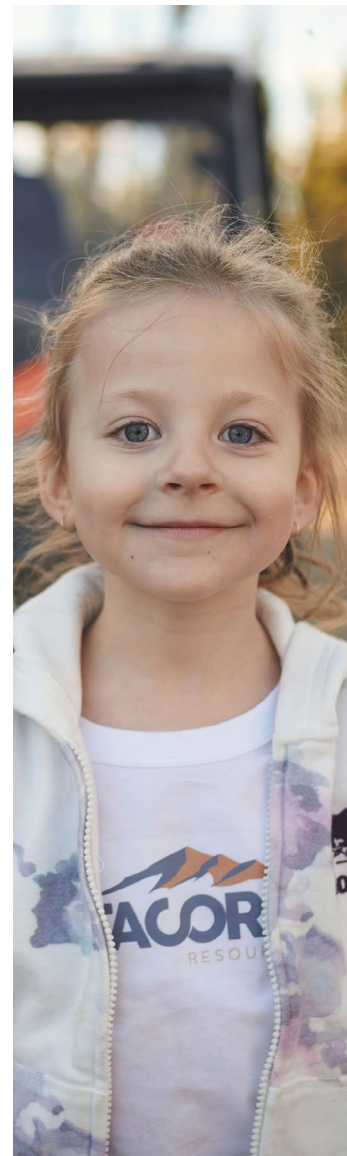
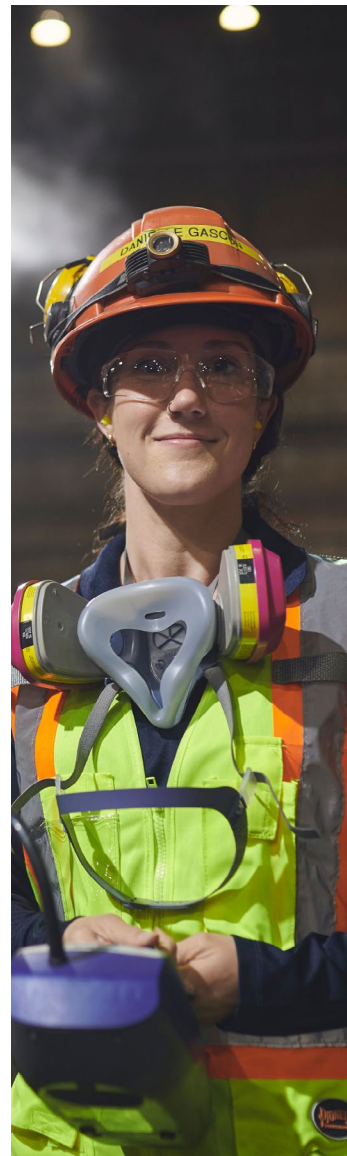


## Future Growth

### Sydvaranger Mine Acquisition (Update)

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 longlife 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.





# People

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# Human Resources / Rights

At Tacora - Scully Mine, a team of 372 resilient, skilled, and dedicated employees are at our core. Our values are the foundation of the Company, and within our high-performance culture, 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 grow and prosper sustainably. We are committed to ensuring an inclusive and diverse work environment.

We firmly believe that our employees are the foundation of our business success, and our accomplishments in 2021 are testament to their hard work, dedication, and commitment to delivering on our business strategy.



4000+

people strong



We set employee standards that are aligned to our company’s values and 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 and provide them with opportunities to succeed. Our Respectful Workplace Policy/ Code of Conduct outlines our expectations for employee behaviour.

In 2021, 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.





# Human Resources

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 372 employees in 2021. Tacora relocated a total of 78 employees to Lab West in 2021.

- ✦ Labrador West/Labrador Region – 229 (96% Local)
- ✦ 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 their respective market.



## Co-Op & Summer Student Employment Program

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

### Co-Op Students

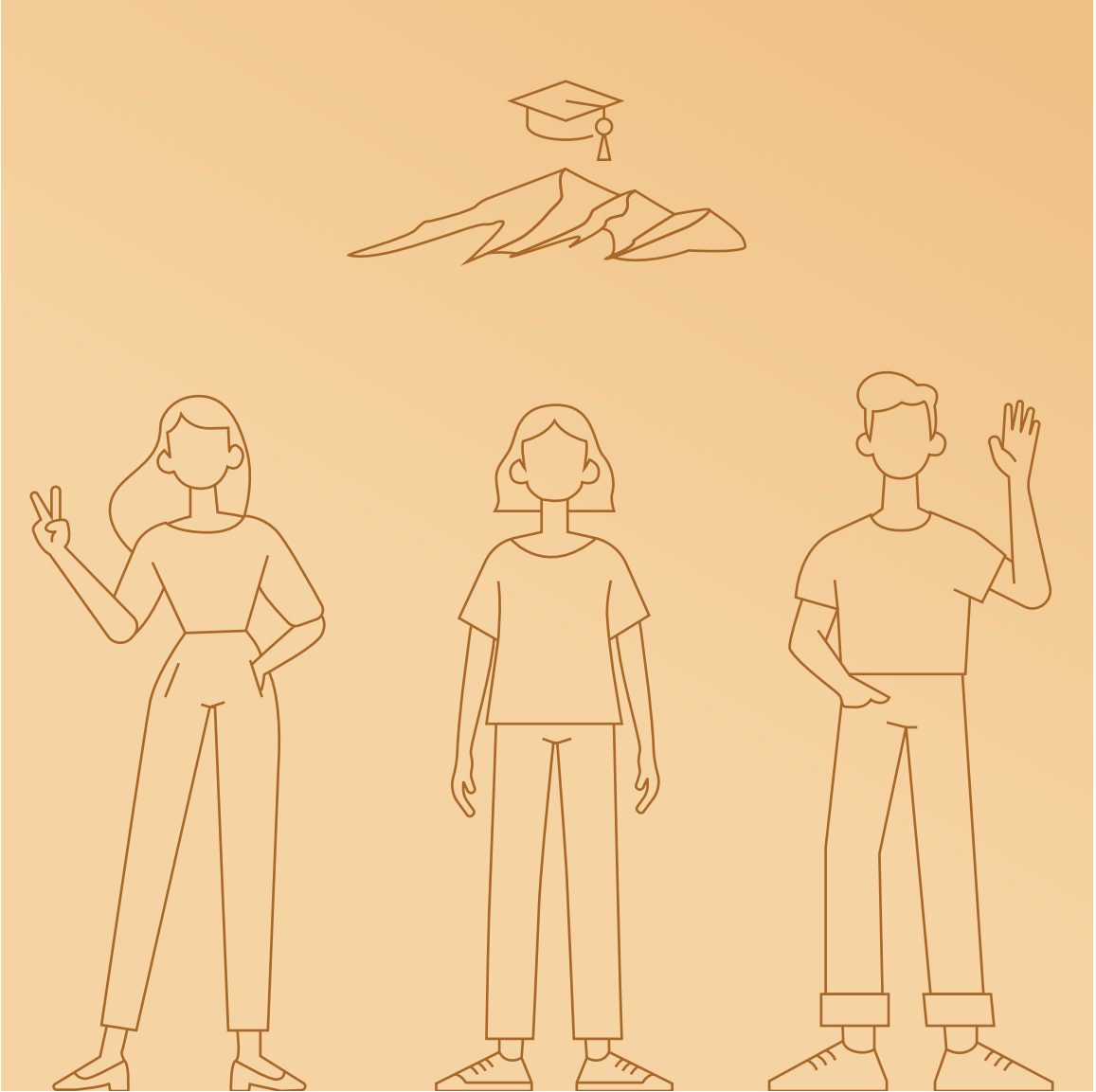
Starting in 2021, Co-op students enrolled in 2nd to 4th year mining engineering, business, or geology degree programs that are hired by Tacora, will be responsible for a variety of tasks, some of which will include: following safe work practices, data analysis, administrative support tasks, and supporting employees in project planning, monitoring key performance indicators, surveying, and reporting.

Tacora applies a long-term approach to hiring coop 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 2021, 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





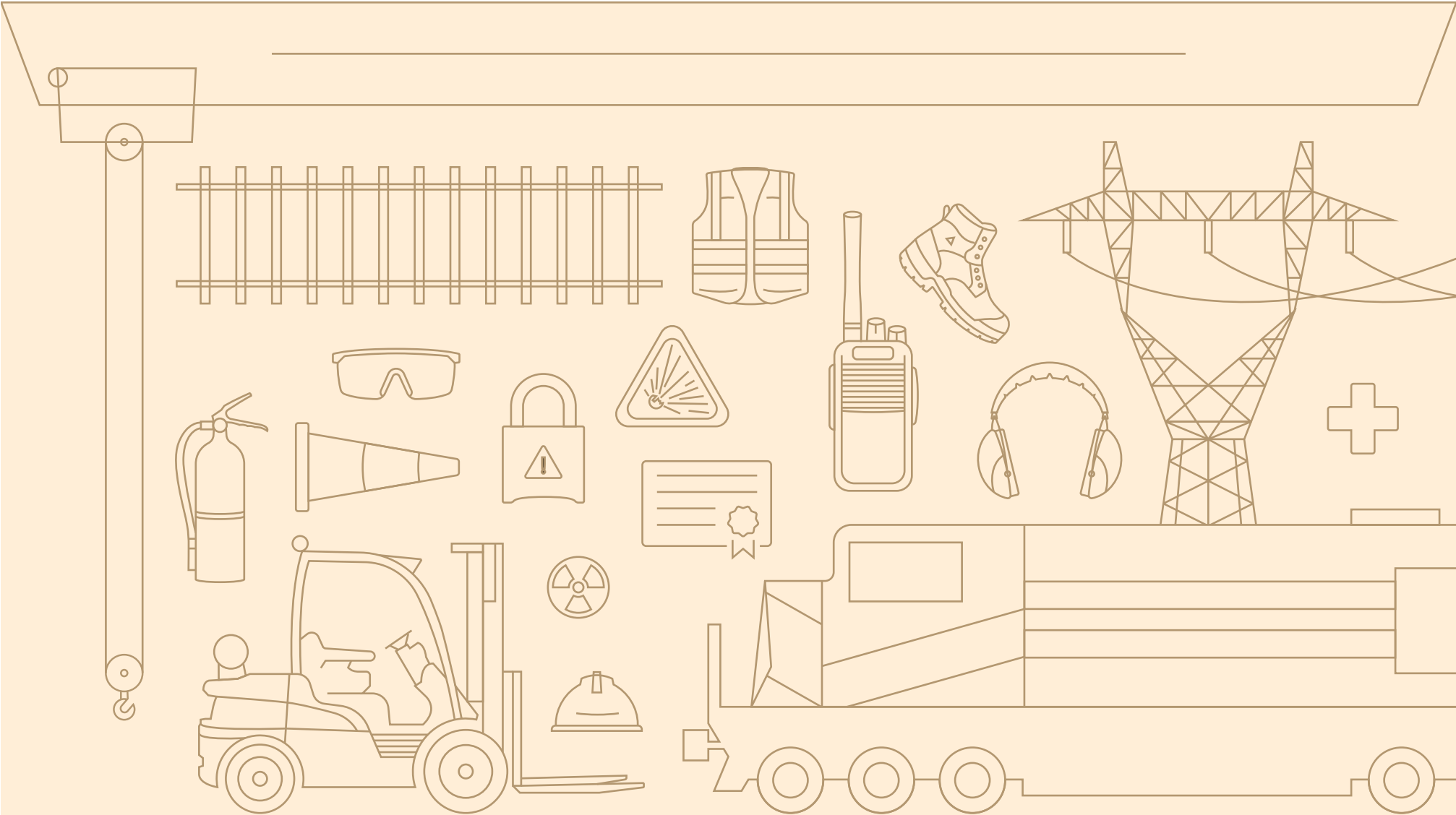
# Training

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.



## Current professional development training:

- |  |  |  |   |
|--|--|--|---|
| <ul style="list-style-type: none"><li>✦ Aerial Work Platform</li><li>✦ Apprenticeship Training</li><li>✦ Confined Space Entry</li><li>✦ Confined Space Fall Arrest</li><li>✦ Emergency First Aid/CPR/AED</li><li>✦ Fall Protection</li><li>✦ Fire Extinguisher Awareness</li></ul> | <ul style="list-style-type: none"><li>✦ Forklift Safety</li><li>✦ Isolation Officer</li><li>✦ Job Specific Training</li><li>✦ Joint Occupational Health &amp; Safety Committee</li><li>✦ Lockout and Tagout</li><li>✦ Mine Pit Permit</li><li>✦ OHS Site Orientation</li></ul> | <ul style="list-style-type: none"><li>✦ Overhead Crane Safety</li><li>✦ Personal Lock Holder</li><li>✦ Power Line Hazards</li><li>✦ Radiation Officer</li><li>✦ Radiation Safety</li><li>✦ Rigging</li></ul> | <ul style="list-style-type: none"><li>✦ Skid Steer</li><li>✦ Standard First Aid</li><li>✦ Supervisor Health &amp; Safety</li><li>✦ Transportation Of Dangerous Goods</li><li>✦ Telehandler Training</li><li>✦ WHMIS</li></ul> |
|--|--|--|---|



# Inclusion & 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.

25%  
of all positions  
held by women

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.



## The Importance of Diversity & 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

>3%  
Indigenous

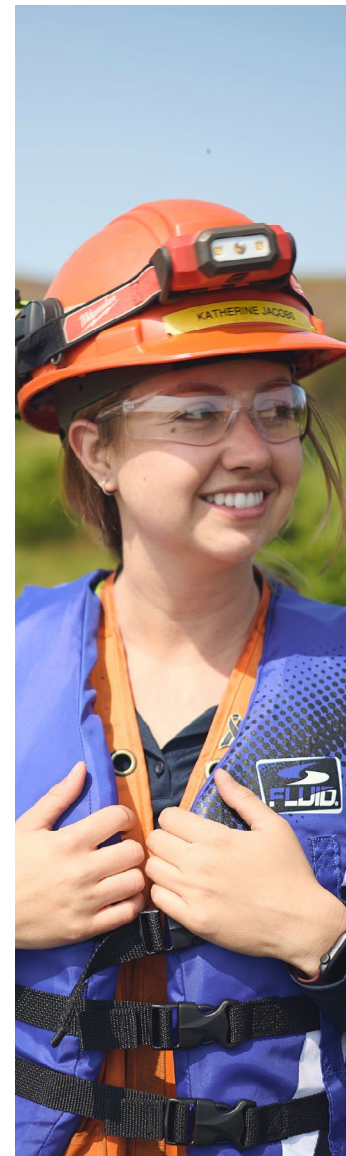
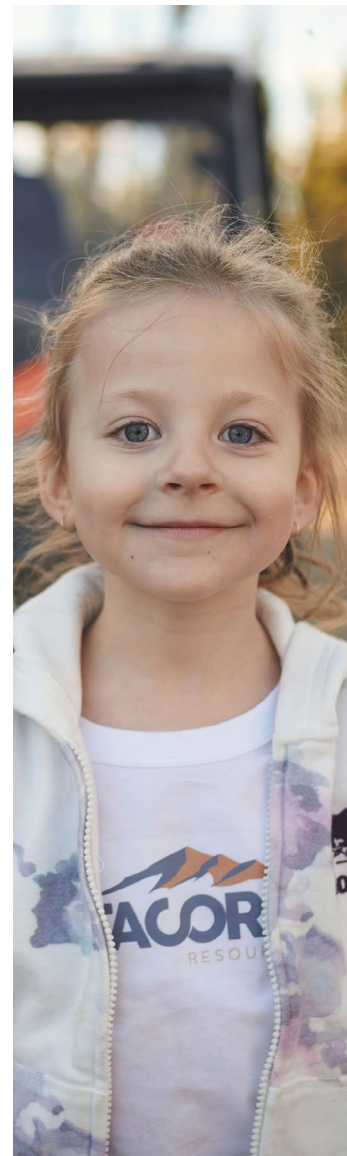
objectives. We are working closely with all our teams to build an increasingly diverse and inclusive business by embedding inclusion

into all aspects of leadership and the workforce experience.

Tacora's commitment to diversity and inclusion includes:

- ✦ Collaboration and Accountability
- ✦ Supportive and Inclusive Work Culture
- ✦ Employment Targets
- ✦ Communications
- ✦ Continuous Improvement
- ✦ Procurement Targets





# Health & Safety

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# Our Approach

Tacora is committed to its employees. 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.




## Leadership



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



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



Our leaders uphold our beliefs, values, and standards.

### 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.

### 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.

### 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.

### 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.

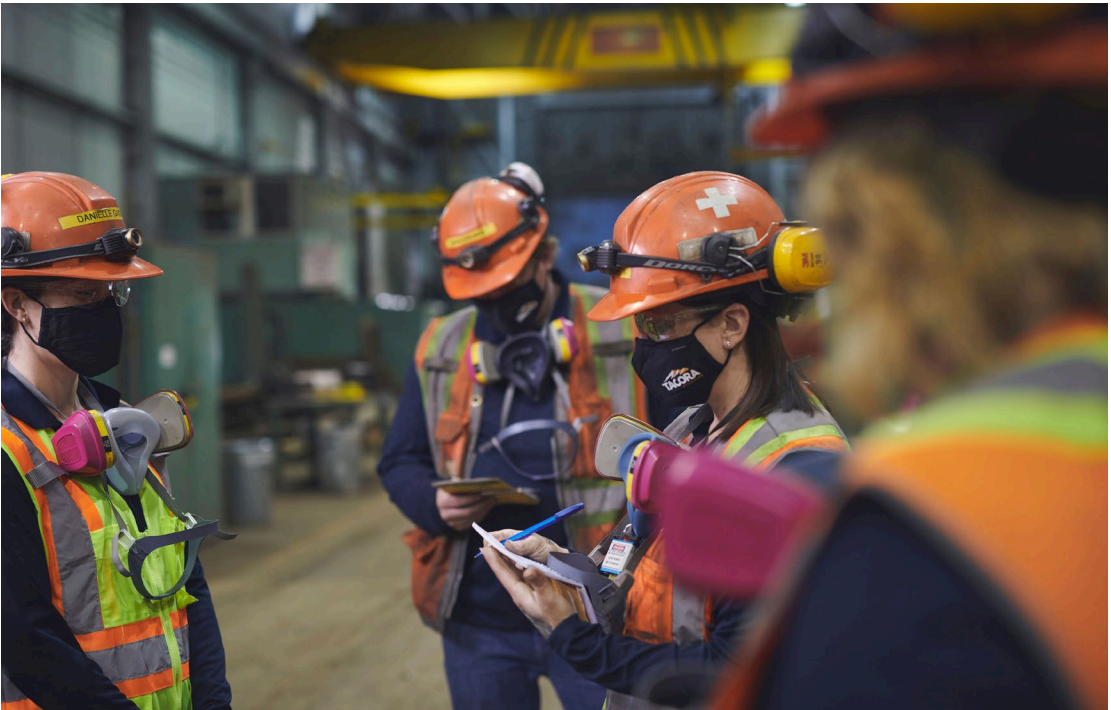


# Performance



Improvements have been 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.

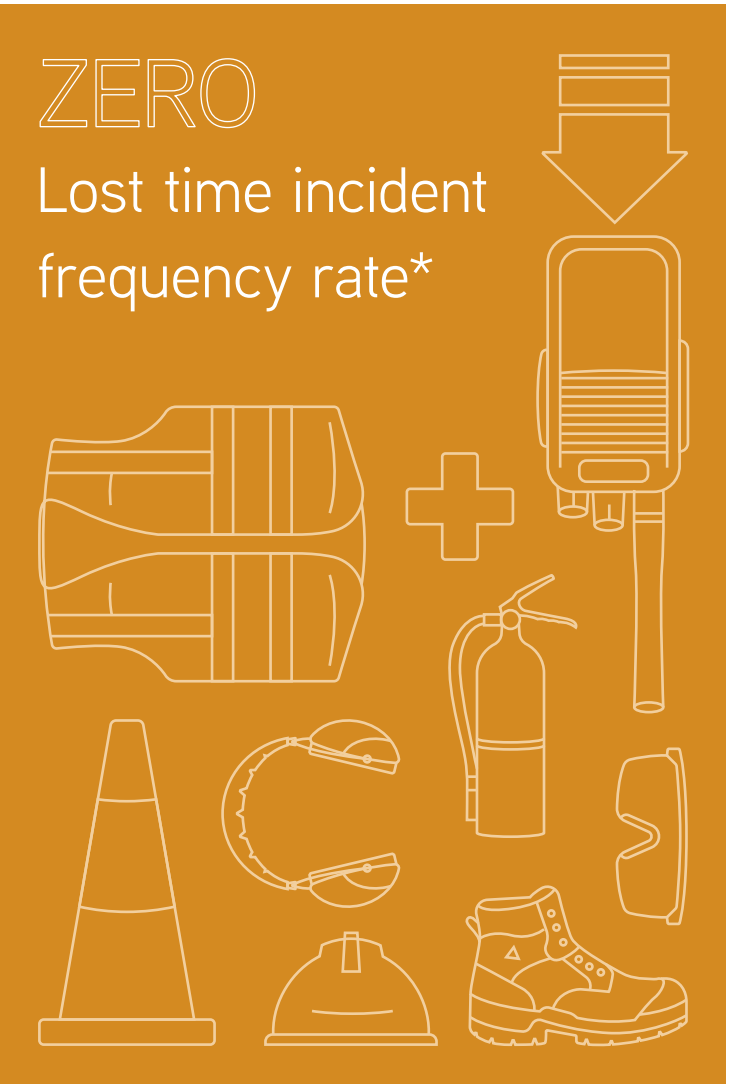
Efforts will be to always focus on awareness and understanding by employees and leaders that all incidents are preventable, and employees are empowered to make the right decisions towards carrying out tasks safely. The communication of monthly incidents and quality safety interactions have been established to provide a focus on HSE. Also, 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.



↓  
All-injury frequency rate  
down from 3.20 to 3.10

- Lost Time Claims by Nature of Injuries**
- ✦ Traumatic injuries to muscles, tendons, ligaments, joints, etc.
- Sources of Injury**
- ✦ Floors, walkways, ground surfaces
- Types of Incidents**
- ✦ Fall on same level
  - ✦ Other contact with objects and equipment

\*per 200,000 hours worked





# Occupational Health

Tacora has an on-site Primary Care Paramedic as well as trained Advanced Medical First Responders.

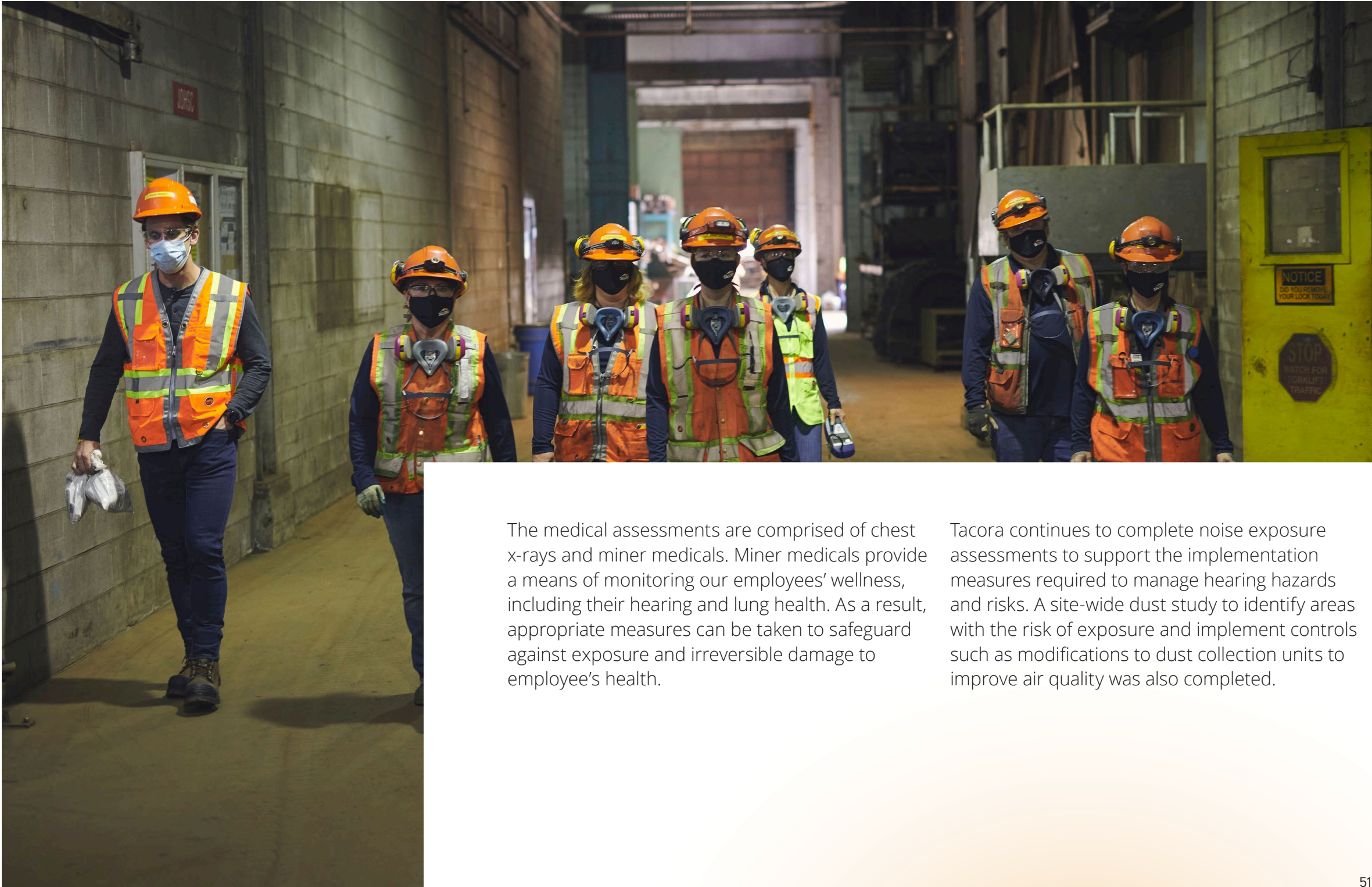
We strive to eliminate all hazards and risks to worker’s health. To accomplish this, occupational hygiene risk assessments and findings are carried out through monitoring and exposure controls, which protect all our employees’ health.

We also recognize 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.

0.0%

Occupational  
Illnesses rate

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.

Tacora continues to complete 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.



## Management – COVID-19

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.

We continue to monitor the COVID-19 situation across Canada and more specifically in the Labrador West region. Currently, we follow the provincial government’s recommendations regarding Close Contacts and Self Isolation. Those affected are required to follow the guidance set forth by Public Health. Physical distancing is still strongly encouraged and although wearing a mask is optional, it too is strongly recommended.



## 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 for 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 system and equipment.

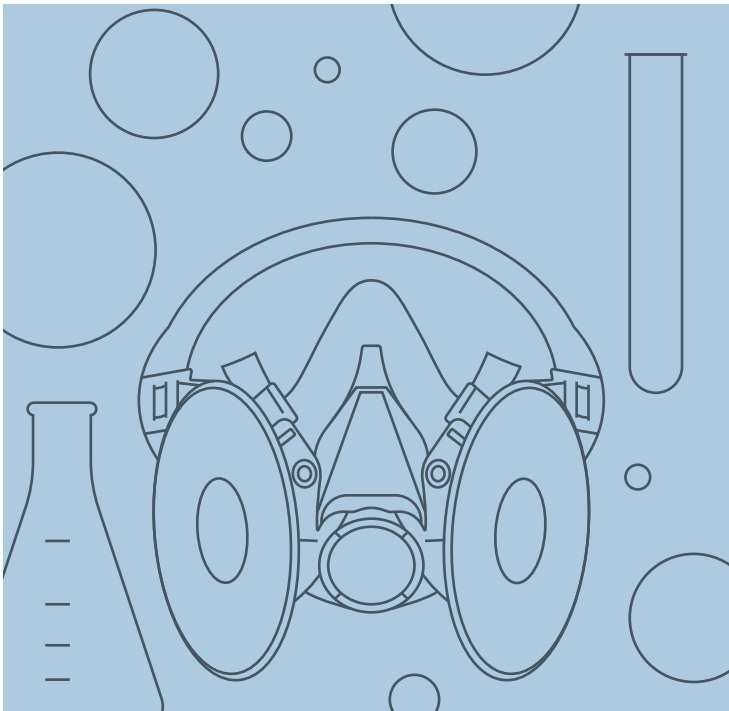


Our emergency response plans are reviewed regularly, and ERP training has been provided for employees and leaders.



# 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 2021, the goal of the industrial hygiene program was to keep our employees and contractors safe. To do this, we collected exposure data, completed inspections and assessments, implemented necessary changes, and removed potential hazards where possible. The information gathered was then used to carry out sampling programs to evaluate, control, and minimize the risk of potential exposures to all workers on site. In addition to planned sampling, monitoring is conducted for those instances where concerns are identified, elevated levels are detected and to support ongoing projects.



30%  
more samples were taken than planned  
to ensure employees and  
contractors are not being exposed  
to industrial hygiene hazards on site.





# 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.



# 2021 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.



## Community Investments

In 2021, Tacora procured a total of C\$239M in goods and services. Of the C\$188M (79%) that was procured locally in Newfoundland and Labrador, C\$184M (98%) was directly procured within the Labrador region.

- ✦ Tacora 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) towards the operating costs of the Mike Adam Recreation Center.
- ✦ 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 2021, Tacora donated to such groups as the Labrador West Minor Hockey, Labrador West Food Bank, Ducks Unlimited, and other non-profit organizations.
- ✦ Tacora agreed to contribute \$25,000 (over 2 years) to the local Salvation Army to help with the restoration and refurbishment of their facilities in Labrador City.
- ✦ Tacora contributed \$25,000 to the Wabush Come Home Year Committee to help with the Come Home Year activities planned for 2022.
- ✦ 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.

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



## Community Relations During COVID-19

During 2021, Tacora maintained a thorough communication strategy with both the Towns of Labrador City and Wabush, mostly through virtual means during the COVID-19 pandemic.

Tacora was part of a Labrador West Community Stakeholders Group that 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.



C\$25,000  
In-kind Contributions



# 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.



# 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, as outlined in our Industrial Benefits Agreement with the province.

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.

100+ Contractor employees hired at any given time

## 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.

80+ Contracted Companies







# Environment

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# Biodiversity

## Biodiversity & 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.



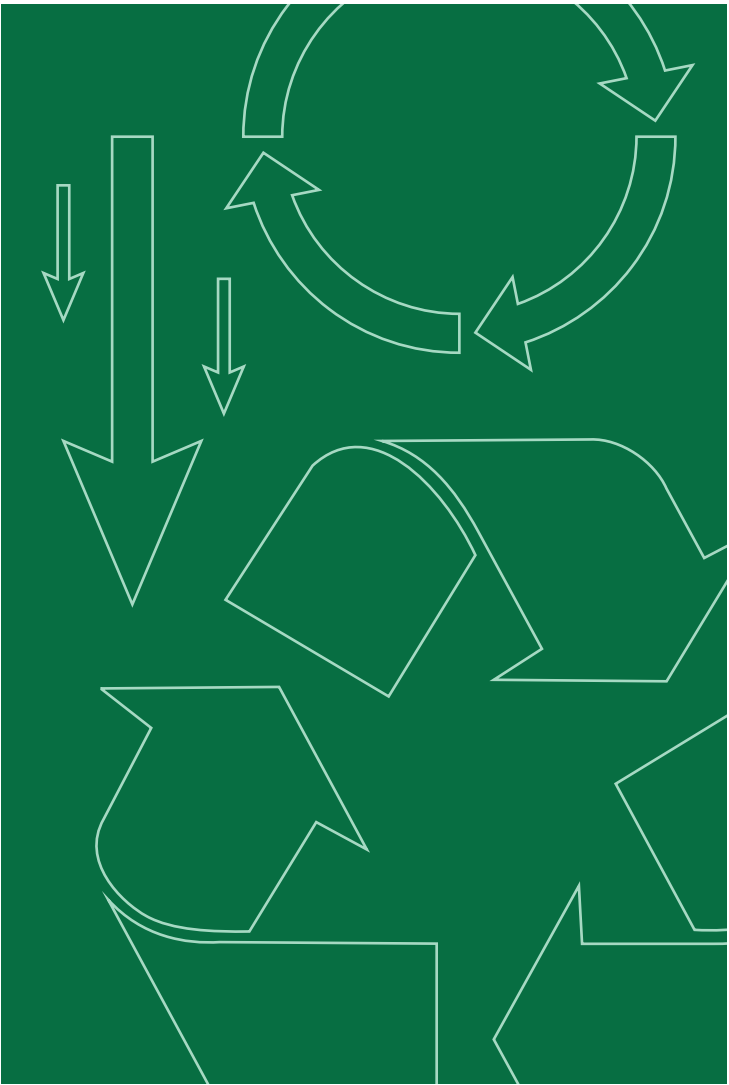
# Revegetation

Tacora’s Rehabilitation and Closure Plan (RCP) 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.



6 duck  
nesting boxes  
were added  
in 2021

# 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.

488.14  
tonnes scrap  
metal recycled

## Our Approach

All waste generated by the Company’s operations in 2021 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.





In 2021, the intention of the revegetation was to establish dust control on key problematic areas of the tailings. The methods used to accomplish this task were drill seeding and hydroseeding.

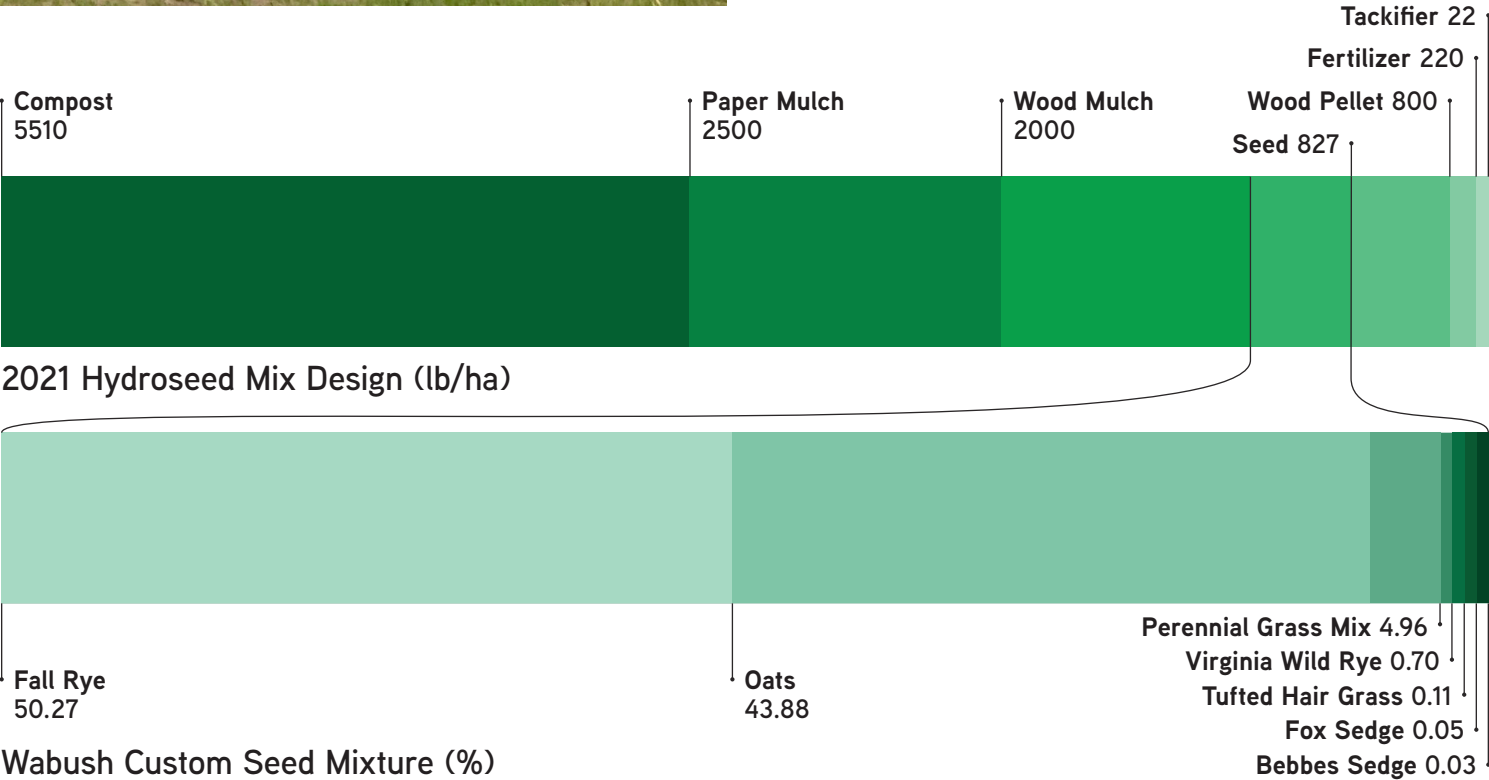
Tackifier is an innovative technology introduced to the 2021 vegetation program. Tackifier is an environmentally friendly, 100% organic, non-toxic, and biodegradable product used to stabilize particles and reduce dust.

Tacora established a total of 59.2 ha of vegetation using the drill seed method and approximately 18.2 ha using the hydroseeding or tackifier method on various exposed tailings areas.

## Tailings Rehabilitation

Flora Basin has been utilized for tailings disposal from the onset of ore processing at the Scully Mine in 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.





# Tailings Safety

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.



## The Scavenger Spiral Project captures more of the fine ore that would normally go to tailings

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.

Nine years of Dike Safety Inspection reports to understand dike stability.

An independent review of tailings operations was completed in 2021

# 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 & 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 and nonregulated 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 2021.

18,026,434 m<sup>3</sup>  
Water withdrawn

0 m<sup>3</sup>  
Municipal water used

## Water Management

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 2021, 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 2021, we have continued to prioritize water stewardship by:

- Identifying projects to reduce freshwater usage,
- Monitoring surface water, groundwater, and discharges to confirm the effectiveness of our environmental protection procedures and 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

7,494,567 m<sup>3</sup>  
Total mine dewatering

317  
Samples collected



We Are Tacora

Environment





# 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.



## Emissions 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, within the 2022 year.

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

- ✦ Reduce
- ✦ Re-use
- ✦ Recycle
- ✦ Re-purpose

## Monitoring & 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. Stack emissions testing was completed during the summer of 2021. 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 (PM2.5).

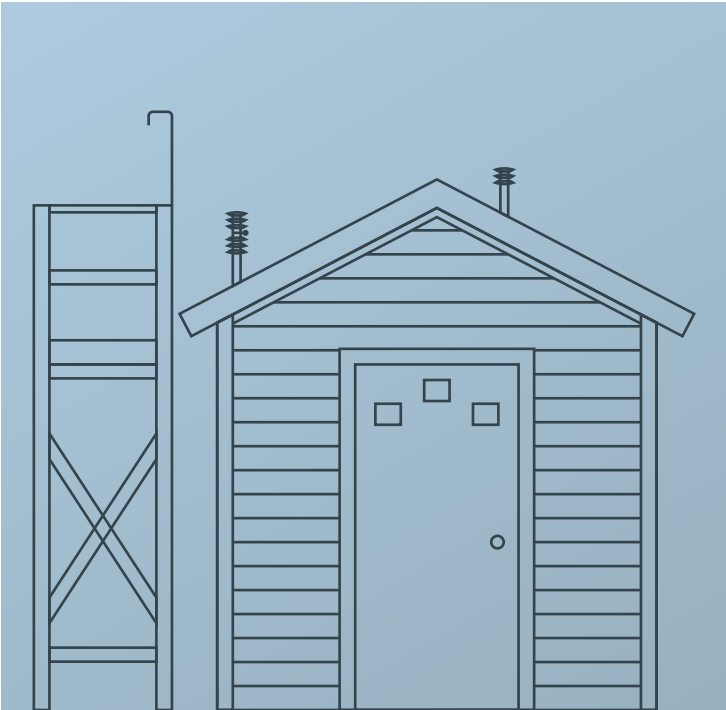
In 2021 site-wide APC assessments & improvements were made, and the TSP BAM at JRS Middle School station was upgraded.



# Compliance

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

ZERO  
Exceedances detected  
in 2021.



**Air surveillance and monitoring are completed by:**

- Continuous air monitoring stations strategically located in the town of Wabush to protect well-being of the community (JRS middle school & provincial building).
- 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 (PM2.5): 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.
- Monitoring results are reported to the NLDECC on an annual basis.

Tackifier is an innovative technology employed to reduce dust.

# 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
- ✦ Re-evaluating 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 2021 GHG emission inventory, calculated in terms of carbon dioxide equivalents, was dominated by stationary combustion equipment used in mineral processing operations.

Findings from the 2021 GHG emission inventory will be used to establish a baseline for the Mine and assess emissions intensities.

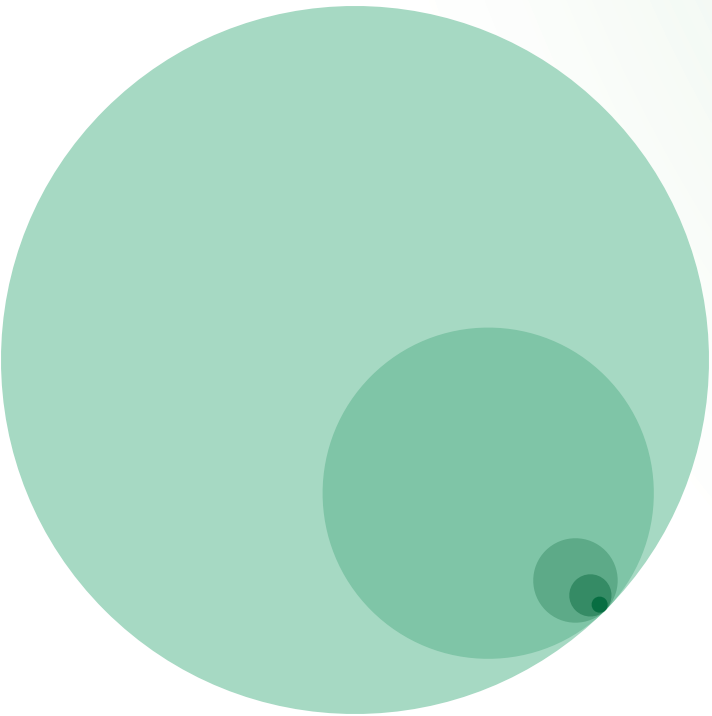


100%  
Renewable hydropower

## Energy

In 2021, we consumed 2,607 terajoules (TJ) of energy (i.e., electricity and fuels) at Scully Mine. Approximately 43% of our energy requirement was fulfilled by renewable hydroelectric power.

Energy Source	Consumption (TJ)
Hydroelectricity	1,125
Oil (#6 FO & Used)	1,004
Diesel	472
Propane	1
Gasoline	5



## Emissions (Tonnes CO<sub>2</sub>e)

- ✦ 73,350 Stationary Combustion
- ✦ 34,316 Transportation of Ore & Waste Rock
- ✦ 8,748 Electricity
- ✦ 1,867 Explosives
- ✦ 353 Mobile Combustion



# Rehabilitation & Closure

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:

Tacora knows mining is a temporary use of the land.



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



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



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

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 RCP is designed to include operation into 2033. Considering ore reserves are available for mine operation beyond 2047, the RCP is intended to be a living document that will undergo internal annual reviews and revision, as well as resubmission to the Provincial government of Newfoundland and Labrador, 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.



# Performance Information



## Environmental Permitting & 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.

Reporting is an important part of this compliance. During the 2021 year Tacora reported the following: 16 spills, 7.047M tonnes of tailings deposited, nine TSS exceedance reports, and 13,389,386 tonnes of waste rock generated.

# Approvals (Major & Ancillary)

## 2021

### 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

### 2 Ancillary Approvals Obtained:

- Town of Wabush Building Permit
- Water Resources Permit

## Six Major and Ancillary Approvals for 2021



## 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





# Economic Performance

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## Financial Overview

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.

Revenue is driven by the amount of product delivered to customers, global iron ore spot prices, certain customer specific discounts and premiums, and a variety of other factors, such as commodity prices, freight costs, and the iron and moisture content of our finished products.

US\$6.9M  
Mining Taxes<sup>3</sup>

US\$1.3M  
Municipal Taxes Paid<sup>1</sup>

Maintaining a high level of total material mined, plant throughput and iron recovery, as well as managing costs, is critical in keeping our production costs low and determining our financial results. We invest heavily in maintaining our equipment and training our employees to ensure that the mine and plant remain fully operational.

The Scully Mine shipped an aggregate amount of approximately 3.1 million tonnes of concentrate at a blended average FOB Cash Costs Pointe Noire of \$87 per tonne for the year ended December 31, 2021.

US\$46.7M  
Salaries and Benefits<sup>2</sup>

- 1. Land Tax
- 2. Includes all employees
- 3. Total 2021 Mining Taxes Paid to Government. Includes NALCO and the withholding portion of Knoll Lake and MFC.





# Investor Relations

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

- ✦ Proterra Investment Partners LP,
- ✦ Aequor Holdings LLC,
- ✦ Cargill, Inc.,
- ✦ Orion Mine Finance,
- ✦ Titlis Mining AS, and
- ✦ MagGlobal LLC.

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 second 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.

Tacora's primary objective when managing capital is to safeguard the business as a going concern, while maximizing returns for shareholders. In a cyclical and capital-intensive industry such as mining, maintaining a strong balance sheet and a sound financial risk management framework are desirable to preserve financial flexibility and generate shareholder value through the cycle. In practice, this involves regular reviews by the board of directors and senior management of Tacora. These reviews consider Tacora's strategic priorities, economic and business conditions, and opportunities that are identified to invest across all points of the commodities cycle.



To maintain a strong balance sheet, Tacora considers various financial metrics including net gearing ratio, the overall level of borrowings and their maturity profile, liquidity levels, total capital, cash flow, earnings before interest, depreciation, and amortization costs EBITDA and other leverage ratios such as net debt to EBITDA.



# 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.

C\$1.84M  
Directly procured within  
the Labrador region

# 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.



# Environmental, Social, & Governance (ESG)



## Environmental

- ✦ Tacora takes pride in responsible environmental management. Our operations are designed to limit ecological effects to the lands where we operate.
- ✦ Tacora maintained regular communications with the towns and government on the progress of dust control measures for its Tailings and Mine sites.
- ✦ 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.
- ✦ Tacora is an active member of the Labrador West Chamber of Commerce.
- ✦ 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

<b>5G</b>	Fifth Generation
<b>C\$</b>	Canadian Dollar
<b>US\$</b>	United States Dollar
<b>APC</b>	Air pollution control
<b>CEO</b>	Chief Executive Officer
<b>CofA</b>	Certificate of Approval
<b>COVID-19</b>	Coronavirus Disease-2019
<b>DECC</b>	NL Department of Environment and Climate Change
<b>dmt</b>	Dry Metric Tonne
<b>EBITDA</b>	Earnings Before Interest, Taxes, Depreciation, and Amortization
<b>EEM</b>	Environmental Effects Monitoring
<b>ERP</b>	Emergency Response Plan
<b>ESG</b>	Environmental, Social and Governance
<b>FIFO</b>	Fly-in Fly-out
<b>FOB</b>	Free On Board
<b>GEIDP</b>	Gender Equity, Inclusion & Diversity Plan

<b>GHG</b>	Greenhouse Gas
<b>GMS</b>	G Mining Services, Inc.
<b>ha</b>	hectares
<b>HSE</b>	Health, Safety and Environment
<b>HTTTP</b>	High Tension Tailings Transfer Pump
<b>IBA</b>	Impact Benefits Agreement
<b>IET</b>	NL Department of Industry, Energy and Technology
<b>km</b>	kilometers
<b>LTE</b>	Long-Term Evolution
<b>MDMER</b>	Metal and Diamond Mining Effluent Regulations
<b>Mt</b>	Million tonnes
<b>Mtpa</b>	Million tonnes per annum
<b>MOA</b>	Memorandum of Agreement
<b>N95</b>	Not resistant to oil (95)
<b>NL</b>	Newfoundland and Labrador
<b>PAL</b>	Provincial Airlines
<b>PM</b>	Particulate Matter



<b>RCP</b>	Rehabilitation and Closure Plan
<b>SARS</b>	Severe Acute Respiratory Syndrome
<b>SO<sub>2</sub></b>	Sulfur Dioxide
<b>SQT</b>	Safe, Quality Tonnes
<b>TPM</b>	Total Particulate Matter
<b>TSP</b>	Total Suspended Particulate
<b>UHF</b>	Ultra high frequency
<b>VHF</b>	Very High Frequency
<b>VoLTE</b>	Voice over LTE
<b>WHMIS</b>	Workplace Hazardous Materials Information System
<b>wmt</b>	Wet Metric Tonne

