



O3 Mining

POSITION PAPER

**PRESENTED AS PART OF THE PARTICIPATIVE
APPROACH TO THE HARMONIOUS
DEVELOPMENT OF MINING ACTIVITIES**

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ORGANIZATION IDENTIFICATION

Organization	O3 Mining
Activities	Mining exploration and development
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EXECUTIVE SUMMARY

O3 Mining is a gold exploration company and production-ready mining developer with promising gold camps in Quebec. Having its operations headquartered in Val-d'Or, O3 Mining, the new generation of mining explorers, develops projects that integrate positively on a local and regional scale, both in terms of sustaining jobs and of the Abitibi- Témiscamingue environmental and socio-economic ecosystem.

O3 Mining reflections on the themes of the participatory approach

Activities can coexist on the territory. This cohabitation can only be possible if the various users of the territory collaborate and engage in dialogue to enable a real conciliation of uses. The burden of harmonizing uses cannot be placed solely on explorers and operators. **The government must play a more active role in communicating the distinct nature of each use.**

In Quebec, the social acceptability of mining projects has become essential for society. For O3 Mining, social acceptability is evolving and is at the very core of our daily actions. **Without social acceptability, no project can go ahead.** Greater public awareness of the existing regulatory framework would facilitate the acceptability of mining projects. To achieve this, it is **vital that the government raise awareness and disseminate the existing regulatory framework.**

As mentioned, the legislative and regulatory framework for mining activities is complex and poorly communicated to the general public. The same applies to the process of granting mining claims and the obligations that go with it. **It is therefore important to raise awareness of the legislative and regulatory framework, the process for granting and monitoring claims, and the work that follows.** In addition, a higher **barrier to staking through a financial capacity check** would limit speculative interest and boost the average investment ratio per claim.

Better coordination and integration of the various project consultations would make them more effective. What's more, better communication and alignment of consultation processes by all levels of government are needed.

Quebec's mining industry has made great strides in recent decades, improving its resource management practices, continually reducing its ecological footprint and developing an ESG responsibility approach that is now considered a model in Canada. We should also note the growing demand from investors in terms of ESG requirements and compliance to these criteria by the mining industry.

A mining project requires 660 permits and authorizations from the provincial government. These figures do not include federal government permits.¹ We reiterate the importance the government must place on disseminating this rigorous environmental regulatory framework in order to encourage public support and buy-in to current practices.

¹["Québec veut faciliter le démarrage de nouvelles mines", Radio-Canada, 31 janvier 2019](#)

Beyond the regulatory framework, the mining industry is implementing good environmental, social and governance (ESG) practices. In 2022 alone, O3 Mining invested over \$2.2 million in ESG best practices beyond its regulatory obligations.

In 2020, the mining industry contributed to maintaining more than 48,000 jobs and nearly 4,900 suppliers in Quebec. In total, annual expenditures by mining companies amounted to \$11.2 billion, with a payroll of \$1.9 billion in the mining and mineral exploration sectors. **In Quebec, O3 Mining alone has contributed to the employment of 42 people and investments of over \$91 million since its creation.**

The benefit sharing system introduced by the Quebec government does not allow for mining activities does not allow host communities or Indigenous communities to benefit from a fair share of government mining royalties. **We also believe that royalties should be redistributed equitably to RCMs, municipalities and Indigenous communities where mining projects are being developed.**

TABLE OF CONTENTS

ORGANIZATION IDENTIFICATION.....	1
EXECUTIVE SUMMARY	2
1. About O3 Mining.....	5
<i>A Qualified Team</i>	<i>5</i>
<i>Promising Projects</i>	<i>5</i>
2. O3 Mining reflections on the themes of the participatory approach.....	6
<i>2.1 Harmonizing activities across the territory, social acceptability and predictability of mining activity.....</i>	<i>6</i>
<i>2.2 Governance and the mining regulations.....</i>	<i>7</i>
<i>2.3 Mining activities legal framework for environmental and health protection.....</i>	<i>7</i>
<i>2.4. Benefits of mining activities.....</i>	<i>8</i>

1. About O3 Mining

O3 Mining, created in 2019, is a gold explorer and mine developer on the road to produce from its highly prospective gold camps in Québec, Canada. O3 Mining's mission is to be a premier gold exploration and mine development company by delivering superior returns to our shareholders and long-term benefits to our stakeholders and Indigenous communities. Our vision is to become a best-in-class gold producer.

Having its operations headquarters in Val-d'Or, O3 Mining, the new generation of mining explorers, develops projects that integrate positively into the local and regional economies, both in terms of job sustainability and the Abitibi-Témiscamingue environmental and socio-economic ecosystem.

A Qualified Team

O3 Mining management team brings a diversity of perspectives, talents and professional knowledge, with extensive expertise in exploration, construction, mine development and sustainable development. They provide strategic leadership to propel the organization forward and ensure the success of its projects. At the heart of the team's practice is respect for fundamental values, including health and safety, work ethics, unity, integrity, respect and responsibility. These values guide the company's priorities and are central to decisions and practices throughout the organization.

Promising Projects

In Quebec, the Marban mining project is a gold project at the development stage of techno-economic and environmental studies, located in the municipalities of Val-d'Or and Malartic. Current studies project a mine life of 9.6 years, with average annual production of 161,000 ounces. Total estimated resources for the Marban project are 2.6 million ounces of gold.

Located in Val-d'Or, the Alpha property is at the advanced exploration stage (0.9Moz AU). The property has been explored by various operators since the early 1930s.

The Horizon, Peacock, Regcourt, Louvem, Launay, Eleonore-Opinaca, Sleepy, Kan, Harricana and in Ontario, the Matachewan projects are in the early exploratory phases.

2. O3 Mining reflections on the themes of the participatory approach

2.1 Harmonizing activities across the territory, social acceptability and predictability of mining activity

It is possible for activities to coexist in the same territory. This cohabitation can only be possible if the different users of the territory collaborate and dialogue to enable a real conciliation of uses. The burden of harmonizing uses cannot be placed solely on explorers and operators. **The government must play a more active role in communicating the distinct nature of each use.** A better understanding of uses will enable the identification of avenues for reconciling potential and future uses. The Sigeom geomining information platform and the Gestim mining title management platform are widely used by the industry and contain information that is relevant to stakeholders. Nevertheless, these platforms remain complex for the uninitiated. **The government could promote transparency in mining activities by facilitating access to information.** We recognize that the Mining-incompatible territories policy could be a tool for harmonizing mining activities. We believe it would be beneficial for the criteria and operation of this mechanism to be more transparent and more widely disseminated.

At O3 Mining, we have taken a proactive approach to consulting and discussing with various users, including hunters, snowmobile clubs, businesses and residents, to be able to modulate, reduce or even suspend our activities according to the information gathered, such as during the hunting season. Suspending field work during hunting season is an interesting example of cohabitation and respect for other land users.

In Quebec, the social acceptability of mining projects has become essential for society. Respect for host communities is essential throughout the process of developing and implementing a mining project. For O3 Mining, social acceptability is evolving and is at the very core of its day-to-day actions. In concrete terms, this is expressed by the transmission of information on the progress of its project, by the hosting of public meetings and by actions and concrete measures aimed at preventing or addressing concerns that have been expressed. **Without social acceptability, there is no way a project can move forward.**

The responsibility for determining social acceptability lies with governments. We invite all stakeholders, host communities and indigenous communities to actively participate in environmental and social assessments to identify the strengths and changes needed to enable informed decision-making by governments. O3 Mining, like many mining companies, invests time and money to foster the development and maintenance of good relations with various stakeholders in the host communities of its projects. We note that the complexity and lack of information and communication regarding project authorization processes are a hindrance and, unfortunately, give rise to misunderstanding and even mistrust on the part of stakeholders. Greater public awareness of the existing regulatory framework would facilitate the acceptability of mining projects. To achieve this, it is **vital that the government raise awareness and disseminate the existing regulatory framework.**

A harmonious development of mining activity that ensures both social acceptability for communities and predictability for companies requires clear processes and laws, conducive to investment and the development of responsible mining projects.

2.2 Governance and the mining regulations

As mentioned, the legislative and regulatory framework for mining activities is complex and poorly communicated to the general public. The same applies to the process of granting mining claims and the associated obligations. A claim confers an exclusive right to explore on its owner. It can then be renewed if the work is carried out in compliance with all the obligations of the Mining Act and other laws governing mining activity. Many years, even decades, will elapse between the first work, a discovery and the definition of a deposit that could lead to the granting of a mining lease. At every stage of a mining project, the initiators have an obligation to inform and consult the populations living near the projects, in order to take their concerns into account. **It is therefore important to raise awareness of the legislative and regulatory framework, the process for granting and monitoring the issuance of claims, and the work that follows.**

The growing number of mining claims has contributed to public concern over the mining industry. A significant number of mining claims are held by individuals or small entities with purely speculative objectives, who have neither the means nor the intention of carrying out exploration activities. **A higher barrier to staking through a financial capacity check would limit the speculative appeal and boost the average investment ratio per claim.**

Better coordination and integration of the various project consultations would make them more effective. What's more, consultation processes at all levels of government need to be better communicated and aligned. In addition to being consulted at several levels and stages of a project, the general public is currently, and rightly so, confused about the stages and processes involved. This creates confusion, mistrust and discontent. The participatory approach is intended as a tool to improve harmonization, projects and acceptability, but the lack of clarity on the various consultations makes this tool ineffective. The multiplicity and duplication of consultation processes are not beneficial to either the mining companies or the host communities.

2.3 Mining activities legal framework for environmental and health protection

Quebec's mineral industry has come a long way in recent decades, with improved resource management practices, a steady reduction of its environmental footprint and the development of an ESG responsibility approach that is now a model in Canada.

We should also note the growing demand from investors in terms of ESG requirements and compliance to these criteria by the mining industry. The industry is constantly innovating and seeking to eliminate or reduce the negative impacts of its projects. It is not only a partner in the energy transition, but also a key contributor to change in its own activities.

Mining activities are subject to rigorous legislative and regulatory oversight at both provincial and federal levels. Mining exploration and production companies are subject to several regulatory

processes. **A mining project requires 660 permits and authorizations** from the provincial government. These figures do not include federal government permits.² We reiterate the importance the government must place on communicating this rigorous environmental regulatory framework to the general public, in order to generate public support for current practices.

Beyond the regulatory framework, the mining industry implements good environmental, governance and social (ESG) practices. In this regard, the Mining Association of Canada has developed an initiative entitled Towards Sustainable Mining (TSM), which helps mining companies manage the main environmental and social risks. Meanwhile, exploration companies and their suppliers ensure that they obtain ECOLOGO® certification, which can only be obtained following an external, independent audit of the company's environmental, social and economic best practices.

O3 Mining is the first mining exploration company to achieve full ECOLOGO® certification. This third-party certification confirms that O3 Mining implements environmental, social and economic best practices. **In 2022 alone, O3 Mining invested over \$2.2 million in ESG best practices beyond its regulatory obligations.**

The responsible development of our projects is a cornerstone of our business strategy. O3 Mining has implemented numerous initiatives to reduce the impact of its activities on the environment. It conducts site visits to identify access routes that minimize passage through sensitive environments; it has developed several protocols to minimize the impact of drilling activities, including: procedures for moving equipment, refueling, managing drilling water, managing residual hazardous materials, identifying vulnerable endangered species, identifying invasive exotic species, and working in wetlands; it uses artificial intelligence to target drilling on its properties, which considerably reduces its impact at the exploration stage given that the number of holes drilled is reduced to the bare essentials; it uses wooden mats to minimize soil disturbance; it has a plan for reforestation and revegetation of drilling zones; and it implements mitigation measures such as sound attenuation systems on drills and the spreading of dust suppressants.

2.4. Benefits of mining activities

Québec has the advantage of a rich and diversified subsoil. More organized mining operations, dating back to the mid-19th century, have brought prosperity, innovation and wealth to Quebec society.³ Today, Quebec's minerals provide us with access to diversified, high-quality goods and services.

The mining industry is also a major contributor to the development and diversification of Quebec's economy. The majority of mines are located in northern Quebec, Abitibi-Témiscamingue and Côte-Nord. In addition to contributing directly to the Quebec economy, the mining industry helps finance public services through the payment of taxes by mining companies, as well as by their employees, who enjoy high salaries, averaging \$109,787.⁴ Moreover, according to a study of the economic impact

²["Québec veut faciliter le démarrage de nouvelles mines", Radio-Canada. 31 janvier 2019](#)

³["Québec veut faciliter le démarrage de nouvelles mines", Radio-Canada. 31 janvier 2019](#)

⁴["Retombées économiques de l'industrie minière au Québec, AMQ. Septembre 2022](#)

⁵["Retombées économiques de l'industrie minière au Québec, AMQ. Septembre 2022](#)

of the mining industry published in 2022 by the Québec Mining Association, the Abitibi-Témiscamingue region includes 1,483 suppliers, or 24% of all mining industry suppliers in Québec.⁵

In 2020, the mining industry helped maintain over 48,000 jobs and nearly 4,900 suppliers in Quebec. In total, annual expenditures by mining companies amounted to \$11.2 billion, with a payroll of \$1.9 billion in the mining and mineral exploration sectors. These sums generated \$1.8 billion in tax revenues for the Quebec government. The mining industry thus contributed \$10.5 billion to Quebec's GDP.⁶ Mining projects create high-quality, well-paying jobs, generate investment in public infrastructure and training for the local workforce, as well as improving the quality of the living environment, notably through revegetation measures, in addition to contributing to the vitality of the regions.

In the region of Abitibi-Témiscamingue alone, this represented the maintenance of 4,328 direct jobs with a payroll of \$593 million for the year 2020.⁷ In 2020, the mining industry contributed 30.2% of the region's GDP.⁸

In Quebec, O3 Mining alone has contributed to the employment of 42 people and investments of over \$91 million since its creation.

The Québec government's benefit scheme for mining activities does not allow host communities or indigenous communities to benefit from a fair share of state mining royalties. **We also believe that royalties should be redistributed equitably to RCMs, municipalities and indigenous communities where mining projects are being developed.**

However, measures can be taken to enhance the benefits that host communities derive from mining activity, for example:

- By promoting local sourcing;
- By promoting local hiring of labor and long-term retention of workers in the community through government policies aimed at limiting fly in/fly out, such as:
 - Housing Construction;
 - Attract professionals to provide the services needed to keep the community running, such as healthcare, childcare and education;
 - Set up a support network for newly arrived workers in the host community;
 - Boost cultural, sporting and social life in the host community.
- Plan mine rehabilitation and post-mining land development from the outset of the project, in collaboration with the host community.

⁶ [Québec veut faciliter le démarrage de nouvelles mines", Radio-Canada. 31 janvier 2019](#)

⁷ [Québec veut faciliter le démarrage de nouvelles mines", Radio-Canada. 31 janvier 2019](#)

⁸ ["Diagnostic sectoriel de l'industrie minière du Québec", Comité sectoriel de main-d'œuvre de l'industrie des mines. Avril 2020](#)

Gold: Rising Trends

In 2020 , gold continued to be the leading metal produced in Canada. In fact, its value increased by 15%, despite a 2% drop in production. In addition, seven new gold mines were developed, while only two closed.⁹

In addition, mining companies spent \$534 million in 2020, mainly on exploration and development. Mining companies are investing to extend the lifespan of their exploration sites, which will translate into continued operations and prolonged gold production in Quebec.

Gold prices peaked in 2020 at US\$2,000. These prices lead us to conclude that demand for gold is on the rise, and that it's important to continue investing in Quebec's gold sector.

This increase in demand for gold should be partly met by Quebec deposits, as the framework for mining development there is very rigorous, not only in terms of the environment, health and safety, and respect for human rights, but also in terms of social integration with host communities. **The tonnes of CO₂ equivalent produced per ounce of gold are among the lowest in the world. Transferring this production elsewhere will only exacerbate greenhouse gas emissions and do nothing to fight climate change.**

⁹["Bulletin d'information sur la production minérale canadienne ", Gouvernement du Canada. Décembre 2021](#)