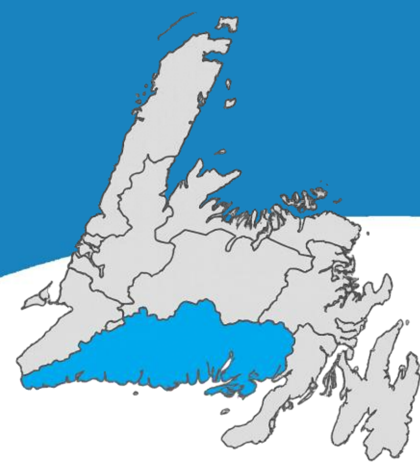
Newfoundland’s South Coast at a Turning Point: An Economic Snapshot of Division 3



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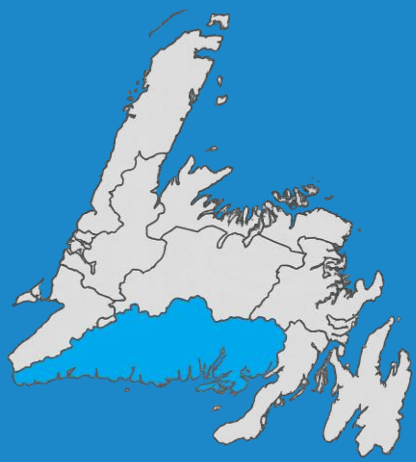

Contents

The Atlantic Economic Council is the source for independent research, providing the insights and ideas that are vital to supporting a healthy, inclusive and sustainable Atlantic Canadian economy.

Newfoundland's South Coast at a Turning Point: An Economic Snapshot of Division 3

Highlights

- Division 3 on the island of Newfoundland relies heavily on fishing, aquaculture and health care sectors, with high unemployment, recorded at 19% in the 2021 Census, and more dependence on government transfers.
- Aquaculture is a vital pillar of the south coast economy, supporting coastal communities through production, investment and local development while driving export-oriented growth in Division 3.
- North Atlantic Fisheries Organization (NAFO) Division 3Ps located adjacent to the south coast of the island, strengthened its role in Newfoundland and Labrador's fishery economy. It increased its share of total landed weight and climbed in provincial rankings, underscoring the region's strategic position as a key contributor to the province's fishing industry.
- High-value species like snow crab and lobster dominated landings in NAFO Division 3Ps, reinforcing the area's economic importance as a premium fishing ground and a vital source of export revenues for Newfoundland and Labrador.
- Division 3 is becoming a key hub for critical mineral exploration, attracting investment in lithium, tungsten and gold. This supports economic diversification, job creation and aligns with the national critical minerals strategy's security goals.
- Above-average compensation levels characterize the sectors dependent on incomes earned near the proposed South Coast Fjords National Marine Conservation Area (NMCA), including aquaculture, fishing and mining.
- Job losses and potential community relocation near the proposed NMCA could reduce government revenues and increase reliance on public support programs.

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Introduction

The Newfoundland and Labrador Aquaculture Industry Association and Mining Industry NL commissioned this report to inform decision-makers about the current economic landscape of Division No. 3, which covers the south coast of the island of Newfoundland. The region relies on marine resources and holds significant mineral potential, with sectors such as fishing, aquaculture and mineral resources playing central roles in local economies and employment. Major renewable energy projects have also been proposed, further shaping the region's evolving economic landscape.

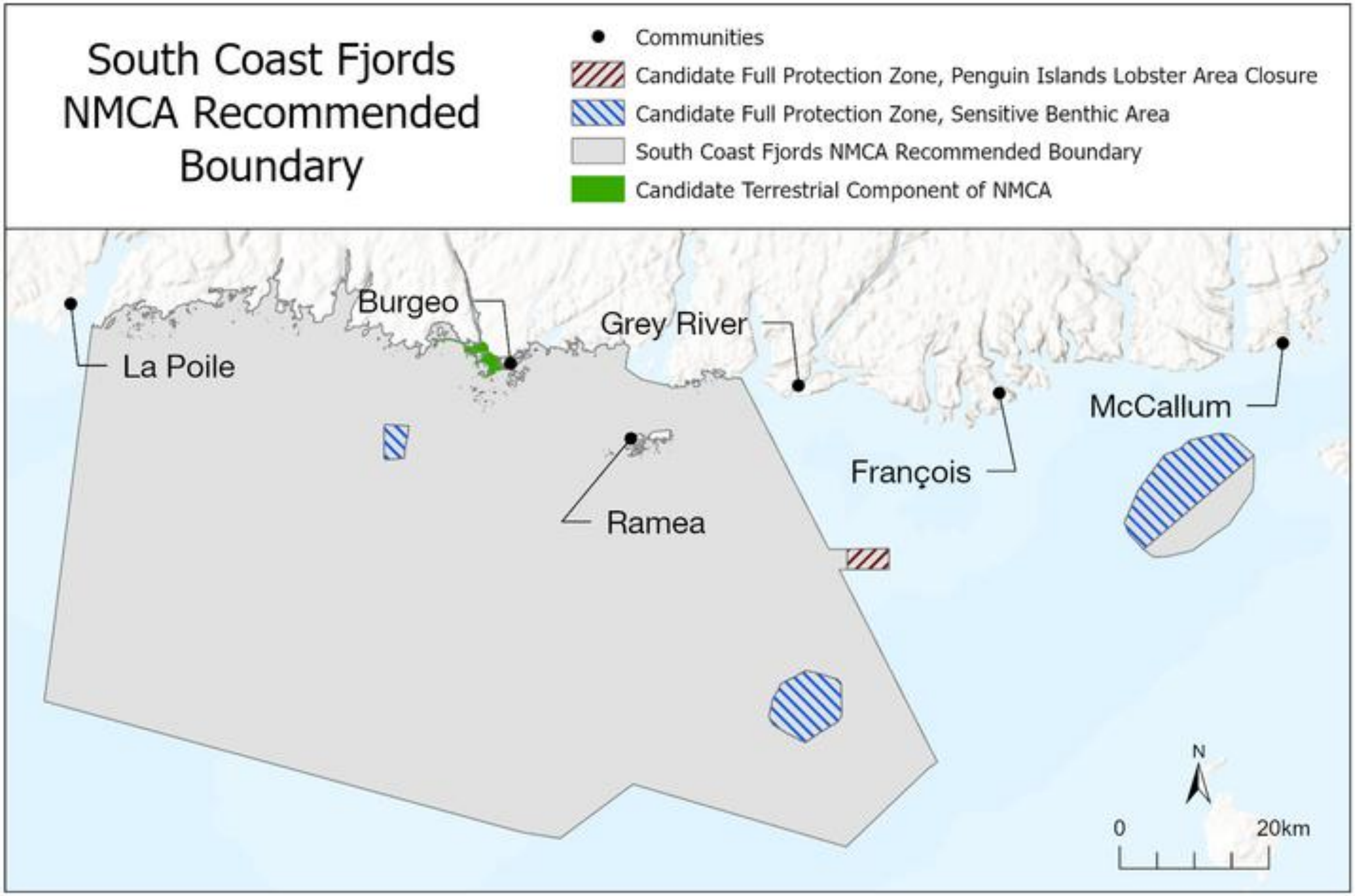
The south coast is currently under consideration for the establishment of a National Marine Conservation Area (NMCA), following a Memorandum of Understanding signed in 2023 by the Government of Canada, the Government of Newfoundland and Labrador, Miawpukek First Nation, Qalipu First Nation and the Town of Burgeo. This potential development raises the importance of having an up-to-date and objective overview of current economic activity in the region.

This report supports informed, evidence-based decision-making by presenting data on the demographic and economic situation of local sectors. It includes information on population, key economic indicators and industry activity.

Historical evidence demonstrates that declines in rural economic activity can have severe and lasting consequences for remote communities. The 1992 cod moratorium marked a turning point in Newfoundland and Labrador's economic history, resulting in over 30,000 job losses and significant out-migration. Although federal support programs helped mitigate some impacts, many communities continue to face long-term challenges. The province's history also includes the effects of policies related to outports, such as the community relocation and resettlement programs. These initiatives reshaped the rural landscape of Newfoundland and Labrador, often due to the decline of economic opportunities in small coastal communities.

This history underscores the importance of careful, balanced decisions when considering changes that may affect the region's core sectors.

This economic snapshot provides reliable, third-party data to support decision-makers. It outlines current employment levels, production volumes, and the presence of processing and resource operations. This information provides a foundation for balanced discussion about the future of the south coast in the context of both economic opportunity and conservation.



Map credit: Parks Canada

Socio-economic overview

Population

The south coast study area (Division 3) has experienced a notable population decline in the years leading up to the 2021 Census. The population fell to just under 14,000, a 10% decrease since 2016 and a 38% drop since 1996. This decline was largely driven by sustained out-migration, with an average of more than 300 individuals leaving the region each year over the past five years. A persistent low birth rate further accelerated the demographic downturn. This situation was compounded by an aging population, as nearly one-third of residents were 65 years or older in 2021.

These dynamics contribute to a range of socio-economic challenges, including labour shortages, rising demand for health care and diminished community vitality. The region is more vulnerable to economic shocks, such as industry restrictions imposed by a NMCA. The south coast study area (Division 3) includes several remote coastal communities, ranging from Pool's Cove, Belleoram and Harbour Breton in the east to Ramea, Burgeo and Channel-Port aux Basques in the west.

Incomes

Income levels in Division 3 remained low across all categories in 2020. The total median income was just over $31,000. A pronounced gender pay gap was evident, with men earning more than $39,000 and women earning just over $26,000, a disparity of roughly 33%. This income gap extended to employment and market income[1]. Men reported median employment and market incomes close to $30,000, compared to about $18,000 and $17,000 for women, respectively.

Government transfers represented a large portion of individual income in the region. Nearly 36% of total income came from transfers in 2020, with a median transfer amount of about $16,000. Women relied more heavily on these supports, 44% of their income came from transfers, compared to 30% for men.

Stable, full-time employment was relatively uncommon. Only 18% of residents worked full-time year-round in 2020, while 34% were employed part-time or part-year. This pattern contributed to lower annual earnings and reinforced economic

[1] Market income includes all income earned through private and market activity, excluding any government transfers.

vulnerability. Income distribution data showed that nearly 25% of residents earned between $20,000 and $30,000 after-tax annually in 2020, and about 12% earned $60,000 or more, highlighting a broad concentration in low-income brackets.

A portion of household income in Division 3 is derived from employment with companies headquartered outside the province, such as those based in New Brunswick or Norway. These earnings bring new money into the regional economy and help supplement limited local earnings.

Map credit: Geoatlas NL and ArcGIS

Labour force

Division 3's labour force comprised nearly 6,000 individuals in 2021. However, participation remained low, with only 47% of the adult population aged 15 years and above actively engaged in the labour force. Among them, just 38% of the adult population aged 15 years and above were employed, while 19% of labour force were unemployed highlighting a significant underutilization of human capital in the region. Government transfers already represent a major share of income in Division 3. Further unemployment, potentially from NMCA-related industry restrictions, could increase reliance on public supports.

The agriculture, forestry, fishing and aquaculture, and hunting sector played a central role in the local economy, employing over 13% of the labour force. It was the second largest employment sector in the region, surpassed only by health care and social assistance. This sector was heavily male dominated, with men accounting for 79% of its workforce. Its prominence underscored the region's strong reliance on marine and natural resources.

Manufacturing made up almost 6% of the local workforce, including fish processing. The fishing and aquaculture supply chain includes other industries beyond manufacturing, such as transportation and warehousing and professional, scientific and technical services.

In contrast, the mineral exploration and development sector contributed minimally to employment, engaging only about 1.5% of the labour force, roughly 85 individuals, all of whom were men.

Other key sectors included health care and social assistance (18%), transportation and warehousing (13%) and retail trade (10%), reflecting a mixed economic base combining resource industries and service-oriented employment.

Community profiles

The largest towns in Division 3 located near the proposed South Coast Fjords NMCA include:

- Burgeo
- Ramea
- Gaultois
- Hermitage-Sandyville
- Seal Cove (Fortune Bay)
- Harbour Breton
- Milltown-Head of Bay D'Espoir
- St. Alban's
- Morrisville
- Grey River

Together, these towns were home to nearly 6,000 people in 2021, accounting for about 43% of the region´s total population. Harbour Breton was the largest population centre, with close to 1,500 residents, followed by St. Alban's and Burgeo, each with nearly 1,200 residents. In contrast, Seal Cove, Gaultois, Morrisville and Grey River were among the smallest communities, each with estimated populations ranging from 93 to 100 people. Grey River plays a strategic role due to its proximity to active mineral exploration sites, which could present future economic opportunities for the community.

Community impact highlight in the Coast of Bays region

In the Coast of Bays region, the fishing and aquaculture sector plays a vital role in sustaining public infrastructure. Across four local schools, including those in Harbour Breton, Hermitage-Sandyville and St. Alban's, about 31% of students have one or more parents employed in salmon farming or fish processing. Employers include:

- Mowi Canada East
- Cooke Aquaculture
- 360 Marine
- The Barry Group

Disruptions to this sector could trigger plant closures, potentially leading to school shutdowns and broader impacts on essential community services.

Towns with the highest total median incomes in 2020, ranging from about $30,000 to $34,000, included Harbour Breton, Milltown–Head of Bay d'Espoir and Hermitage–Sandyville.[2] In contrast, Ramea and Burgeo reported the lowest median individual incomes in the $24,000-$27,000 range. Mowi's May 2025 Environmental Impact Statement provides more details on some of the towns listed above.[3]

The fishing and natural resources sector played a central role in the economies of seven towns in the region. Gaultois, Seal Cove and Hermitage–Sandyville employed the majority of their labour forces in this sector. In fact, Gaultois was the most dependent, with 100% of its labour force engaged in fishing and natural resources. In contrast, Ramea and Morrisville reported no employment in these sectors, but the 2021 Census does not report small area estimates to protect privacy.

[2] Income data were not available for Gaultois, Seal Cove (Fortune Bay), Morrisville and Grey River.
[3] See p. 573 to 580 of Mowi's Environmental Impact Statement for more information on select communities.

Burgeo had the highest employment share in the mineral resources sector, with 6% of its labour force working in mining-related activities. St. Alban's and Harbour Breton also recorded employment in this sector, though at lower levels ranging from 1-4%. The remaining towns reported no employment in mining.

Health care and social assistance appeared to be among the most important sectors across these towns, with the majority employing 15-25% of their labour forces in this area. Other key sectors included manufacturing (i.e., fish processing), transportation and warehousing, retail trade and education, each playing a notable role in supporting local employment and economic activity.

Fisheries

Newfoundland and Labrador's fishery sector has shifted toward higher-value species over the past two decades. While catch volumes fell by 37% between 2003 and 2023, total landed value rose by 25%, reflecting a shift toward more lucrative species (i.e., higher values per tonne) and improved market performance. The latest Seafood Industry Year in Review 2024 publication reports employment of almost 16,700 in the fishing, aquaculture and fish processing sector. This includes over 9,400 registered fishers.

NAFO Division 3Ps fishery

The fisheries sector remains a key economic driver for Division 3, particularly within NAFO Division 3Ps, which encompasses a marine area off the south coast of Newfoundland. This region made a substantial contribution to the province's overall fishery output in 2022 and 2023.

Total fishery landings reached more than 191,000 tonnes in 2022 and more than 190,000 tonnes in 2023, generating an estimated $1.2 billion and $700 million in landed value, respectively, across all NAFO divisions in Newfoundland and Labrador. NAFO Division 3Ps maintained and even increased its relative share of the total, despite a broad 41% decline in landed value over this period.

The region's (i.e., NAFO Division 3Ps) share of landings by weight rose from 10% in 2022 to 13% in 2023, while its contribution to landed value declined slightly from 14% in 2022 to 13% in 2023. These figures highlight the strengthening role of NAFO Division 3Ps within Newfoundland and Labrador's fishery economy.

NAFO Division 3Ps also advanced in provincial rankings, holding the third-highest landed value among NAFO divisions in 2022 and rising to second place in 2023. This upward trend emphasizes the productivity of local marine resources and the continued reliance of Division 3 communities on fisheries as a cornerstone of economic activity.

Climate change is raising water temperatures off the coast of Atlantic Canada. Climate change will impact migration patterns of fish species, such as lobster, tuna and silver hake. Emerging fish species in NAFO Division 3Ps may provide new economic opportunities to fishers.

NAFO Division 3Ps increased its share of Newfoundland and Labrador's total catch despite lower market value

Year	NL total landed weight (tonnes)	NL total landed value ($ millions)	3Ps landed weight (tonnes)	3Ps landed value ($ millions)	3Ps share of total landed weight (%)	3Ps share of total landed value (%)
2022	191,000	1,200	20,000	160	10%	14%
2023	190,000	700	24,000	90	13%	13%

Source: Department of Fisheries and Oceans

Contribution of six key species in NAFO Division 3Ps

NAFO Division 3Ps also plays a strategic role in the management and production of six major commercial fish species:

- Cod
- Redfish
- Halibut
- Scallop
- Lobster
- Snow Crab

The division increased its share of the total landed value from these key species rising from nearly 17% in 2022 to 19% in 2023, despite the broader market downturn. This gain highlights the region's resilience and its ability to sustain high-value harvests even in unfavourable market conditions.

NAFO Division 3Ps grows in volume and value share for major fish species

Year	All NAFO regions landed weight (tonnes)	All NAFO regions landed value ($ millions)	3Ps landed weight (tonnes)	3Ps landed value ($millions)	3Ps share of NL weight (%)	3Ps share of NL value (%)
2022	75,000	900	12,000	150	16	17
2023	79,000	400	13,300	80	17	19

Source: Department of Fisheries and Oceans

Shellfish species, particularly snow crab and lobster, dominated landings in NAFO Division 3Ps, reflecting the region's strong dependence on high-value fisheries. These two species alone accounted for almost three-quarters of total landed weight and contributed nearly 89% of the total landed value in 2023. These figures underscore both the economic reliance on shellfish and the vital role NAFO Division 3Ps plays in supporting Newfoundland and Labrador's premium fisheries portfolio.

Snow crab and lobster dominate NAFO Division 3Ps landed value in 2023

Year	Species Name	Landed weight (tonnes)	Landed value ($ millions)	Share of landed weight (%)	Share of landed value (%)
2023	**Crab, Queen/Snow**	**8,130**	**39.8**	**61**	**51**
2023	**Lobster**	**1,750**	**29.3**	**13**	**38**
2023	Scallop, Sea	1,040	2.9	8	4
2023	Redfish	1,460	2.6	11	3
2023	Halibut	170	1.7	1	2
2023	Cod, Atlantic	760	1.5	6	2

Source: Department of Fisheries and Oceans

Newfoundland and Labrador exported nearly $1.3 billion in processed fish in 2024, along with an additional $150 million in unprocessed fish and aquaculture, highlighting the economic weight of the province's seafood exports, as shown in Appendix 1. These findings confirm that NAFO Division 3Ps is not only a productive fishing ground but also a vital economic engine for the south coast communities and the province at large.

The fishing sector offered one of the highest average compensations in Newfoundland and Labrador in 2024, at nearly $107,000 per job, well above the provincial average of $75,100, as shown in Appendix 2. The sector contributed almost $500 million to the province's real Gross Domestic Product (GDP), accounting for 2% of the total, and employed just over 1,000 workers, or 0.4% of all jobs.

Barry Group processing facilities in Division 3

Barry Group's processed fish products are exported to over 40 countries, with the United States being its largest market. Fish meal and oil is sold primarily in the United States and Canada. The company processes salmon and trout on behalf of aquaculture producers, who also primarily serve these two markets. Together, these activities highlight the importance of Barry Group's Division 3 operations to international markets.

Barry Group's fish meal/oil processing facilities and salmon plants operate in Harbour Breton, St. Alban's and Burgeo, three key towns in Division 3. These facilities collectively employ about 150 people. Most employees work at the St. Alban's and Harbour Breton plants, primarily providing on-demand processing for aquaculture producers. The company pursues year-round operations through ongoing maintenance and facility upgrades.

The Harbour Breton and St. Alban's plants process over 11,000 tonnes of fish and fish oil annually, with volumes expected to rise based on producer demand. St. Alban's and Harbour Breton handle fish exclusively from external aquaculture companies. Burgeo produces fish meal and oil, sourcing raw material from throughout Barry Group's other operations, which are wild-fishery dependent. All operations entail 100% utilization of fish species handled.

Barry Group has reinforced its long-term commitment to Division 3 through substantial infrastructure investments, nearly $8 million in Harbour Breton, close to $2 million in Burgeo and about $299,000 in St. Alban's, made over the past decade. A recent $850,000 upgrade in Burgeo included the installation of a new press, separator and dewatering screw. These amounts exclude repairs and maintenance, underscoring the company's continued efforts to strengthen processing capacity in the region.

Barry Group has strong vertical integration across its supply chain, processing byproducts from pelagic fisheries and primary pelagic production. In the case of herring, processing at Burgeo occurs downstream of primary production at several other Barry Group sites, with the company directly involved in a portion of the harvesting.

The company also maintains strong supply chain linkages with local communities. Most operational spending stays within the local economies of these towns and throughout the Province of Newfoundland and Labrador.

Foreign temporary workers and residents employed at the plants receive housing and other fringe benefits, which help ensure stability during and between production periods. Local residents comprise nearly the entire workforce in Burgeo, make up a majority in Harbour Breton, and in St. Alban's the workforce is evenly split with about 50% composed of residents from the south coast and the other 50% made up of foreign workers or individuals from other Barry Group locations in Newfoundland.

Aquaculture

Aquaculture activity in Division 3

Aquaculture plays a vital role in the economy of the island of Newfoundland's south coast, with leading industry firms making large contributions to total aquaculture production in the region, such as:

- Cooke Aquaculture
- Grieg Seafood Newfoundland
- Mowi Canada East
- Ocean Trout Canada

Aquaculture production in Newfoundland and Labrador has expanded rapidly over the past two decades. Production grew from just over 5,600 tonnes in 2004 to nearly 26,200 tonnes in 2024, an increase of about 365%. The total value of production rose from $22 million to $281 million in 2024, almost 12 times more valuable than it was in 2004.

Newfoundland and Labrador's seafood processing industry has also grown significantly. Annual seafood manufacturing shipments increased by 19% over the past two decades, rising from almost $1.0 billion in 2003 to more than $1.2 billion in 2023. This long-term trend underscores the sector's expanding contribution to the provincial economy.

This growth trajectory has continued. Leading firms collectively harvested over 26,000 tonnes of aquaculture production, generating a total landed value of over $280 million in 2024. This highlights the sector's importance in sustaining coastal communities and driving export-led economic growth.

The sector's broad economic impact is further demonstrated by its province-wide footprint. The farmed salmon sector in Newfoundland and Labrador generated substantial economic activity in 2022. It supported an estimated 1,095 person-years (PYs) of employment and contributed $111 million in GDP, combining direct, indirect and induced effects. This represented about 0.3% of Newfoundland and Labrador's GDP in 2022. Salmon farming's share of GDP was 0.7% in 2018. The broader aquaculture industry supported over 2,000 jobs and contributed $282 million to provincial GDP in 2024, including spin-offs.

Total economic impact of farmed salmon in Newfoundland and Labrador, 2018 and 2022

Metrics, 2018	Direct	Indirect	Induced	Total	Metrics, 2022	Direct	Indirect	Induced	Total
Output ($M)*	307	211	50	**568**	Output ($M)	120	171	36	**327**
GDP ($M)	112	91	29	**232**	GDP ($M)	24	66	21	**111**
Wages ($M)	41	45	13	**100**	Wages ($M)	18	36	10	**64**
Employment (PYs)**	652	835	289	**1,776**	Employment (PYs)**	348	572	175	**1,095**

* M = millions
** PYs = person years
Source: Regulatory Impacts, Alternatives, Strategies (RIAS)

These economic benefits build on continued private investment. Major aquaculture operators invested about $124 million in Newfoundland and Labrador in 2024 through their supply chains, supporting other businesses and service providers. These investments helped upgrade infrastructure, strengthen local supplier networks, and stimulate regional economies, particularly in Division 3. These investments also supported about 781 jobs in the region in the broader aquaculture sector with about 76% of these jobs within Division 3.

New and ongoing investments further signal the sector's continued growth. Grieg Seafood Newfoundland is exploring the potential to develop a major aquaculture project on the south coast, possibly producing between 15,000 and 20,000 tonnes of Atlantic salmon annually with the potential to generate 150–200 direct jobs. Grieg Seafood Newfoundland employed about 100 people with a payroll over $10 million in 2024, but their operations are outside Division 3. Grieg Seafood Newfoundland's aquaculture production was almost 10,700 metric tonnes valued at over $121 million in 2024, with production beginning in 2023. Cooke Aquaculture has committed $35 million to a five-year capital spending plan across Newfoundland and Labrador, focusing on improvements to farming, processing and marine infrastructure.

Mowi Canada East is expanding operations in the southwest of Newfoundland. The company is adding over 30 new jobs and has already invested about $86 million in the region, with more than $100 million anticipated upon project completion. Mowi currently employs over 190 workers in Newfoundland and Labrador across its farming, marine support and processing operations. Mowi spent over $15 million on capital and almost $90 million on operations in the province in 2024, including $44 million on local suppliers and $10 million on wages. Mowi's harvesting operations provide inputs for Barry Group's plant in Harbour Breton.

Cooke Aquaculture's operations in Newfoundland and Labrador

Cooke Inc. and its affiliate companies have operated in Newfoundland and Labrador for 20 years and have grown to 160 full-time direct employees. Cooke's operations are vertically integrated from egg to plate including hatcheries and smolt production, farming, harvesting, processing, marine vessels, diving, net repairs, trucking, maintenance and administration. These synergies with the company's existing farming operations across Atlantic Canada have enabled the company to be fiscally sound, environmentally responsible and socially committed.

- Cooke's rolling 5-year investment plan calls for a $35 million investment in processing operations, harvest vessels, seawater sites, feed barges, oxygen systems and marine equipment.
- 43 ocean salmon farm leases
- 2 land-based freshwater hatcheries in Daniels Harbour and Swangers Cove
- 1 processing plant in Hermitage that had an $8.2 million equipment upgrade and facility expansion nearly completed
- 1 service maintenance facility in St. Alban's

Cooke's Newfoundland and Labrador aquaculture operations have a remarkable and robust supply chain. The service supply companies providing equipment and gear, vessel maintenance, transportation and heavy equipment contracting, and professional services are part of this growing ecosystem. As Cooke grows, they want their service providers and suppliers to grow along with them to lift entire regional economies.

- Cooke and its affiliates spend over $50 million annually in Newfoundland and Labrador buying goods and services that support over 300 Newfoundland and Labrador businesses.

Cooke and its affiliates donate hundreds of thousands of dollars to local charities and community groups in need. On any given day in Newfoundland and Labrador, you will find their employees volunteering with food banks, shelters, local churches, coaching and mentoring youth, and welcoming and supporting newcomers who are building new lives in Canada. Cooke is proud to support community health care initiatives, first responders, festivals, beach cleanups, youth sports, recreation facilities, community teams and food banks through donations and volunteerism.

Cooke's core purpose is, "To cultivate the ocean with care, nourish the world, provide for our families, and build stronger communities". The company has been recognized as one of Canada's Best Managed Companies for the 20th consecutive year and is one of Atlantic Canada's Top Employers.

The Government of Newfoundland and Labrador launched *The Way Forward on Aquaculture* in 2017 as a long-term vision, setting a target of 50,000 tonnes of salmon production, according to the 2024 Regulatory Impacts, Alternatives, Strategies (RIAS) report. Reaching this goal could generate almost 1,600 new jobs and over $430 million in capital investment, based on industry and investment patterns. This highlights the scale of potential economic benefits tied to continued sector growth.

Other major projects in the area

Newfoundland and Labrador Hydro plans to invest $522 million between 2025 and 2030 to expand the Bay d'Espoir hydroelectric station. The project includes building an eighth generating unit with a capacity of 154 MW, increasing the station's total capacity to 758 megawatts to meet rising electricity demand.

EverWind Fuels plans a $7 billion investment to develop two gigawatts of wind energy on the Burin Peninsula and potentially offshore. The project includes a hydrogen conversion facility near Marystown and is expected to create 5,000 construction jobs and 750 operational jobs.

Mining

Division 3 is rapidly emerging as a region of strategic interest for Newfoundland and Labrador's mineral resources sector, particularly in the context of critical and strategic minerals and precious metals. The region features multiple exploration properties that indicate strong future potential, even though it currently hosts no active mining production.

The expansive south coast, both coastal and inland, hosts numerous critical and strategic mineral deposits, including resource estimates for tungsten, molybdenum and a recent lithium discovery. Additional mineral resources identified in the region include:

- Cesium
- Copper
- High-purity silica
- Uranium
- Zinc
- Precious metals (silver and gold)
- Tantalum

The area also contains dimension stone and aggregate deposits, as well as Exempt Mineral Lands (EMLs), including the Moly Brook EML.

One of the most prominent projects is the Hope Brook Gold Project, led by Big Ridge Gold Corporation in partnership with First Mining Gold. This initiative aims to revive a historically productive gold mine through renewed exploration and development.

The area around Grey River is attracting growing exploration interest. Sokoman Minerals Corps. and Benton Resources Inc. are jointly leading a gold exploration effort. The two companies have entered a Joint Venture (JV) and attracted the investment of US lithium developer Piedmont Lithium and created a new exploration company, Vinland Lithium Inc. This is the first significant lithium discovery in the province. Critical minerals including cesium and tantalum occurrences have also been discovered. These projects demonstrate the polymetallic nature of the region and its suitability for diversified mineral exploration.

The province is an attractive place to invest in mineral exploration, development and production, but the proposed NMCA could create uncertainty and diminish future attractiveness. Newfoundland and Labrador placed 8th out of 82 jurisdictions in terms of the investment attraction index measured by the Fraser Institute's Annual Survey of Mining Companies 2024.

Hope Brook Gold Project – A revitalized opportunity on Newfoundland´s south coast

Big Ridge Gold Corporation is advancing the Hope Brook Gold Project, located on the southwest coast of Newfoundland and Labrador. Hope Brook yielded over 750,000 ounces of gold between 1987 and 1997, as a former-producing site and is now being redeveloped as an advanced-stage, brownfield project. It benefits from existing infrastructure including:

- Camp
- Airstrip
- Wharf facility (owned by the government)
- Grid-connected electrical power
- Heavy equipment

Hope Brook contains 1.44 million ounces of gold and 47 million pounds of copper (indicated and inferred), representing high long-term value. The project has an estimated mine life of over 15 years, with early-stage potential for more than 100 years from the potential aggregate at site. Internal estimates project a $250 million capital investment, supporting up to 450 jobs during development and 300 in production. The company invested almost $15 million between 2022 and 2024 in exploration, and now employs 20 people on site, mainly from Burgeo.

Big Ridge Gold Corporation has directed about $2.2 million to local Newfoundland-based companies and paid over $3.0 million in wages to local staff, underscoring a strong commitment to regional economic development through local procurement and employment. Exploration spending is expected to reach $7 million in 2025/2026.

Tailings management at Hope Brook is actively overseen by the Provincial Government, with logistics and heavy equipment supplied by the proponent. Ongoing access via Burgeo is essential to ensure environmental safety and regulatory compliance. Any future restrictions on access, such as through changes in coastal designation, could impact critical environmental monitoring responsibilities.

With strong mineral resources, sustained community engagement, and alignment with national critical mineral goals, Hope Brook stands out as a strategic economic opportunity for Newfoundland and Labrador and for Canada's broader critical minerals strategy agenda.

The company has completed its provincial environmental assessment (EA) registration and is ready to file. However, submission is on hold pending clarity around the proposed National Marine Conservation Area (NMCA) designation, which could affect project access and permitting.

About 86% of the companies surveyed in the province had their permits, licenses or Notices of Work processed in 2 months or less. However, about 38% of mining companies said there was uncertainty respecting environmental regulations.

Developments in the mineral resources sector

Newfoundland and Labrador's mineral resources sector continues to gain strong momentum. Mineral shipment values are projected to reach $6.3 billion in 2025, driven primarily by iron ore, nickel, and other metals. Gold, tungsten and lithium are under active exploration along the south coast of the island of Newfoundland.

Metal ores and processed mineral products generated almost $3.6 billion in export value, including nearly $2.8 billion from metal ores and more than $800 million from processed products such as unwrought nickel and cobalt-related waste and scrap, as shown in Appendix 1 for 2024.

Mineral exploration activity are surging in Newfoundland and Labrador, signaling renewed investor confidence and growing geological interest. Exploration expenditures surpassed $139 million on the island of Newfoundland in 2024, contributing to a total provincial spend of almost $244 million, a 6% increase over the previous year. Spending is forecast by the provincial government to reach almost $300 million by 2025, reinforcing the province's rising profile in the mineral resources sector.

The sector supported almost 8,000 jobs across Newfoundland and Labrador in 2024, with employment concentrated in operational hubs like Labrador West and Voisey's Bay. Of these jobs, more than 600 were directly linked to exploration activities. Projections for 2025 from the provincial government estimate a slight increase to 8,100 total mining jobs, including almost 700 in exploration, reflecting continued stability in the sector.

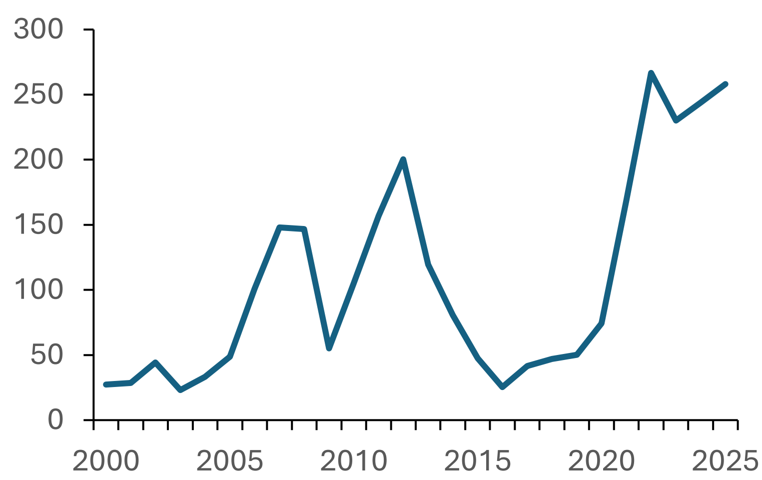
Mining tax and royalties are projected by the provincial government to generate nearly $97 million in 2025–26, an 8% increase over the previous year. This figure reflects the sector's direct fiscal contribution and its growing role in provincial revenues. It excludes additional revenues from personal and corporate income taxes, sales or fuel taxes linked to mineral resources activity.

The mineral resources sector contributed over $2.1 billion to Newfoundland and Labrador's real GDP in 2024, accounting for 7% of the provincial total, as shown in Appendix 2. It employed over 6,000 individuals, representing 2.5% of all jobs in the province. The sector ranked among the highest-paying sectors in the provincial economy, with an average compensation of nearly $140,000 per job in 2024.

The outlook for mineral exploration looks bright if trends since 2000 can be sustained over the next 25 years, based on the province's 2019 Economic Growth Strategy (McKinsey Report). Exploration spending in Newfoundland and Labrador grew by 845% between 2000 and 2025, while mineral exploration jobs in Newfoundland and Labrador rose by 366% between 2005 and 2025 (see charts below and Appendix 3). Mining claims staked in Newfoundland and Labrador increased by 118% between 2000 and 2022. Mining claims in good standing in Newfoundland and Labrador grew 287% between 2000 and 2023.

Newfoundland and Labrador mineral exploration reaches new heights

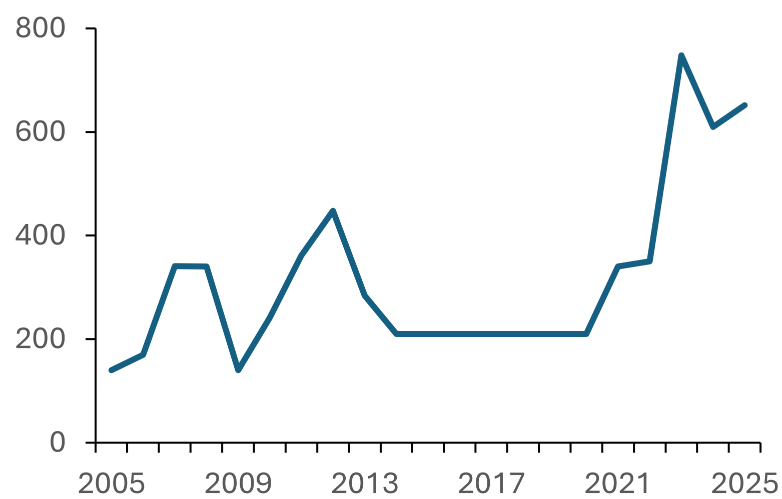
Mineral exploration spending, NL ($millions)



Source: Newfoundland and Labrador Department of Industry, Energy and Technology, Mineral Exploration Statistics

Newfoundland and Labrador mineral exploration job growth climbs higher

Mineral exploration employment, NL (jobs)



Source: Newfoundland and Labrador Department of Industry, Energy and Technology, Mining Industry Average Exploration Employment

The province's 2019 Economic Growth Strategy (McKinsey Report) predicted an incremental $1 billion increase in mining GDP and an additional 3,000 jobs by 2030. The Strategy recommended investing in a geophysical survey of the province to boost exploration activity. The Atlantic Canada Opportunities Agency (ACOA) invested $1.3 million over two years (2022 to 2024) in an airborne geophysical survey and provided $1.3 million per year over three years (2022 to 2025) in critical minerals assistance. The provincial government invested $4.6 million in these two initiatives over three years (2022 to 2025) via the Junior Exploration Assistance Program.

The provincial government's latest Mining in Newfoundland and Labrador report highlights modernization of the *Mineral Act* and *Mining Act*. This ongoing review will ensure the legislative and regulatory framework supports industry development and adapts to industry needs. Higher commodity prices for precious metals like gold and silver and metals like copper support further mineral exploration and development.

Division 3 has the potential to be a strategic asset for Newfoundland and Labrador and Canada's mineral security agenda. Its geological profile aligns with national exploration trends, as 50% of 2024 spending targeted critical minerals like lithium, copper and uranium. Early-stage support and infrastructure in Division 3 will be essential to unlock its full potential. The International Energy Agency warns the reliance on a few critical mineral suppliers, especially China, threatens energy security.

These provincial and national developments suggest that new discoveries and ongoing exploration in Division 3 could drive long-term job creation and support economic development in coastal communities along Newfoundland´s south coast.

There has been significant exploration activity near the proposed NMCA over the last 25 years. Within Division 3, Subdivisions E, F and I are adjacent to the proposed NMCA (see map at end of report). The Atlantic Economic Council, with industry assistance, estimates that current mining claims in these three Subdivisions within Division 3 led to current exploration spending of almost $24 million, while historical mining claims generated historical exploration spending of almost $293 million since 1999 (see Appendix 4). In total, this spending in these three Subdivisions within Division 3 accounted for about 11% of exploration spending in the entire province since 1999.

Photo credit: Mining Industry NL

Strategic considerations

The proposed NMCA designation for the south coast brings clear regulatory consequences for regional economic activity. NMCA rules prohibit mining and finfish aquaculture in all zones, which could reduce exploration activity limiting future aquaculture growth and mineral development. This could be a concern for south coast study area (Division 3), which has the potential to become a strategic hub for critical minerals such as lithium, tungsten, cesium, tantalum, copper, uranium, high-purity silica and precious metals, including gold and silver. These resources are increasingly important to Canada's clean energy transition and national security goals.

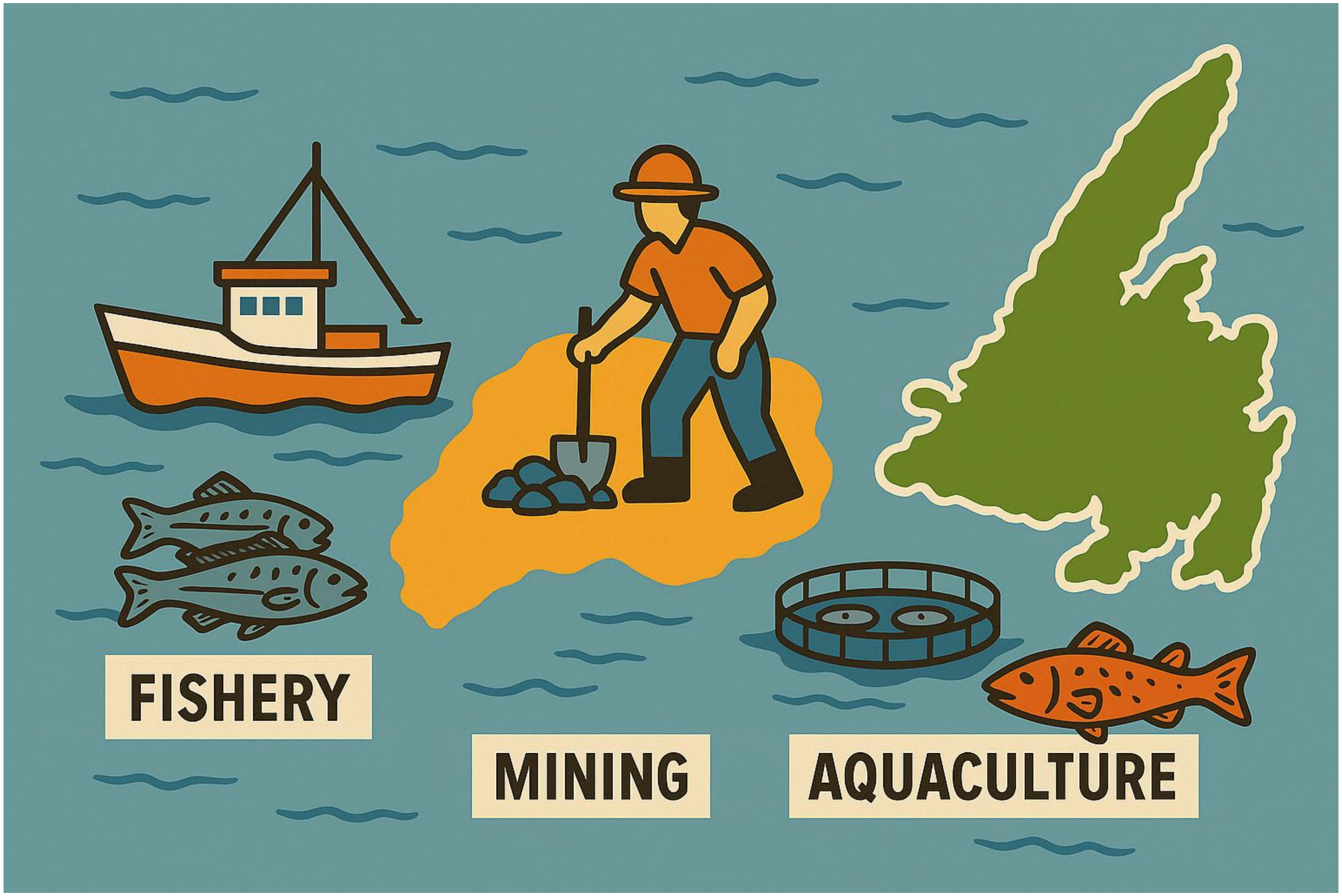
The fisheries, aquaculture and mining sectors would face heightened uncertainty, since they are already governed by strict and sustainable regulatory frameworks. Parks Canada's 2019 stakeholder consultation report revealed broad concern about duplicate rules that could add compliance burdens, delay infrastructure projects, or restrict future expansion. For instance, major wharf construction projects could be more challenging, limiting resource development and raising costs. These risks are particularly damaging in Division 3, where high unemployment (19%), persistent out-migration and limited full-time work already expose communities to economic fragility.

NMCA regulations could disrupt operational continuity in key industries that are vital to the region's economy. These sectors provide the highest compensation levels and are the backbone of local communities, helping sustain essential services such as schools and health clinics. In the Coast of Bays region alone, almost one-third of students in local schools have one or more parents employed in aquaculture or fish processing. Plant closures triggered by NMCA restrictions could result in cascading service failures and even full community relocation, without careful safeguards.

Other environmental initiatives have also raised concerns for Newfoundland and Labrador's industry. For example, the South East Avalon conservation planning initiative has led aquaculture operators to question future access to operating space. The DFO Protection Standard actively prohibits oil and gas development, mining, finfish aquaculture and bottom trawling in new marine protected areas, effectively limiting industrial activity, even as federal officials claim they will not remove or restrict access.

Eco-tourism plays a role in the south coast's economy of Newfoundland. Non-resident visitors spent nearly $552 million in Newfoundland and Labrador in 2023. The establishment of a NMCA could help boost eco-tourism, if adequate infrastructure exists to support recreation, accommodations and transportation in these remote communities. This potential also depends on other supporting sectors remaining active and unaffected by the NMCA designation.

Eco-tourism and natural resource industries, like fishing and aquaculture, are complimentary and support one another's prosperity and continuity of infrastructure. For instance, fishing boats often host scenic tours.



NMCA allowable uses and activities*

Activities and uses	Full protection zones		Ecologically Sustainable use zones		Limits/permits/exceptions
	Strict protection	General protection	Habitat protection	Multiple use	
	Zone 1**	Zone 2	Zone 3	Zone 4	
Commercial tourism (non-extractive)	☒	✓	C	✓	A business licence is required.
Commercial shipping	☒	✓	C	✓	Activities are carried out under Transport Canada's laws and international maritime regulations, with possible anchoring restrictions to protect the seafloor.
Commercial fisheries	☒	☒	C	✓	Fisheries are managed following the Fisheries Act, relevant provincial or territorial regulations (such as catch limits and licensing), and federal interdepartmental principles for managing fisheries in marine protected areas.
Renewable energy	☒	☒	C	✓	Authorization from Parks Canada is required.
Aquaculture	☒	☒	C	✓	Conducted in accordance with the Fisheries Act and applicable provincial or territorial regulations. Authorization from Parks Canada is required.
Oil and gas and mining	☒	☒	☒	☒	Prohibited under the *Canada National Marine Conservation Areas Act.*

*Explanation of the symbols:
☒: The activity is "not allowed" given the purpose of the zone
C: The activity is subject to a "condition" and the use will be assessed at the site level during zoning development
✓: The activity is consistent with the purpose and objectives of the zone and is allowed
** Click here for a breakdown of the different zones.
Source: Parks Canada Agency

Appendix 1: Newfoundland and Labrador (NL) export values in 2024

Industry-based NL export values (NAICS)*

NAICS Industry	Export value** ($ millions)
1125 – Aquaculture***	110
1141 - Fishing	40
2122 - Metal ore mining	2,760
3117 - Seafood processing	1,300
3314 - Minerals processing (except aluminum)	820
Total	**5,030**

*North American Industry Classification System (NAICS)
** Export value reflects direct impacts only. Values are rounded.
*** Aquaculture includes production only, excluding primary and secondary processing.
Source: Trade Data Online

Appendix 2: GDP, employment and compensation by sector in Newfoundland and Labrador*

	Real GDP 2024		Employment and Compensation 2024		
Sector	$ Millions	Share of total (%)	Total number of jobs	Share of total (%)	Average compensation per job ($)
Fishing	468	1.6	1,000	0.4	107,000
Aquaculture**	52	0.2	300	0.1	67,700
Mining and quarrying (except oil and gas)	2,120	7.2	6,000	2.5	140,000
Seafood processing***	416	1.4	1,700	0.7	119,000
Mineral processing	145	0.5	600	0.2	215,000
Subtotal	**3,200**	**11**	**10,000**	**4.0**	**135,000**
All industries	**29,600**	**100**	**241,000**	**100**	**75,100**

*The values reflect direct impact only. Values are rounded.
** Aquaculture includes production only, excluding primary and secondary processing.
*** Seafood processing includes wild fishery and aquaculture processing.
Source: Statistics Canada, Table 36-10-0402-01 and Table 36-10-0480-01

Appendix 3: Mineral exploration spending and jobs in Newfoundland and Labrador

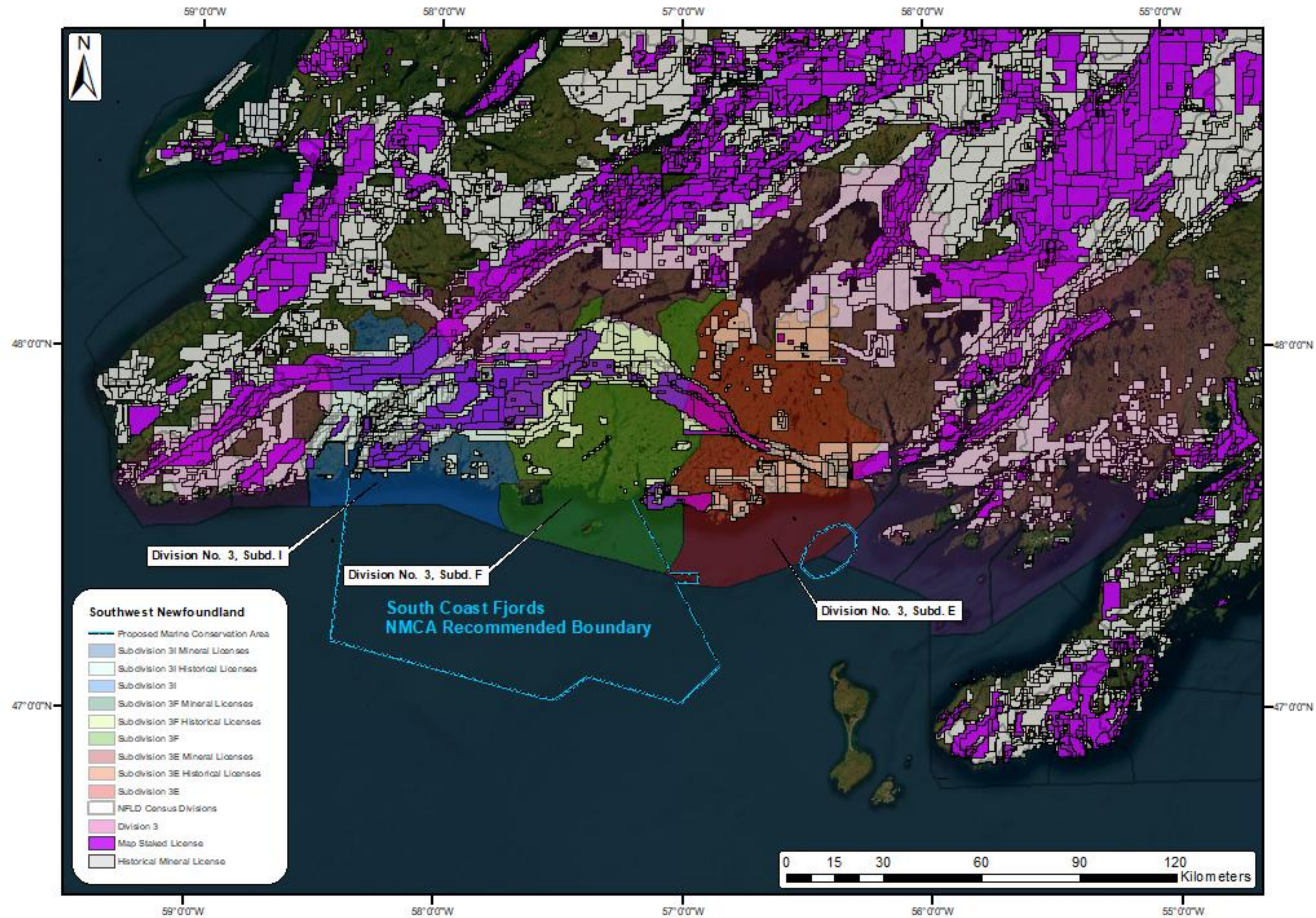
Year	Spending ($ millions)	Total number of jobs
2025	258.1	652
2024	243.9	610
2023	230.2	748
2022	266.7	350
2021	169.3	340
2020	74.2	210
2019	50.3	210
2018	47.1	210
2017	41.5	210
2016	25.4	210
2015	47.4	210
2014	80.7	210
2013	119.5	284
2012	200.4	448
2011	156.8	361
2010	105.0	241
2009	55.0	140
2008	146.7	340
2007	148.0	341
2006	100.8	170
2005	48.7	140
2004	33.2	
2003	23.1	
2002	44.2	
2001	28.4	
2000	27.3	

Note: Mineral exploration spending available for 2000 to 2025, while mineral exploration jobs available 2005 to 2025.
Source: Newfoundland and Labrador Department of Industry, Energy and Technology, Mineral Exploration Statistics and Mining Industry Average Exploration Employment

Appendix 4: Current and historical mining claims in Subdivisions E, F and I within Division 3 in Newfoundland and Labrador

Subdivision	Current mining claims spending ($)	Number of current licenses	Number of current claims	Historical mining claims spending ($)	Number of historical licenses
E	2,503,900	18	1,593	8,027,308	132
F	4,119,036	40	2,976	61,016,246	218
I	16,951,304	63	4,763	223,717,470	457
Subtotal	**23,574,240**	**121**	**9,332**	**292,761,024**	**807**

Sources: Newfoundland and Labrador Department Industry, Energy and Technology, Geoatlas NL, Mining Industry NL and Atlantic Economic Council



Atlantic Economic Council