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Annual Mining Report 2018 by Canada

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2018 APEC Annual Mining Report – Canada

Overview

Canada is recognized as a leading mining nation with a strong domestic sector and significant international presence. To remain competitive and align with the Government of Canada’s priorities, the Canadian mining industry is working to reflect today’s realities, where factors such as addressing climate change and advancing Indigenous participation, sustainable and inclusive development, are key principles.

Facts about Mining in Canada

- In 2017, Canada produced some 60 minerals and metals at almost 200 mines and 7,000 sand, gravel and stone quarries.
- The past year was a strong one for new mining investment; 31 new mining-related projects with a combined capital cost of C\$13 billion were added to Canada’s major project inventory.
- Preliminary figures for 2017 indicate that mining and mineral exploration companies spent C\$2.1 billion on exploration and deposit appraisal projects in Canada. A further increase of 6.0%, to C\$2.2 billion, is expected in 2018, based on reported spending intentions
- In 2017, the sector employed more than 634,000 individuals (both directly and indirectly) including more than 16,500 Indigenous people, accounting for 11.6% of the mining industry's labour force, the highest proportion in the private sector.



Economic Impact

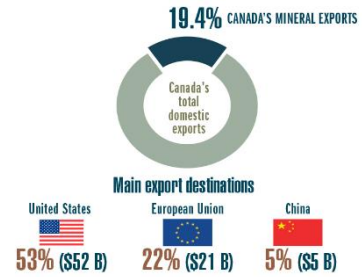
Mining has been and continues to be an important sector for Canada with significant contributions to the Canadian economy.

- In 2017, the direct contribution of Canada's minerals sector to Canada's gross domestic product (GDP) was C\$72.0 billion, which represented 3.6% of Canada's total GDP.



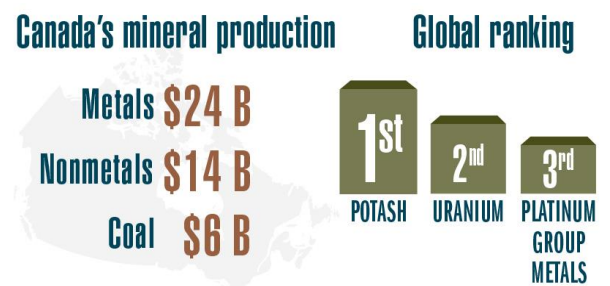


- Valued at C\$97.5 billion in 2017, Canada's domestic mineral exports accounted for 19.4% of its total merchandise exports.



How Canada Ranks

- Canada leads the world in global non-ferrous exploration spending. A total of C\$1.6 billion was spent in 2016 on exploration and deposit appraisal projects in Canada.
- In terms of the corporate tax rate, Canada (at 26.8%) is ranked the third most competitive jurisdiction.
- Canadian-headquartered exploration and mining companies accounted for the largest portion of worldwide non-ferrous exploration budgets, reaching 32.9% in 2017.
- Canada remained the world's top destination for non-ferrous mineral exploration in 2017, attracting 13.8% of global exploration budgets.
- Canada has one of the largest mining supply sectors globally with more than 3,700 companies supplying engineering, geotechnical, environmental, financial and other services to mining operations.



New Initiatives and Regulations

The Canadian Minerals and Metals Plan

At the 2018 Prospectors and Developers Association of Canada Convention, the Government of Canada, in partnership with the provincial and territorial governments, launched the development of the Canadian Minerals and Metals Plan (CMMP) to maintain Canada's position as a leading mining nation and investment destination of choice. Since then, the government has actively engaged in over 60 consultations and bilateral meetings, to ensure the voices of industry, Indigenous Peoples, civil society and other stakeholders are reflected in the Plan, which is targeted for release in early 2019.



The Plan will include a bold vision and high-level principles along with goals, actions and targets for five strategic directions:

- Economic development and competitiveness;
- Advancing the participation of Indigenous Peoples;
- Community and the environment;
- Science, technology and innovation; and
- Global leadership.

A key focus of the CMMP is to enhance Canada's global leadership in mining. Canada is exploring how best to support the minerals and metals industry in:

- attracting foreign investment in Canadian mineral projects;
- diversifying global market opportunities for Canadian minerals and metals, as well as mining technology and services exports;
- expanding opportunities for Canadian mining investment at home and abroad; and
- becoming the pre-eminent source of responsible minerals and metals needed for a modern, clean economy.



Regulatory Reform: Impact Assessment

In February 2018, the Government of Canada announced changes to the national environmental and impact assessment regimes. The new Impact Assessment Act will consider all project impacts to foster sustainability, rather than only considering environmental factors. The proposed legislation is currently under Parliamentary review, and is intended to rebuild public trust in government decisions concerning resource development projects (e.g. mines, pipelines, etc.), while ensuring that approved projects are aligned with Canada's priorities of protecting the environment, and ensuring resource development creates positive social and economic benefits to communities. Highlights of the proposed new system include:

- increased transparency and certainty that decisions will be based on robust science, evidence, and Indigenous knowledge;
- more and earlier opportunities for meaningful participation by Indigenous Peoples and the Canadian public;
- more coordination with provinces and territories to support 'one project, one assessment' and avoid duplication; and
- more predictable and consistent timelines.



Mining Innovation & Green Mining

The Government of Canada is increasingly directing public expenditures into research and development and commercialization to support advances in clean technology and clean resource development related to the mining sector.

1. In November 2017, the Government of Canada announced the launch of the Clean Growth Program, a C\$155 million program that will fund clean technology projects in the area of energy, mining and forestry. These investments will help resource sectors become more innovative, sustainable and productive, by supporting projects aligned with provincial and territorial goals. Funding is open to natural resources and clean technology firms, federal researchers, Indigenous organizations and groups, and post-secondary institutions. Final project selections for the program will be announced in late 2018.
2. Through the Impact Canada Initiative, the Government of Canada is issuing challenges to Canadians and global innovators to develop transformative, next-generation, clean technology solutions, including for the natural resources sector. Starting in early 2018, a series of prize-based challenges were launched in collaboration with the private, academic and non-governmental partners. The challenges aim to advance a range of breakthrough technology applications to support clean growth and the transition to a low carbon economy.

Responsible Business Conduct

Responsible corporate behaviour by Canadian companies abroad not only enhances trade and investment, but can also contribute to broad-based economic benefits for the countries in which they are active. The Government of Canada is committed to promoting responsible business practices (RBC), and expects and encourages Canadian companies working internationally to respect human rights and all applicable laws, to meet or exceed international guidelines and standards, to operate transparently and in consultation with host governments and local communities, and to conduct their activities in a socially and environmentally sustainable manner.



In 2018, the Government of Canada announced new elements to support Canada's approach to RBC, including the creation of an independent Canadian Ombudsperson for Responsible Enterprise (CORE) to address allegations of human rights abuses by Canadian companies abroad, report on its findings, recommend remedy and monitor its implementation. The CORE's scope will be multi-sectoral, initially focussing on the mining, oil and gas, and garment sectors. The Government also announced in 2018 the creation of a multi-stakeholder Advisory Body composed of civil society representatives, trade unions and business, which is responsible for advising the Government of Canada and the CORE on Canada's approach to RBC. RBC is key to Canada's Progressive Trade Agenda and reinforces Canada's approach to sustainable development and inclusive economic growth.

Recognition of Rights Framework

In February 2018, the Government of Canada announced the development of a Recognition and Implementation of Rights Framework that will be developed in full partnership with First Nations, Inuit, and Métis Peoples. This Framework will help ensure that Canada is adhering to international human rights standards and aligning Canada's policies with the principles of the United Nations Declaration on the Rights of Indigenous Peoples. Determining the contents of the Framework is underway, through a national public engagement process. The government intends to introduce the Framework in late 2018 and to implement it before October 2019.

The Framework will likely include new legislation and policy that will make the recognition and implementation of rights the basis for all relations between Indigenous Peoples and the federal government going forward. The Framework will contribute to greater clarity and predictability for the development and use of lands and resources in Canada. The roles of governments, including Indigenous governments, will be well defined, and decision-making processes will become more predictable.

Gender Diversity in Mining

The mining sector is an important source of socio-economic prosperity in Canada and strengthening the representation of women in this industry is a priority. Canada's mining industry along with stakeholders and various levels of government are working together to support gender diversity in mining through social innovation, training, resources, and networking.



The Government of Canada announced a number of multi-sectoral initiatives in 2018 aimed at addressing gender gaps in the workforce. To encourage women to pursue careers in male-dominated skilled trades, and ensure that women are increasingly able to model leadership to other aspiring female tradespeople, the Government is allocating C\$19.9 million to pilot an Apprenticeship Incentive Grant for Women. In addition, the Government announced a New Women Entrepreneurship Strategy to better support women entrepreneurs, to help them grow their businesses and to remove barriers to their success.