



# Information Bulletin

February 2011

## Canada: A success story in sustainable mining and exploration

### *A competitive mining sector sustained by expertise, knowledge and innovation*

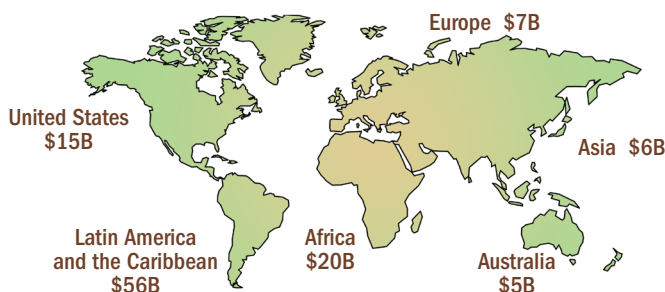
Canada's history is closely tied to the development of our natural resources. Today, a strong natural resources sector, together with healthy manufacturing and service sectors, make for a strong national economy. The mining sector continues to play an important part in Canada's overall economic development. In 2009, it contributed C\$32 billion to Canada's gross domestic product (2.7% of national GDP), and provided more than 306,000 direct jobs for Canadians. The mining industry supports more than 115 rural, northern and Aboriginal communities across Canada.

The industry's C\$32 billion contribution to Canada's gross domestic product in 2009 includes C\$7 billion in mineral extraction and \$25 billion in mineral processing and manufacturing. Canada is one of the world's leading mining countries and ranks among the largest producers of minerals and metals. In 2009, the industry accounted for 18% of annual Canadian goods exports. Key exports in 2009 included aluminum, coal, copper, diamonds, gold, iron and steel, iron ore, nickel, potash, silver, uranium and zinc. As well, some 3,140 suppliers provide expertise to the industry, including hundreds of engineering firms, environmental firms, and legal and financial firms. Canada was the leading destination for global exploration spending in 2010, attracting 19.2% of world budgeted spending.

The Canadian mining industry is active in over 120 developed and developing countries, and is involved in over 8,000 exploration projects and mining operations worldwide.

### Canada's Global Mining Presence

2009: \$109 billion

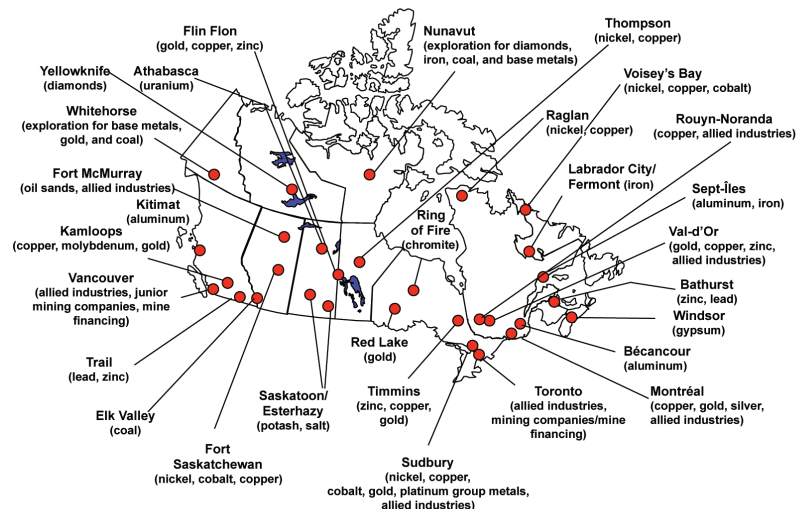


Mining Assets include properties, plant and equipment and deferred exploration expenditures, based on audited annual reports  
Source: Company annual reports, compiled by Natural Resources Canada

### *Canada's open economy, sound investment climate and robust financial institutions are the foundations for the future success of mining in Canada.*

While the industry is important at the local community level, it also contributes to the economy of Canada's larger cities. Toronto is a global hub for mining finance. Over the past five years, the Toronto Stock Exchange (TSX) has handled 81% of worldwide mining equity transactions. Vancouver is home to the world's leading cluster of exploration companies while Montreal houses important aluminum and iron ore companies. Edmonton has become a global centre for oil sands expertise, and Saskatoon for uranium and potash. Mining is also the largest private-sector employer of Aboriginal Canadians and stands to offer increased opportunity to this segment of Canadian society.

### Major Centres for Minerals and Metals



Canada has been able to transform its resource wealth potential into sustainable benefits for its citizens, while respecting the need to protect the environment. This is based on an approach that recognizes that good governance policies and legislation are key factors to ensuring that benefits from mineral resource development enhance the contribution of mining, minerals, and metals to sustainable development.

*Given the desire to continue deriving benefits from Canada's mineral and energy resource potential, the manner in which we harness and manage this endowment matters now more than ever.*

Science and technology play an important role in supporting Canada's policies and regulations and in ensuring the responsible and sustainable development of Canada's minerals and metals resources. At the federal level, organizations such as CANMET-Mining and Mineral Sciences Laboratories (CANMET-MMSL) provide quality R&D and sound scientific advice to the minerals and metals industry; provincial, territorial, and other federal departments involved in promoting or regulating these industries; and the Canadian public. The areas of research include improvement to health and safety in mining operations; the development of technically sound solutions to a range of environmental challenges; and improved industry competitiveness through enhanced productivity and efficient regulations.

Several initiatives, often in partnership with a range of stakeholders, specifically address and advance issues related to mining and the environment. These initiatives include:

The Mine Environment Neutral Drainage (MEND) Program. Acidic drainage has long been recognized as the largest environmental liability facing the Canadian mining industry. Since 1989, the MEND multi-stakeholder partnership has developed technologies to predict, prevent, treat and control acidic drainage. Funding for the MEND Secretariat is shared by the federal government and The Mining Association of Canada.

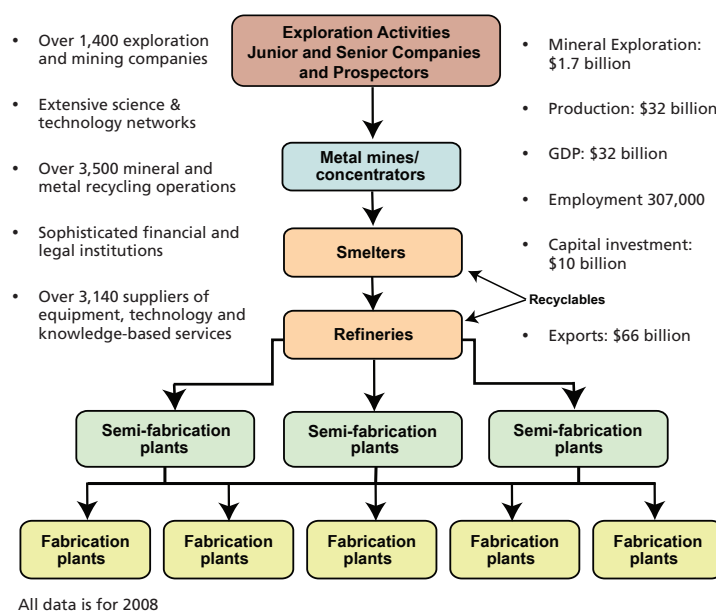
Canada's Green Mining Initiative (GMI), announced in May 2009, will help develop and demonstrate new green technologies and processes, creating new opportunities for Canadian mining technology and service industries. Building on the success of multi-stakeholder initiatives, the Green Mining Initiative will reduce the environmental impact of mining through footprint reduction, innovation in waste management, ecosystem risk management, and mine closure and rehabilitation.

The Canada Mining Innovation Council (CMIC) is a network of industry, government and academic leaders working together to enhance the competitiveness of a responsible Canadian mining industry through excellence in research, innovation, commercialization, and education.

*The mining sector continues to play an important part in the overall sustainable development of the country.*

Mining and related industries are important contributors to federal, provincial and territorial treasuries. According to a recent study for the Mining Association of Canada, the industry paid an estimated C\$5.3 billion in taxes and royalties to federal and provincial/territorial governments in 2009. Inclusion of the fourth stage of industry activity—fabricated metal product manufacturing—would further add about C\$1.8 billion. Average weekly wages and salaries in the mining industry were \$1,369 in 2009. The average weekly earning of a mining industry worker in 2009 was, respectively, 60%, 49%, 32% and 30% higher than that of workers in the forestry, manufacturing, finance and construction sectors.

Canadian mining companies actively invest in research and development, investing approximately C\$600 million in 2009. Statistics Canada reports that in 2007 (most recent data), the minerals and metals industry, including the fabricated metals products segment, employed 6,705 R&D workers.



For more information about Canada's minerals and metals sector visit our Web site at <http://www.nrcan-rncan.gc.ca/mms-smm/index-eng.htm>