

# information

## BULLETIN

### MINERAL PRODUCTION

MARCH 2006

## 2005 Mineral Production Continues to Supply Global Demand

### *Mineral production occurs in every province and territory in Canada and continues to contribute to the economic well-being of all Canadians.*

In 2005, Canadian mineral production was valued at \$26.4 billion, representing an 8.5% increase from the \$24.3 billion generated in 2004. The value of total metal production for 2005 increased by 7.7% to \$13.3 billion from \$12.4 billion in 2004. Nonmetal production reached \$10.7 billion in 2005, an increase of 3.6% from the \$10.3 billion of 2004. The biggest increase in 2005 came in the value of coal production, which rose to \$2.3 billion, a 45.9% increase from the \$1.6 billion of 2004. It should be noted that production values for 2005 did not increase as significantly as those of 2004 due, in part, to the depreciation of the U.S. dollar. In 2005, mineral production continued to supply global demand, and prices for most mineral commodities remained strong. Canadian mineral production reflects the shipments of minerals produced in Canada from Canadian mines and quarries.

#### **Metal Mines**

The significant increase in the production value of copper and iron ore helped metals reach a growth of 7.7% in 2005. The value of copper increased by 20.9% while the actual volume increased by 4.8%. The price of copper rose during 2005 and continued to do so into 2006.

Similar to last year, iron ore saw a decrease in its volume but an increase in its value of production. In 2005, its volume decreased by 0.9% but this was offset by a 13.5% increase in its value.

Nickel, which showed significant increases in both volume and value in 2004, saw a moderate increase in value for 2005 (+2.4%) along with a small decline in its volume (-1.6%).

#### **Nonmetal Mines**

Overall, the value of nonmetallic mineral production showed an increase of 3.6% for

2005. Potash continued to lead the group in growth, whereas diamonds had the largest decline in value.

Potash, which continues to be in high demand, showed a sizeable increase in value of production of 31.3% and an increase in volume of 1.6%.

Compared to the previous year, 2005 diamond production decreased, both in value (19.7%) and in quantity mined (3.0%) because of the lower grade of ore processed at both mines and the appreciation of the Canadian dollar.

#### **Coal**

The volume of coal production decreased by 1.0% in 2005. This was offset by a significant 45.9% increase in value of production. The increase in value can be attributed to the international supply and demand ratio for coal.

#### **Provincial/Territorial Insight**

Ontario leads the country in its percentage share of Canada's mineral output for 2005 at 27.4%. British Columbia, at 18.4%, moved into second place over last year's third place. Rounding out the top four provinces and territories were Saskatchewan (15.5%), which moved from fourth to third, and Quebec (13.7%), which moved from second to fourth.

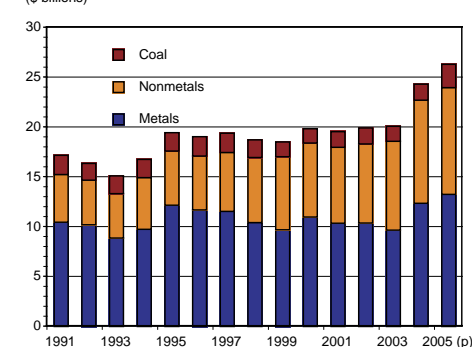
Newfoundland and Labrador showed a 38.2% increase in its value of iron ore production. In 2004, Newfoundland's only gold mine closed and, in 2005, a new nickel mine opened.

Quebec showed an overall decrease in value of metal production of 17.8%, which contributed to its lower provincial ranking. The decrease can be attributed to a decline in the value of production of copper (-33.2%) and zinc (-51.7%) in that province.

Saskatchewan's total mineral production for 2005 increased from last year by 34.2%. Most notably, uranium saw a 65.4% increase in its value of production in that province. This increase can be attributed to a greater volume of shipments and to increased spot market prices.

In 2004, the Giant mine, the Northwest Territories' only gold mine, closed. In 2005, the CanTung tungsten mine re-opened after being closed since 2003. Nunavut's only gold mine, the Lupin mine, closed early in 2005.

**Value of Mineral Production (Including Coal), 1991-2005 (p)**  
(\$ billions)



Note: Excludes petroleum and natural gas.

**Total Value of Canadian Mineral Production, 2004 and 2005 (p)**

	2004 (\$ millions)	2005(p) (\$ millions)	Change %
Metals	12 361.8	13 308.6	7.7
Nonmetals	10 344.4	10 719.8	3.6
<b>Total non-fuels</b>	<b>22 706.2</b>	<b>24 028.4</b>	<b>5.8</b>
Coal	1 596.5	2 328.5	45.9
<b>Total production</b>	<b>24 302.7</b>	<b>26 357.0</b>	<b>8.5</b>

Sources: Natural Resources Canada; Statistics Canada. (p) Preliminary.

### Production of Canada's Leading Minerals, 2005 (p)

	Production 2005 (p) (000 tonnes except where indicated)	Change From 2004 (%)	Value 2005 (p) (\$ millions)	Change From 2004 (%)
<b>Metallic Minerals</b>				
Nickel	174.5	-1.6	3 302.5	2.4
Copper	570.6	4.8	2 454.8	20.9
Gold (kg)	119 688.6	-7.6	2 041.4	-7.9
Iron ore	28 342.7	-0.9	1 495.8	13.5
Uranium (1)	12.6	9.1	1 028.3	65.4
Zinc	623.1	-15.1	998.2	-0.2
Other metals	n.a.	n.a.	1 987.6	2.0
<b>Total metals</b>	<b>n.a.</b>	<b>n.a.</b>	<b>13 308.6</b>	<b>7.7</b>
<b>Nonmetallic Minerals</b>				
Potash (K <sub>2</sub> O) (2)	10 496.6	1.6	2 838.8	31.3
Cement (3)	14 921.8	0.5	1 691.0	3.8
Diamonds (000 ct)	12 299.7	-3.0	1 683.6	-19.7
Sand and gravel (4)	245 533.5	-1.8	1 165.0	-0.2
Stone (4)	134 873.4	-0.8	1 133.2	-2.0
Other nonmetals	n.a.	n.a.	2 208.1	3.6
<b>Total nonmetals</b>	<b>n.a.</b>	<b>n.a.</b>	<b>10 719.8</b>	<b>3.6</b>
<b>Fuels</b>				
Coal	65 317.0	-1.0	2 328.5	45.9

(1) Uranium value is calculated using spot market prices. (2) Excludes shipments to Canadian potassium sulphate plants. (3) Includes exported clinker. (4) Excludes shipments of sand and gravel and stone to Canadian cement, lime and clay plants.

### Percentage Share of Canada's Mineral Output in 2005 (p)

Ontario	27.4
British Columbia	18.4
Saskatchewan	15.5
Quebec	13.7
Northwest Territories	6.5
Alberta	4.8
Manitoba	4.8
Newfoundland and Labrador	4.3
New Brunswick	3.3
Nova Scotia	1.1
Yukon	0.1
Nunavut	...
Prince Edward Island	...

### Leading Minerals (Including Coal) by Value of Output (\$ billions) in 2005 (p)

Nickel	\$3.3
Potash (K <sub>2</sub> O) (1)	\$2.8
Copper	\$2.5
Coal	\$2.3
Gold	\$2.0
Cement (2)	\$1.7
Diamonds	\$1.7
Iron ore	\$1.5
Sand and gravel (3)	\$1.2
Stone (3)	\$1.1
Uranium (4)	\$1.0
Zinc	\$1.0

(1) Excludes shipments to Canadian potassium sulphate plants.

(2) Includes exported clinker. (3) Excludes shipments of sand and gravel and stone to Canadian cement, lime and clay plants. (4) Uranium value is calculated using spot market prices.

### For more information:

Further details on the most recent production survey results are available on Natural Resources Canada's Minerals and Mining Statistics Division's web site at [http://mmsd1.mms.nrcan.gc.ca/mmsd/production/default\\_e.asp](http://mmsd1.mms.nrcan.gc.ca/mmsd/production/default_e.asp) or by contacting:

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### Mineral Production by Province and Territory 2005 (p)

	Metallics	Nonmetallics	Coal	Total
	(\$000)			
Newfoundland and Labrador	1 092 574	46 077	-	1 138 651
Prince Edward Island	-	3 050	-	3 050
Nova Scotia	-	x	x	286 098
New Brunswick	564 810	x	x	874 851
Quebec	2 124 231	1 492 645	-	3 616 876
Ontario	4 792 152	2 422 987	-	7 215 139
Manitoba	1 141 332	116 300	-	1 257 631
Saskatchewan	1 115 400	x	x	4 075 964
Alberta	944	x	x	1 266 050
British Columbia	2 418 917	604 120	1 839 827	4 862 863
Yukon	33 214	5 247	-	38 461
Northwest Territories	21 333	1 696 303	-	1 717 635
Nunavut	3 714	-	-	3 714
<b>Total</b>	<b>13 308 619</b>	<b>10 719 824</b>	<b>2 328 541</b>	<b>26 356 985</b>

Sources: Natural Resources Canada; Statistics Canada.

- Nil; ... Amount too small to be expressed; n.a. Not applicable; (p) Preliminary; x Confidential.

Notes: Numbers may not add due to rounding. Mineral production is based on shipments. For full details of the methods used in computing the mineral production of Canada, please refer to the Appendix in Statistics Canada cat. no. 26-202-XIB.

**Additional information is available at these Internet sites:**  
Minerals and Metals: [www.nrcan.gc.ca/mms/topi-suje/met\\_e.htm](http://www.nrcan.gc.ca/mms/topi-suje/met_e.htm)  
Mining in Canada: [www.nrcan.gc.ca/mms/topi-suje/min\\_e.htm](http://www.nrcan.gc.ca/mms/topi-suje/min_e.htm)



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