



**THE
CANADIAN
MINERALS
AND METALS
PLAN**

**UPDATE TO
ACTION PLAN 2020**
September 2020



INTRODUCTION

The preliminary version of the first Action Plan under the **Canadian Minerals and Metals Plan (CMMP)** was released on March 1, 2020. It introduced six pan-Canadian initiatives—as mandated by Canada’s Mines Ministers—to support the goals of the CMMP: improving the competitiveness of Canada’s minerals and metals industry; positioning Canada for long-term success in a clean, digitalized, global economy; and ultimately establishing Canada as the leading mining nation.

Canada’s Mines Ministers agreed to provide an update to Action Plan 2020 at the 2020 Energy and Mines Ministers’ Conference, originally planned for July 2020. It aims to demonstrate early progress on pan-Canadian actions, capture further commitments and maintain momentum for an initiative that has received attention from around the globe.

THE CMMP

- A pan-Canadian initiative developed by federal, provincial and territorial governments
- Informed through extensive engagement with industry, Indigenous peoples, civil society, innovation organizations and others
- Downloaded in more than 100 countries
- A series of Action Plans are being rolled out to keep this initiative evergreen, respond to new challenges and capitalize on longer-term opportunities in the industry. The next Action Plan will be released in 2021
- Confirmed by Mines Ministers and industry as the preferred vehicle to advance competitiveness and drive economic recovery and growth

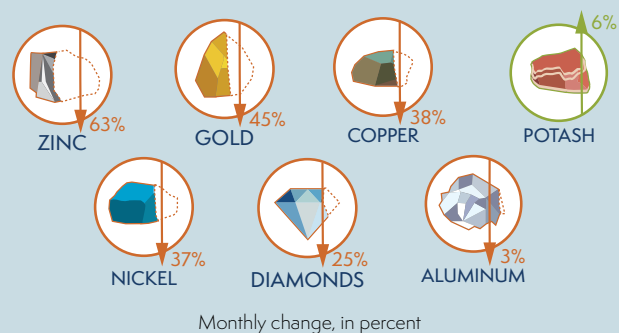
THE COVID-19 PANDEMIC

Shortly after the release of Action Plan 2020, the world began to feel the significant public health and economic effects of the COVID-19 pandemic. For the Canadian minerals and metals industry, the peak of the crisis was early April 2020, when about one-third of mines in Canada scaled back or suspended operations.¹ This was accompanied by widespread disruption and cancellation of mineral exploration activities, supply chains disruptions, and concerns from communities that host projects— particularly remote, Indigenous and Northern communities—regarding the spread of the virus. All partners in the mining innovation ecosystem were affected. These disruptions erased \$282 billion in market value from the world’s top 50 mining companies in the first quarter of 2020.

COVID-19 and measures to contain the pandemic that came into effect towards the end of March 2020 impacted output and raised costs for many mines in Canada. Canada’s production of major commodities

showed a strong decline in the first half of 2020, with the effects of the pandemic on the industry at their strongest in April 2020 (Figure 1 below). Since April, most mines have resumed operations and the prices of most commodities have recovered (the diamond industry is a notable exception).

FIGURE 1: CHANGE IN MINERAL PRODUCTION (APRIL 2020)



*Data for diamonds corresponds to the volume of diamonds shipped, instead of the volume produced, due to the suppression of data for diamond production. Data retrieved from Statistics Canada, 2020.

¹ At the date of publication, April 2020 was the peak of the crisis for the industry. This does not account for a potential second wave of the coronavirus or other unforeseen events.



Beyond Canada, the pandemic effectively placed the global economy on hold and eroded investor confidence in financing risk capital, affecting both mineral exploration projects and investment in existing operations. Global mining financing activity quickly subsided with \$3.5 billion in equity raised in the first quarter of 2020—about 25% of the value raised compared to the fourth quarter of 2019. Junior exploration companies were hit hard, as they typically rely on equity financing to fund their activities. While junior companies lost valuable time and fell behind planned schedules, in Canada, financing raised by them surged in June 2020, jumping to four times higher than June of the previous year.

Mining supply and services (MSS) companies that support this sector's value chains and develop solutions for global customers were also challenged, with some reporting cancelled contracts with senior mining companies. Many MSS companies are smaller, innovation-focused firms with little or no revenue that had trouble keeping staff on payroll and faced operational difficulties and risks to advancing and delivering projects.

In response to the massive economic disruption, unprecedented stimulus measures to stabilize the economy and set the stage for recovery were introduced by governments in Canada. Broad-based support was made available in an attempt to have the biggest impact as practically possible and leave no one behind. This included wage subsidies, work-sharing programs, loans for businesses of all sizes, tax relief and the injection of liquidity into markets.

Measures specific to the minerals and metals sector were also introduced:

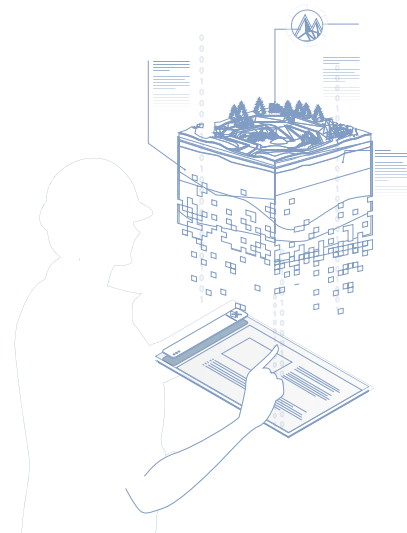
PROVINCES AND TERRITORIES

- Extending time for one or more of: exploration permits/licences; mineral titles/rights/claims; mineral agreements/leases; public land leases; mandatory declaration payments; reporting requirements **(B.C., Y.T., N.W.T., Alta., Sask., Man., N.U., Ont., Que., N.S., N.L.)**
- \$200 million for hydro bill deferrals for major industrial customers **(B.C.)**
- Cutting the school tax in half, providing the sector with \$1 million in savings; extending timelines for the tax filing and payment for the employer health tax **(B.C.)**

- Delaying a planned increase to the carbon tax **(B.C.)**
- Charging zero interest on outstanding mineral tax balances for companies that can't afford payments **(B.C.)**
- Providing early partial payment (40%) for CleanBC Industrial Incentive Program **(B.C.)**
- Amending the *Mineral Tenure Registry Regulations* that modifies expenditure requirements **(Sask.)**
- Extending the provision for double-assessment credits for exploration work completed in 2020 **(Man.)**
- Placing all mineral claims under protection status **(N.B.)**
- Waiving water use charge payments and mineral assessment expenditure requirements **(N.L.)**

GOVERNMENT OF CANADA

- Extending time to spend capital raised via flow-through shares by 12 months
- Providing regulatory flexibility by exercising discretion in enforcing the *Fisheries Act*, extending timelines for reporting under the *Output-Based Pricing System Regulations*, and delaying publication of proposed regulations under the Clean Fuel Standard
- Investing \$250 million for innovative, early-stage companies through the Industrial Research Assistance Program
- Under the *Nunavut Mining Regulations*, waiving (upon request) payment of annual rent on minerals leases for one year, and extending time limits to pay mineral leases by six months





CANADA'S MINING INDUSTRY STEPPED UP DURING THE CRISIS AND WILL CONTRIBUTE TO RECOVERY

Mining is a global industry that is subject to fluctuating commodity prices, changes in global demand, continual innovation and other economic factors. It is also inherently local and regional, with mining-related activities taking place in or near communities across Canada—in urban, rural, remote and isolated settings alike.

While widespread impacts of the pandemic were felt across the country and around the globe, Canada's minerals and metals industry stepped up with its trademark leadership (see sidebar).

Canada's mining sector creates significant numbers of jobs, provides a pathway for economic reconciliation with Indigenous Peoples, contributes to GDP, drives exports and anchors regional economies. During the COVID-19 outbreak in Canada, mining was deemed an essential service or was not ordered to be closed by almost all governments in Canada. The provinces and territories quickly established protocols and guidance for safe operations and access to sites, while managing health and safety considerations, regulatory compliance issues, concerns from the public, and reduced tax revenues.

The mining sector was proactive in its response, placing the health and safety of employees and host communities at the forefront. The crisis also prompted companies to strengthen their operational resiliency. This helped them remain the starting point for supply chains for medical equipment, agriculture, manufacturing, aerospace and defence, clean technologies, and other essential components of our society.

CANADIAN MINING INDUSTRY LEADS IN THE TIME OF CRISIS

Companies took significant steps during the pandemic to protect the health and safety of workers and nearby communities. These included:

- Strictly following health and safety directives mandated by government authorities
- Developing and implementing detailed health & safety protocols specific to work sites and workforces, such as:
 - Health screening at mine sites, including COVID testing
 - Adjusting work arrangements, shift rotations and transportation plans to limit person-to-person contact and the spread of COVID-19
- Ramping down operations to protect the health and well-being of Indigenous communities
- Paying full wages while workers from vulnerable communities remained at home and bringing in workers from the south to maintain key supply chains
- Producing medical supplies and investing in research to fight the pandemic
- Sponsoring challenges to develop affordable solutions, such as face shields, hand sanitizer, air and mask disinfectant devices and psychological platforms
- Donating millions of dollars to community organizations and local health authorities for food security, basic necessities, and support for women and vulnerable populations
- Donating millions of dollars for the purchase of personal protective equipment for health care workers





Looking beyond the crisis, the private sector has pointed to Canada's natural resources industries as a strong competitive advantage in gaining global market share. Mining and the CMMP in particular have been identified as key to recovery.

"We are asking the federal government to commit to using the Canadian Minerals and Metals Plan to improve Canadian resilience and develop an export strategy that helps Canada feed into the recovery packages of other nations, especially as they pursue mineral-intensive green infrastructure and energy projects."

— CANADIAN CHAMBER OF COMMERCE

This is consistent with advice from industry and different orders of government—that the collaboration and momentum generated by the CMMP be leveraged to boost competitiveness and develop strong industries that support economic recovery. The vision for the post-COVID future of mining is captured in the CMMP, which identified gaps, challenges and opportunities and is founded on comprehensive research, analysis and engagement.

EARLY PROGRESS ON PAN-CANADIAN INITIATIVES AND OTHER ACTIONS

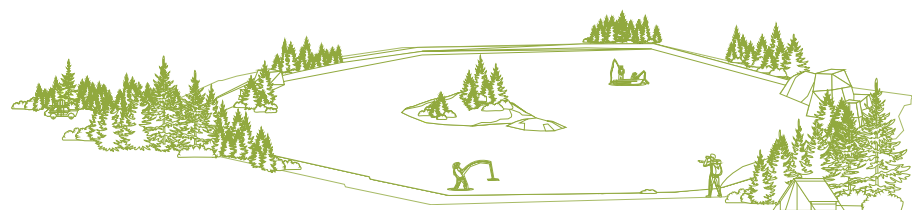
The significant COVID-related disruption to the minerals and metals sector meant that federal, provincial and territorial governments focused their attention since March 2020 on working with industry to identify challenges and seek solutions. That said, governments and stakeholders did not lose sight of the importance

of the pan-Canadian initiatives introduced prior to COVID-19 in Action Plan 2020. A more comprehensive update will be provided in Action Plan 2021.

THE NATIONAL ORPHANED / ABANDONED MINES INITIATIVE

The National Orphaned / Abandoned Mines Initiative (NOAMI) is a national multi-stakeholder committee established in 2002 to address issues related to orphaned and abandoned mine sites in Canada. Considering that NOAMI met its original objectives, Action Plan 2020 directed NOAMI to refresh its mandate to reflect new and emerging issues, including climate-related risks.

To inform this work, NOAMI hosted a webinar with nearly 80 participants from non-governmental organizations (NGOs), industry, Indigenous groups, government and academia. Topics included community relations, innovation, risks to remediating orphaned and abandoned mine sites and preventing future abandonments. A follow-on survey was conducted to collect more information and inform a report on the way forward for NOAMI.





A PAN-CANADIAN GEOSCIENCE STRATEGY

Canada's accessible, high-quality public geoscience creates a fair and globally competitive exploration environment, lowers risks associated with exploration, supports informed land-use decisions and helps identify and build understanding of natural hazards. Action Plan 2020 includes the development of a new, collaborative Pan-Canadian Geoscience Strategy (PGS) to build on the success of the respective Canadian geoscience surveys. It will leverage next generation technology, big data, and other disruptive technologies to increase the quality and accessibility of Canada's public geoscience.

The PGS is being developed by the National Geological Surveys Committee (NGSC), which is comprised of representatives from federal, provincial and territorial geological surveys. The NGSC has examined international best practices and engaged extensively with mineral industry and other stakeholders across the country.

The NGSC is pursuing an ambitious scope for the PGS that goes beyond mineral exploration to include geoscience that contributes to Canada's mineral wealth and to sustainable and safe land stewardship. The PGS will also consider how it can leverage state-of-the-art geoscience to find the mines of tomorrow and identify deposits to help Canada meet growing demand for critical minerals—notably for batteries—which will support recovery and competitiveness.

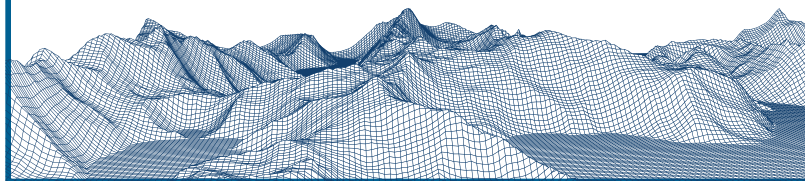
To attract new investment, the PGS will enhance knowledge that supports critical infrastructure development in remote and Northern communities.

The NGSC will continue to engage with stakeholders and partners—including Indigenous communities—to better understand traditional knowledge and their geoscience needs.

A federal down payment on the PGS

On July 29, the Government of Canada announced an investment of nearly \$100 million to renew two flagship geoscience programs led by the Geological Survey of Canada: the Geo-mapping for Energy and Minerals (GEM) program and the Targeted Geoscience Initiative (TGI).

- GEM provides geoscientific knowledge of the immense untapped resources in Canada's North and informs mineral resource opportunities in the context of a changing climate
- TGI provides next-generation geoscience knowledge and innovative techniques to target deeply buried mineral deposits



CANADA BRAND FOR MINING

Action Plan 2020 commits to developing and championing a Canada Brand for Mining to bolster Canada's standing as an exploration and mining power, increase foreign direct investment, and promote the world's most innovative MSS industry.

A working group has identified four elements for the brand: Leadership; Partnerships (Alliances and Indigenous Engagement); Excellence (Global Authority on Innovation and Mining Sciences); and Values

(Environmentally, Economically and Socially Sustainable, Safe and Responsible Mining). These elements convey the unique characteristics of Canada that set it apart from competitors. Indigenous partners, industry and other stakeholders will be asked for input before engaging experts to develop a branding tool kit.



INCREASING INDIGENOUS PROCUREMENT

Action Plan 2020 committed to a series of workshops to support Indigenous business development, long-lasting economic benefits, entrepreneurship and an expanded role for Indigenous Peoples in the industry. The workshops will inform a checklist to increase procurement opportunities for Indigenous businesses.

In January 2020, the CMMP Secretariat hosted a discussion as a pilot for the workshops at the Association for Mineral Exploration's (AME) Roundup conference. P. Jerry Asp, Tahltan Nation and member of the Canadian Mining Hall of Fame; Lana Eagle, AME Board of Directors; and Kyela de Weerd, Mining Shared Value / Engineers without Borders led discussions on key issues, best practices, opportunities, and the changing nature of mining.



Sixty participants attended, including representatives from Indigenous businesses and communities, industry, NGOs and other stakeholders. Key takeaways included the need for:

- More dialogue with industry
- Uniform procurement policies and processes across the country
- Standardized procurement data
- An asset mapping strategy to map the procurement landscape, identify opportunities, and highlight resources and gaps
- Realistic Indigenous contracting targets that are informed by data and made public

In light of the difficulties presented by COVID-19 to hosting face-to-face events, alternative forms of engagement are being considered. These include online workshops, webinars, and video vignettes with Indigenous business and community leaders across Canada demonstrating best practices.

NEW COLLABORATIVE INITIATIVE TO SUPPORT RECOVERY

Leveraging our resources and global reputation to build global supply chains

The COVID-19 crisis exposed the vulnerability of global supply chains, particularly those anchored in manufacturing-heavy regions like Asia. These factors suggest that supply chain reconfiguration is likely. Canada can leverage its resources, mining and innovation ecosystems, and global leadership in responsible business conduct to supply our partners with the minerals, metals and solutions needed for a clean, modern economy.

Critical minerals are essential to clean technology, agri-food, aerospace and defence, communications technology and other sectors. Federal, provincial and territorial governments are working together to translate these advantages into greater results for Canadians.

Since before the pandemic, Canada has engaged with key trading partners to improve supply-chain resiliency, security, and diversify towards open, secure and reliable suppliers. For example, in January 2020, Canada and the U.S. finalized the Canada-U.S. Joint Action Plan on Critical Minerals Collaboration, advancing our mutual interest in securing supply chains. This reflects that critical minerals are essential to the U.S.'s national security, manufacturing and economic interests.



The federal government is also engaged with the EU and Japan and could serve as a trusted supplier for these economies. Such collaboration can generate investment in Canadian projects and strengthen connections between Canadian and international firms and investors. To this end, Canada and the EU are planning a “CETA Raw Minerals Dialogue” in November 2020 and Canada and Japan are working to have critical minerals included in the Canada-Japan Energy Dialogue. Canada is also cooperating with Australia to affirm global leadership, share best practices, set international standards and work together with allies in global mining fora.

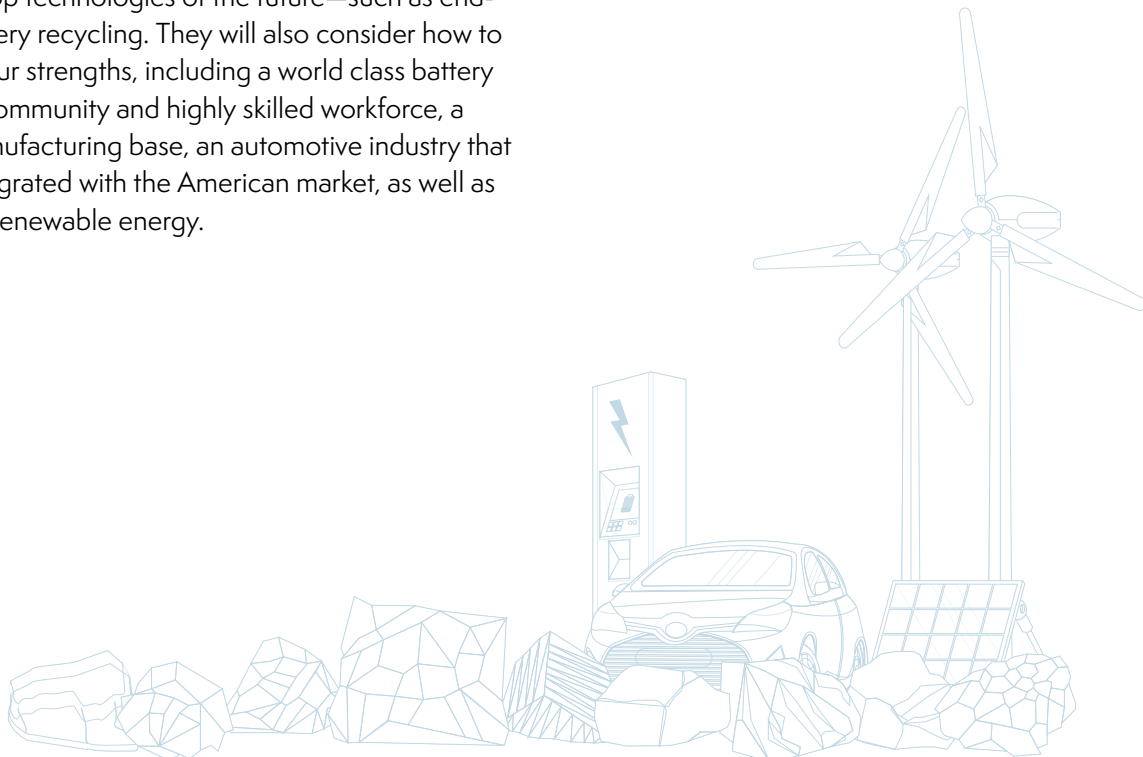
Federal, provincial and territorial governments will collaborate to better understand “criticality” in a Canadian context. They will also identify steps to strengthen domestic critical mineral supply chains, collaborate on key initiatives, and attract investment.

Critical minerals include minerals that are required for some clean technologies, including batteries. Canada has a generational opportunity to develop value chains for advanced batteries that will support the global energy transition. Federal, provincial and territorial governments will collaborate to help attract leading battery manufacturers and produce electrified vehicles (EVs); establish homegrown stationary energy storage; and develop technologies of the future—such as end-of-life battery recycling. They will also consider how to leverage our strengths, including a world class battery research community and highly skilled workforce, a strong manufacturing base, an automotive industry that is well-integrated with the American market, as well as abundant renewable energy.

Canada’s global reputation for sustainability and excellence in environmental, social and governance standards is paying dividends. In July 2020, Canada joined the Global Battery Alliance (GBA)—run by the World Economic Forum—to develop a circular and sustainable battery value chain. Other members include BASF, Glencore, Volkswagen and the OECD.

Canada is playing a leadership role in the Global Battery Passport, a GBA initiative to create a traceable value chain for EVs and batteries. The Passport will verify the origin of battery materials, disclose greenhouse gas footprints, work to extend battery life and promote recycling. It should be fully operational in 2023 and will include a certified “quality seal.”

Natural Resources Canada has also joined Propulsion Québec in a pilot project under the Passport program to test new technology to trace minerals throughout a value chain. This technology could apply to mines in Canada and the world.





OTHER INITIATIVES BY FEDERAL, PROVINCIAL / TERRITORIAL GOVERNMENTS, INDUSTRY AND INDIGENOUS PEOPLES

ECONOMIC DEVELOPMENT AND COMPETITIVENESS

- Introduced Bill 6 – 2020: Mines Amendment Act to separate regulatory accountabilities, establish an auditing function and strengthen compliance and enforcement **(B.C.)**
- Launching an independent panel to develop a Mineral Development Strategy **(Y.T.)**
- Signed four project agreements with affected First Nations under the Yukon Resource Gateway Project with an estimated capital construction cost of \$165 million **(Y.T.)**
- Increasing the Yukon Mineral Exploration Program funding from \$1.4 million to \$2.5 million **(Y.T.)**
- Launching Alberta's Recovery Plan, including a new Minerals Strategy **(Alta.)**
- Repealed the carbon tax and reduced corporate income tax rates from 12 to 8 per cent **(Alta.)**
- Introduced the \$20-million Manitoba Mineral Development Fund **(Man., Assoc.)**
- Provided \$1 million to 20 mineral exploration projects via the Mining Incentive Program **(N.W.T.)**
- \$1.9 million for the Junior Exploration Assistance and Prospectors Assistance Programs **(N.L.)**
- Measures under the Mining the Future mineral strategy such as: modernizing the *Mineral Act* and *Mining Act*; assessing venture capital funding; reviewing regulatory processes and fee structures; establishing an Independent Geoscience Technical Advisory Committee **(N.L.)**
- Committed joint investment of up to \$600 million in New Nemaska Lithium for a lithium mine and electrochemical plant **(Que., Industry)**
- Renewed the Geo-mapping for Energy and Minerals program and the Targeted Geoscience Initiative **(Can.)**

THE ENVIRONMENT

- Launched Our Clean Future—a climate change, energy and green economy strategy with a commitment to develop mining intensity targets for placer and quartz **(Y.T.)**
- Addition of Alberta to the memorandum of understanding to develop small modular reactors **(Alta., Sask., Ont., N.B.)**
- Consulting and developing Canada's Small Modular Reactor Action Plan **(Can., Alta., Sask., Ont., N.B., Industry)**
- Addressing dam deficiencies as part of a Dam Safety Program at Orphaned and Abandoned Mine Sites **(N.L.)**

ADVANCING THE PARTICIPATION OF INDIGENOUS PEOPLES

- \$1.58 million to support early reclamation work at the Tulsequah Chief Mine site in collaboration with the Taku River Tlingit First Nation **(B.C., Indigenous Peoples)**
- Passed the *Declaration on the Rights of Indigenous Peoples Act* **(B.C.)**
- Funding for emissions-reduction such as electrification and fuel switching at mining operations under the CleanBC Industry Fund **(B.C.)**
- Developing a First Nations procurement policy **(Y.T.)**
- Sharing fiscal benefits from resource revenues with Indigenous Governments that are signatories to the Northwest Territories Lands and Resources Devolution Agreement **(N.W.T.)**
- Indigenous governments releasing or developing regional mineral development strategies **(Indigenous Peoples, N.W.T.)**
- New *Mineral Resources Act* contains provisions for Indigenous governments and organizations, communities and residents to realize benefits from mineral development **(N.W.T.)**
- Established La Grande Alliance for a 30-year infrastructure program to facilitate transportation and increase the value of natural resources **(Que., Cree Nation)**

SCIENCE, TECHNOLOGY AND INNOVATION

- Launched a Mining Innovation Roadmap to support competitiveness and solve key challenges **(B.C., Assoc.)**
- Introduced an Innovation Employment Grant (in effect January 1, 2021) for small- and medium-sized businesses that invest in R&D **(Alta.)**
- Exploring the economic extraction of lithium from brines and vanadium from bitumen **(Alta.)**
- Developing an inventory of critical and strategic materials **(Alta.)**
- \$2.1 million for Corem to develop a process to recover and recycle cyanide in the gold extraction process under the Clean Growth program **(Que., Can., Assoc.)**
- Advancing core digitization and generating advanced, publically-available data with the College of the North Atlantic and Memorial University **(N.L., Can.)**
- \$5 million for a traceability system to be used by the Canadian aluminum industry **(Can.)**



COMMUNITIES

- Hosting Resource and Energy Development Information sessions and prospector training courses in communities **(N.W.T.)**
- Delivering online prospector training, which focuses on training Indigenous Peoples to become mineral prospectors **(N.W.T.)**
- Developing a new approach to prospector training **(N.L.)**

GLOBAL LEADERSHIP

- Hosting the Responsible Minerals + Metals Summit **(B.C.)**
- Provided virtual mining and exploration property tours for an international audience with support from Invest in Canada, industry and media **(Y.T., Industry, Can.)**
- Establishing the Invest Alberta Corporation to boost investment attraction efforts in key global markets **(Alta.)**

CONCLUSION AND NEXT STEPS

At the time of publication, the extent of the second wave of the COVID-19 pandemic and its effects on regions across Canada and around the world are unclear.

In general, mining operations and related activities are on their way towards their previous “normal” state. Like all sectors of the economy and segments of the population, they remain vulnerable to global crises. Regardless, the minerals and metals sector will be vitally important to Canada’s economic recovery and continued prosperity in a post-COVID world. The CMMP, which is built on a strong foundation of collaboration and which applies a forward-looking, holistic approach to boosting competitiveness in a modern economy, will help drive this sector forward to the benefit of all Canadians.

Federal, provincial and territorial governments will continue to collaborate and work with Canadians and industry across the country to advance the pan-Canadian initiatives introduced in Action Plan 2020. They will also identify new measures to respond to opportunities and boost Canadian competitiveness in subsequent Action Plans, planned for 2021, 2022 and every three years thereafter.

