Reports of the Commissioner of the Environment and Sustainable Development to the Parliament of Canada

Report 6

The Canadian Critical Minerals Strategy

Independent Auditor's Report | 2024

Office of the Auditor General of Canada

Bureau du vérificateur général du Canada

Performance audit reports

This report presents the results of a performance audit conducted by the Office of the Auditor General of Canada (OAG) under the authority of the *Auditor General Act*.

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- report both positive and negative findings
- conclude against the established audit objectives
- make recommendations for improvement when there are significant differences between criteria and assessed performance

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At a Glance

Overall message

Overall, Natural Resources Canada did not have strong enough governance or robust risk analysis, nor did the department sufficiently assess the environmental and climate impacts of the Canadian Critical Minerals Strategy to support the achievement of the strategy's objectives of advancing reconciliation with Indigenous peoples and promoting climate action and environmental protection.

Significantly increasing the supply of critical minerals is essential to produce technologies that support the transition to a net-zero economy, such as for batteries for electric vehicles, wind turbines, and solar panels. However, Natural Resources Canada did not do enough analysis to measure the benefits of increasing Canada's supply of critical minerals versus the expected climate and environmental risks and impacts. The department also did not have a process to track and monitor risks to determine the effectiveness of mitigation measures throughout the implementation of the strategy.

Natural Resources Canada engaged with Indigenous peoples in developing the strategy, and the department had begun work to inform a plan for Indigenous engagement on Natural Resources Canada–led critical mineral programs.

Moving forward, Natural Resources Canada will have to consolidate information and fully assess the strategy's risks and impacts so that it can flag and monitor impacts to help maximize the strategy's benefits while minimizing any adverse effects from increased mining activities. Increased mining activities will result in adverse environmental effects and increase greenhouse gas emissions, which could compromise Canada's ability to meet its commitments to climate action, biodiversity, and Indigenous reconciliation. Not effectively identifying and managing risks could result in progress toward technology in support of the transition to net-zero emissions being offset by adverse effects on climate, the environment, biodiversity, and future generations.

Key facts and findings

- In 2022, the federal budget allocated up to $3.8 billion over 8 years to support the implementation of the Canadian Critical Minerals Strategy. The strategy's vision is to increase the supply of responsibly sourced critical minerals and support the development of value chains for domestic and global critical minerals for the green and digital economy.
- There are risks that increased mining activities will result in negative impacts on climate, the environment, and biodiversity. Specifically, damages to Canada's globally significant carbon sinks, such as forests, wetlands, and peatlands, could release additional carbon and eliminate or reduce their potential to remove carbon dioxide from the atmosphere.
- Many critical minerals are in regions that are also home to Indigenous communities, which have been and continue to be affected by mining activities.
- Unless it is strengthened, Natural Resources Canada's Critical Minerals Geoscience and Data Initiative is unlikely to provide a complete picture of areas with critical mineral opportunities with the greatest potential benefits and the lowest environmental and social impacts.

See **Recommendations and Responses** at the end of this report.

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Introduction

Background

The Canadian Critical Minerals Strategy

6.1 Critical minerals are key to producing technologies that support the goal of Canada becoming a net-zero economy by 2050. However, increased mining for critical minerals will result in adverse environmental effects and increase greenhouse gas emissions, which could have a bearing on domestic and international commitments, especially if impacts are not effectively mitigated.

6.2 In 2022, the federal budget allocated up to $3.8 billion over 8 years to support the implementation of the Canadian Critical Minerals Strategy. The strategy's vision is to increase the supply of responsibly sourced critical minerals and support the development of **value chains**[1] for domestic and global critical minerals for the green and digital economy (Exhibit 6.1).

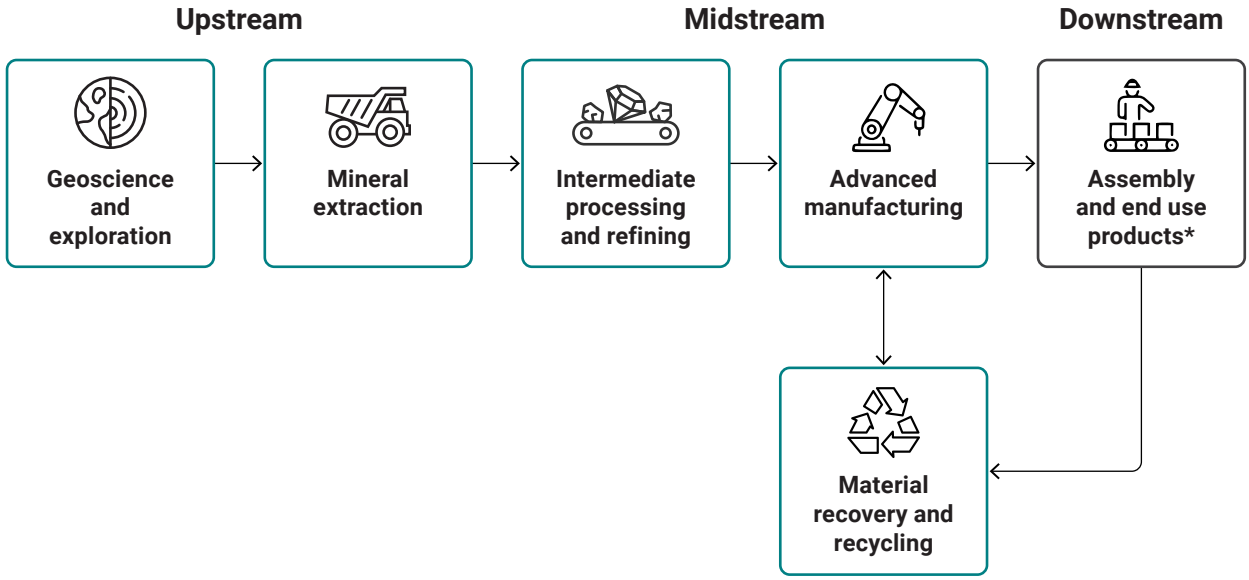
6.3 In the strategy, the Government of Canada identified 31 "critical minerals" and prioritized 6 for their potential to spur Canadian economic growth and as inputs for supply chains with the highest potential for domestic integration. In June 2024, the Government of Canada released updated criteria along with an updated list of 34 critical minerals. As stated by Natural Resources Canada, to be deemed "critical" in Canada, a mineral must be part of a supply chain that is threatened and there must be a reasonable chance of the mineral being produced domestically. In addition, one of the following criteria must be met:

- essential to Canada's economic or national security
- required for Canada's national transition to a sustainable low-carbon and digital economy
- position Canada as a sustainable and strategic partner within global supply chains

6.4 The strategy has 5 core objectives (Exhibit 6.2).

1 **Value chain**—A value chain adds value at each step of the production and delivery of a product to market, consumers, and disposal and recycling. A supply chain refers to the logistics of getting a product to market.

Exhibit 6.1—The Canadian Critical Minerals Strategy focuses on activities in the upstream and the midstream segments of the critical mineral value chain



*Not part of the Canadian Critical Minerals Strategy value chain

Source: Adapted from the Canadian Critical Minerals Strategy, 2022

Exhibit 6.1—The Canadian Critical Minerals Strategy focuses on activities in the upstream and the midstream segments of the critical minerals value chain—Text description

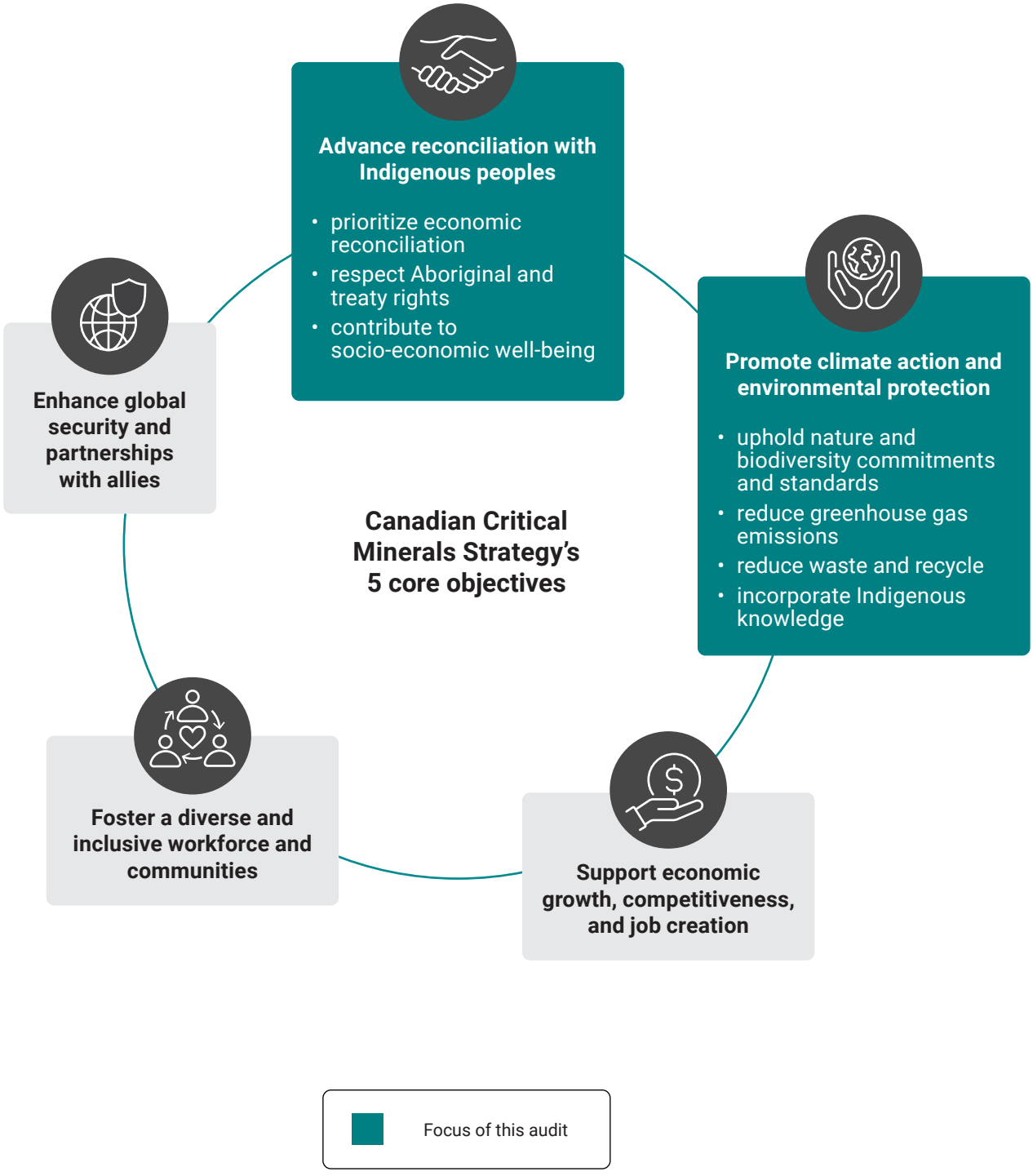
The image shows the upstream, midstream, and downstream segments of the critical minerals value chain and shows that the Canadian Critical Minerals Strategy focuses on the upstream and midstream activities.

- There are 2 upstream segment activities: one is geoscience and exploration, and the other is mineral extraction.
- There are 3 midstream segment activities: one is intermediate processing and refining, another is advanced manufacturing, and the third is material recovery and recycling.

The downstream segment activities are assembly and end use products, but they are not part of the Canadian Critical Minerals Strategy value chain.

Source: Adapted from the Canadian Critical Minerals Strategy, 2022

Exhibit 6.2—Two of the 5 objectives of the Canadian Critical Minerals Strategy are the focus of this audit



Source: Adapted from the Canadian Critical Minerals Strategy, 2022

Exhibit 6.2—Two of the 5 objectives of the Canadian Critical Minerals Strategy are the focus of this audit—Text description

The image shows the 5 objectives of the Canadian Critical Minerals Strategy, 2 of which are the focus of this report.

One of the strategy's objectives that this report focuses on is advancing reconciliation with Indigenous peoples, which includes

- prioritizing economic reconciliation
- respecting Aboriginal and treaty rights
- contributing to socio-economic well-being

The second objective that this report focuses on is promoting climate action and environmental protection, which includes

- upholding nature and biodiversity commitments and standards
- reducing greenhouse gas emissions
- reducing waste and recycling
- incorporating Indigenous knowledge

The other objectives of the Canadian Critical Minerals Strategy are

- supporting economic growth, competitiveness, and job creation
- fostering a diverse and inclusive workforce and communities
- enhancing global security and partnerships with allies

Source: Adapted from the Canadian Critical Minerals Strategy, 2022

Roles and responsibilities

6.5 Responsibilities for mining and mineral resource development in Canada are shared among federal, provincial, territorial, and Indigenous governments, and in some locations, municipal authorities. Provinces and territories have primary responsibility for exploration, development, and extraction of mineral resources and for the construction, operations, reclamation, and closure of mine sites within their jurisdictions. The strategy is designed to respect jurisdictional responsibilities and to adhere to existing legislative and regulatory frameworks that govern the mineral and metal sector.

6.6 **Natural Resources Canada.** Natural Resources Canada is the lead for the Canadian Critical Minerals Strategy. Its role is to oversee the implementation of a collaborative whole-of-government approach to critical mineral development. Within the department are the following:

- The Critical Minerals Centre of Excellence is responsible for developing and coordinating Canada's policies and programs on critical minerals. In 2021, the federal budget included $9.6 million

over 3 years to create the Centre of Excellence. In 2022, the federal budget provided an additional $10.6 million to extend the centre's operations for another 3 years starting in the 2024–25 fiscal year.

- The Geological Survey of Canada, under Natural Resources Canada's Lands and Minerals Sector, manages several national geoscience research initiatives, including the Critical Minerals Geoscience and Data Initiative, which aims to help identify critical mineral opportunities that offer the greatest benefits and the lowest environmental and social impacts.

6.7 **Innovation, Science and Economic Development Canada.** The department is responsible for managing the Strategic Innovation Fund for critical mineral projects according to government policies and priorities. In 2022, the federal budget included direction for Innovation, Science and Economic Development Canada's Strategic Innovation Fund program to institute a contribution target of $1.5 billion over 7 years for critical mineral projects.

Critical minerals and the potential impacts of mining in Canada

6.8 Critical minerals are used to produce technologies that support the transition to a net-zero economy, such as batteries for electric vehicles, wind turbines, and solar panels. They are also used in a wide range of products, from mobile phones to medical and healthcare devices to national defence applications. Canada is an important producer of several critical minerals but also relies on imports (Exhibit 6.3).

Exhibit 6.3—Canada's critical mineral exports, imports, and trade balance, 2022

Six priority critical minerals	Total exports	Total imports	Trade balance
Cobalt	$799.9 million	$114.5 million	$685.4 million
Copper	$9,500.0 million	$6,000.0 million	$3,500.0 million
Graphite	$94.6 million	$839.4 million	($744.7 million)
Lithium	$2.2 million	$473.3 million	($471.1 million)
Nickel	$7,100.0 million	$1,500.0 million	$5,600.0 million
Rare earth elements	$2.0 million	$8.1 million	($6.1 million)

Source: Based on data from Natural Resources Canada and Statistics Canada

6.9 Critical minerals are found in regions in Canada that are also home to Indigenous communities, which have been and continue to be affected by mining activities. Mining activities can bring environmental harms, such as degradation of fish and wildlife habitat, pollution, and contamination of soil, water, and air, which can disproportionately affect Indigenous peoples who rely on their lands for traditional practices and livelihoods. The Final Report of the National Inquiry into Missing and Murdered Indigenous Women and Girls found that resource extraction projects can create increased safety concerns, including violence, harassment, and discrimination against Indigenous women and girls. Some Indigenous communities support and welcome projects for their socio-economic benefits and for shared-ownership opportunities, while others may not.

6.10 Meaningful engagement with Indigenous communities and effective management of risks to the environment and climate from mining activities and related infrastructure developments, such as roads and transmission lines, could help with acceptance of the projects. If risks are not effectively managed, then this could lead to delays in producing critical minerals and their value chains.

Focus of the audit

6.11 This audit focused on whether

- Natural Resources Canada, in collaboration with other federal organizations, developed an appropriate governance and reporting structure to implement the Canadian Critical Minerals Strategy in a manner that protects the environment and supports Indigenous communities by identifying risks and mitigating impacts
- Natural Resources Canada delivered on initial actions in support of the Canadian Critical Minerals Strategy under the Critical Minerals Geoscience and Data Initiative

6.12 This audit is important because the strategy includes 5 core objectives, including those to advance reconciliation with Indigenous peoples and to promote climate action and environmental protection. A robust governance structure and effective risk management are needed to support the achievement of the strategy's objectives and results. Potential adverse effects from increased critical mineral mining and related activities are important to consider in light of the Government of Canada's commitments. These include advancing reconciliation with Indigenous peoples through the implementation of the *United Nations Declaration on the Rights of Indigenous Peoples Act* and achieving environmental targets, such as reducing greenhouse gas

emissions by 40% to 45% below 2005 levels by 2030, reaching net-zero emissions by 2050, and fulfilling the goals of Canada's 2030 Nature Strategy: Halting and Reversing Biodiversity Loss in Canada.

Ensure sustainable consumption and production patterns

Source: United Nations

Take urgent action to combat climate change and its impacts

Source: United Nations

6.13 In September 2015, Canada adopted the United Nations' 2030 Agenda for Sustainable Development, which includes 17 Sustainable Development Goals. **Sustainable Development Goal 12** calls on governments to ensure sustainable consumption and production patterns. **Sustainable Development Goal 13** calls on governments to take urgent action to combat climate change and its impacts. The Canadian Critical Minerals Strategy supports the implementation of the Sustainable Development Goals. These international goals have been reflected in the 2022 to 2026 Federal Sustainable Development Strategy.

6.14 The Canadian Critical Minerals Strategy is intended to contribute to the 2022 to 2026 Federal Sustainable Development Strategy goals: **Goal 10** "Advance reconciliation with Indigenous peoples and take action to reduce inequality"; **Goal 12** "Reduce waste and transition to zero-emission vehicles"; and **Goal 17** "Strengthen partnerships to promote global action on sustainable development."

6.15 More details about the audit objective, scope, approach, and criteria are in **About the Audit** at the end of this report.

Findings and Recommendations

Natural Resources Canada did not fully define risks and mitigation measures to achieve its objectives on the climate and environment and on advancing Indigenous reconciliation

Why this finding matters

6.16 This finding matters because increasing mining activities for critical minerals could undermine the Government of Canada's commitment to achieving net-zero emissions, halting and reversing biodiversity loss, prioritizing economic reconciliation with Indigenous peoples, respecting Indigenous and treaty rights, and contributing to socio-economic well-being of Indigenous communities. If risks and mitigation strategies are not fully defined, the achievement of the Canadian Critical Mineral Strategy's environmental and Indigenous reconciliation objectives may be jeopardized. Effective risk management is also essential to help with acceptance of new mining projects and to avoid the risks of financial liabilities resulting from contaminated sites.

As reported in the 2024 Report of the Commissioner of the Environment and Sustainable Development on contaminated sites in the north, federal contaminated sites have a current financial liability of over $10 billion.

Context

6.17 The Canadian Critical Minerals Strategy is part of the 2030 Emissions Reduction Plan: Canada's Next Steps for Clean Air and a Strong Economy, which aims to meet the 2030 emissions reduction target of 40% to 45% below 2005 emissions and to reach net-zero emissions by 2050.

6.18 Canada is host to a considerable share of globally significant carbon sinks, such as forests and peatlands, which sequester and store carbon dioxide from the atmosphere. Mining and related activities can take place in areas such as forests and peatlands. If these areas were damaged or removed, they would release stored carbon back into the atmosphere. Additionally, such disturbances reduce or eliminate the ability of these areas to continue to remove carbon dioxide from the atmosphere and to store carbon within plants and soil.

6.19 According to the Government of Canada, in 2022, Canada's mining sector accounted for 1.6% (11 megatonnes of carbon dioxide equivalent) of the country's greenhouse gas emissions. Growth of the critical mineral sector means an increase not only in mining activities but also in related infrastructure developments, which result in increased greenhouse gas emissions and cumulative impacts. Although critical minerals are an important contributor to achieving net-zero goals, the Canadian Critical Minerals Strategy and researchers recognize that mining and related activities can have significant impacts on communities and ecosystems. It is important that new mining activity avoid or minimize

- contamination from pollution and waste released into air, soil, and water
- impacts on biodiversity and species at risk, such as through the degradation of habitats like wetlands and forests

No determination of the strategy's environmental and climate impacts or of its contribution to Canada's environmental commitments

Findings

6.20 We found that Natural Resources Canada had not completed an analysis of the greenhouse gas emissions or the climate and environmental impacts to determine the full implications of the Canadian Critical Minerals Strategy, including its expected benefits and when these would be realized. Natural Resources Canada informed us that it cannot predetermine which projects will be funded. Projects are assessed

on their merits against program criteria. As such, the department had limited ability to assess the impacts of increasing Canada's supply of critical minerals.

6.21 We are of the opinion that doing such an analysis would position the department to

- understand the potential contribution or impact of the strategy within Canada's broader climate and environmental commitments and impacts on future generations
- obtain information and data on cumulative effects, identify data gaps, and establish baselines for managing and mitigating these effects in future projects, which could be used to make informed and strategic decisions in support of proactive planning
- know whether additional initiatives will be needed to further prevent, reduce, or mitigate climate and environmental effects

6.22 Since mining has been taking place for many decades and the estimated amounts of carbon stored in some regions in Canada is known, information is available to test assumptions and to support assessments of various scenarios of the effects of increased mining activities on the climate, environment, biodiversity, and future generations.

6.23 Overall, given the timelines involved in developing new mines and related value chains, how and when the strategy will assist Canada in meeting its 2030 target for reducing greenhouse gas emissions are unclear. According to Natural Resources Canada, it can take anywhere from 12 to 20 years to develop a mine and to prepare for operation. The impact the strategy will have on Canada's greenhouse gas emission target of a 40% to 45% reduction by 2030 and on the net-zero target by 2050 and the bearing the strategy will have on Canada's biodiversity commitments had not been assessed under various scenarios.

Recommendation

6.24 Natural Resources Canada should request the Impact Assessment Agency of Canada to examine the merit and feasibility of using regional and strategic assessments to understand

- the effects of future activities carried out in areas rich in critical minerals, including cumulative effects that fall within federal jurisdiction
- the impact of the Canadian Critical Minerals Strategy and its contribution to Canada's international and domestic environmental commitments

In addition, Natural Resources Canada should work with relevant federal departments and agencies to

- complete a national-level analysis of the expected net impacts of the strategy on domestic greenhouse gas emissions and on Canada's 2030 and 2050 climate goals
- publicly report on the expected effects and benefits, along with limitations and uncertainties, that new mining activities and related infrastructure developments will have on greenhouse gas emissions, the environment, and biodiversity and their contribution to Canada's commitments related to climate change and biodiversity

The department's response. *Partially agreed.*

See **Recommendations and Responses** at the end of this report for detailed responses.

Gaps in the management of risks to the objectives of promoting climate action, protecting the environment, and advancing reconciliation with Indigenous peoples

Findings

6.25 We found that Natural Resources Canada did not sufficiently characterize risks to achieving the Canadian Critical Minerals Strategy's objectives of climate action, environmental protection, and the advancement of reconciliation with Indigenous peoples. The department did not analyze various regional scenarios to better understand the complexity of the cumulative effects and risks that could result from increased critical mineral activities or the adverse effects from infrastructure developments, such as from roads and transmission lines.

6.26 The department's approach to mitigating risks to achieving the strategy's climate action and environmental protection objectives was to rely on Canada's existing federal, provincial, and territorial regulatory framework. The department also relied on the Towards Sustainable Mining initiative. We noted some limitations with this approach:

- There are differences in terms of what is required of mining projects and related infrastructure. For example, an impact assessment may or may not be conducted by the responsible jurisdiction on a project-by-project basis to assess the potential impacts of new mining activities, including on the environment. At the federal level, a very limited number of critical mineral projects are expected to meet the threshold to trigger an impact assessment.
- The Towards Sustainable Mining initiative is voluntary, but it is required for members of the Mining Association of Canada. It is project-based and not meant to provide a guarantee of the effectiveness of climate change and biodiversity conservation management activities.

6.27 We found that for risks related to achieving the strategy's objectives, Natural Resources Canada did not have

- an oversight approach above the project level to analyze consolidated information on risks and to flag, mitigate, or monitor impacts caused by the mining activities and related infrastructure developments in mineral-rich regions
- a process to ensure that risks with higher probability or impacts were more carefully tracked and monitored to determine the effectiveness of mitigation measures throughout the implementation and the updating of the strategy

6.28 New Indigenous programs were launched as part of the strategy to provide financial support to facilitate Indigenous peoples' involvement in critical mineral projects. Examples include the creation of the Critical Minerals Infrastructure Fund—Indigenous Grants and the Northern Regulatory Initiative and the dedication of funding for critical minerals under the Indigenous Natural Resources Partnerships Program. Under the Northern Regulatory Initiative, regional studies were planned in the territories to examine direct and cumulative impacts. A regional assessment is to be conducted in the Ring of Fire region, but similar studies were not planned in other critical mineral–rich regions across Canada.

Recommendation

6.29 As part of its regular updating of the Canadian Critical Minerals Strategy, Natural Resources Canada should continuously assess environmental risks to support effective decision making aimed at avoiding, minimizing, and mitigating adverse effects and cumulative impacts of increased critical mineral mining activities and related infrastructure developments.

The department's response. *Agreed.*

See **Recommendations and Responses** at the end of this report for detailed responses.

Incomplete performance indicators and targets to measure progress toward objectives on the climate and environment and on advancing reconciliation with Indigenous peoples

Findings

6.30 We found that the performance indicators for measuring results and progress of the Canadian Critical Minerals Strategy were incomplete. The strategy's Horizontal Initiative Results Framework included performance indicators for shared outcomes, themes, and initiatives. For the strategy's shared outcome to grow the supply of responsibly sourced

critical minerals, the indicators and targets would measure the increase in domestic mineral production, the number of new processing facilities, and imports of critical minerals. However, some of the indicators and targets did not yet have baseline data available.

6.31 We found that under the strategy's objective of advancing reconciliation with Indigenous peoples, there were gaps in indicators and targets to measure progress toward Indigenous reconciliation. Although the indicators and targets accounted for economic reconciliation, such as revenue sharing and job opportunities, there were limited indicators of social aspects, such as to measure the protection of culturally significant sites or improvements in community well-being, local living conditions, or safety for communities and women.

6.32 We found that under the strategy's objective of promoting climate action and environmental protection, there were no indicators or targets to measure cumulative environmental effects from critical mineral mining activities and related infrastructure developments. We also found gaps in the indicators and targets to measure progress overall toward the strategy's climate and environmental protection objective (Exhibit 6.4).

Exhibit 6.4—Indicators and targets to promote climate action and protect the environment were incomplete

Outcome	Indicator and target by March 2030	Gaps in indicators and targets
Nature and biodiversity-related commitments and standards upheld by limiting the environmental footprint of mining activities and advancing exemplary environmental, social, and governance standards	• 100% of the proponent firms adhere to the Mining Association of Canada's Towards Sustainable Mining initiative*	• Accounts only for Mining Association of Canada members that received funding for mining activities and, therefore, does not account for funding recipients for infrastructure developments. • The indicator does not provide information to evaluate nature- and biodiversity-related commitments. • Limited to the project level and therefore does not account for cumulative adverse effects.
Greenhouse gas emissions reduced through the deployment of clean technologies and low-emission industrial processes, in line with Canada's Emissions Reduction Plan	• 10% reduction in project-site greenhouse gas emissions resulting from commissioned clean energy infrastructure projects that were funded	• Included only projects funded by the Critical Minerals Infrastructure Fund, but not other programs such as the Strategic Innovation Fund.

Outcome	Indicator and target by March 2030	Gaps in indicators and targets
Indigenous knowledge incorporated into sustainable critical mineral development	• 95% of Yukon, Northwest Territories, and Nunavut engagement opportunities where northern partners participate in sustainable northern resource management discussions on critical mineral development • 100% of reports and action plans to implement critical mineral development strategies emerging from engagement	• Limited focus on incorporating Indigenous knowledge through only one program from northern territories via the Northern Regulatory Initiative. • Does not address issues of governance, decision making, consent, or benefits to communities. • Does not address how Indigenous knowledge is sought, gathered, or handled.

* The Mining Association of Canada has 48 full member companies. Full members are required to adhere to and implement the Towards Sustainable Mining initiative.

Recommendation

6.33 Natural Resources Canada should work with relevant federal departments and agencies to improve the indicators and targets for measuring the Canadian Critical Minerals Strategy's climate impacts, environmental performance, and Indigenous reconciliation. The department should use the indicators to inform actions to address challenges and risks related to achieving the climate, environmental, and Indigenous reconciliation objectives of the strategy.

The department's response. *Agreed.*

See **Recommendations and Responses** at the end of this report for detailed responses.

Risk of Critical Minerals Geoscience and Data Initiative not achieving key commitments

Findings

6.34 We found that Natural Resources Canada had successfully implemented initial actions of the Critical Minerals Geoscience and Data Initiative. The department hired personnel, initiated internal research, and signed contribution agreements with provincial and territorial governments to support geoscience research. However, the lack of strategic consideration in the selection of research activities created risks to the achievement of the initiative's intended outcome. There were also opportunities to better coordinate and align the work. The following concerns were identified:

- The resources for developing the methodology to map environmental, social, and governance considerations and the projected economic feasibility were relatively small compared

with those for modelling the geological potential. As a result, there was a high likelihood that this methodology will not be sufficiently developed for all environmental and social impacts to provide insight on where mining could minimize these impacts and maximize economic benefits.

- The efforts to develop a comprehensive inventory of mine tailings sites and evaluate the recovery potential of critical minerals as by-products of mine waste were limited. Consequently, the work can provide only limited insight on the feasibility of recovering critical minerals from sources that will not disturb pristine environments.
- Geoscience research activities under streams 1 and 2 were intended to inform activities under streams 3 and 4, but we found that a low level of interconnection and integration between the activities of the 4 streams led to overall limitations (Exhibit 6.5).

Exhibit 6.5—A low level of interconnection between the streams' activities led to overall limitations

	Stream 1	Stream 2	Stream 3	Stream 4
Purpose	Establish a comprehensive critical mineral knowledge base	Conduct critical mineral system studies to support exploration and development of new or emerging sources of critical minerals	Introduce advanced analytics for responsible critical mineral exploration, production, and marketing decision making	Conduct consumer and supplier critical mineral assessments to outline their importance for Canada's economic and national security
Budget for the fiscal years 2023–24 to 2026–27	$10.2 million	$24.4 million	$42.0 million	$2.6 million
How	Gather geoscience information from Natural Resources Canada, provinces, territories, and industry, and consolidate to create an inventory of critical mineral deposits, mine tailings, and wastes	Explore the potentials of critical minerals from new sources such as brines, clays/muds, seawater, waste rocks, evaporites, phosphates, coal ash, and coal clays	Develop a data-sharing platform for mapping the potentials of critical minerals that includes ecological risks (critical habitats, species at risk, freshwater health, high-carbon landscapes), social, economic, and infrastructure considerations	Generate forecasts on production, export, import, dependency, and external sources

	Stream 1	Stream 2	Stream 3	Stream 4
Why	Find and address knowledge gaps to inform work under streams 2 and 3	Gain knowledge to maximize potential production of critical minerals from new and emerging sources, and inform work under stream 3	Identify exploration opportunities with the greatest potential economic feasibility and the least environmental and social impacts, and inform work under stream 4	Inform policy analysis, funding decisions, and work under stream 3
Interconnection and integration between streams	Did not focus on identifying and addressing knowledge gaps or on providing information to inform work under stream 2	Did not focus on providing a complete understanding of the critical minerals potential from new sources or on informing work under stream 3	Relatively little focus was placed on mapping both environmental, social, and governance considerations and projected economic feasibility	Limited integration with work from other streams

Overall limitations

Not optimally planned to identify locations where critical mineral projects could have the lowest environmental and social impacts and provide profitable return on investment

6.35 Additionally, we found that there was no overarching engagement plan to guide the work of the initiative. We are of the opinion that obtaining feedback from relevant groups, including Indigenous peoples, on the most important and relevant environmental, social, and governance considerations for stream 3 would allow better integration of their priorities in the mapping being developed. There was also no communications plan directed at a broader audience beyond scientists. Such a plan would ensure that new geoscience tools are used as expected to guide evidence-based decision making for investments in the exploration and development of critical minerals.

Recommendation

6.36 Natural Resources Canada should review its planned activities under the Critical Minerals Geoscience and Data Initiative to ensure research activities are aligned with and directly contribute to the initiative's expected results of mapping environmental, social, and

governance considerations and mineral potential models, including assessing the critical mineral potential from unconventional sources, such as mine waste by-products.

The department's response. *Agreed.*

See **Recommendations and Responses** at the end of this report for detailed responses.

Recommendation

6.37 Natural Resources Canada should engage with relevant groups, including Indigenous peoples in the identified areas rich in critical mineral potential, to better integrate their priorities in the Critical Minerals Geoscience and Data Initiative modelling, mapping, and datasets. The department should also develop a plan to communicate to a broader audience beyond scientists to ensure that new tools will be used as expected to guide evidence-based decision making for investments in the exploration and development of critical minerals.

The department's response. *Agreed.*

See **Recommendations and Responses** at the end of this report for detailed responses.

The governance structure did not facilitate a consolidated approach for decision making on objectives on the climate and environment and on advancing Indigenous reconciliation

Why this finding matters

6.38 This finding matters because a governance structure that allows for discussion of information from across the various projects and programs supporting the Canadian Critical Minerals Strategy can facilitate decision making and help ensure attention is given to progress and risks related to the strategy's objectives on climate action, environmental protection, and advancing reconciliation with Indigenous peoples.

Context

6.39 Natural Resources Canada's Critical Minerals Centre of Excellence was established to lead the development and coordination of Canada's policies and programs on critical minerals. The Centre of Excellence is the Government of Canada lead for the Canadian Critical Minerals Strategy.

6.40 Many federal government entities also contribute to the Canadian Critical Minerals Strategy through research and development, regulatory support, and environmental oversight. For example, Environment and Climate Change Canada, the Impact Assessment Agency of Canada, Fisheries and Oceans Canada, and Transport Canada are responsible for acts and regulations to protect different aspects of the environment that could be affected by mining activities:

- the *Canadian Environmental Protection Act, 1999*
- the *Impact Assessment Act*
- the *Fisheries Act*
- the *Canadian Navigable Waters Act*
- the *Species at Risk Act*
- the *Migratory Birds Convention Act, 1994*

6.41 In addition, the *United Nations Declaration on the Rights of Indigenous Peoples Act* requires the Government of Canada to work in consultation and cooperation with Indigenous peoples to ensure that Canadian laws are consistent with the declaration. The goal of the act is to develop a roadmap to implement the declaration in partnership with Indigenous peoples. The federal government has a duty to consult on any federal project that might adversely affect potential or established Indigenous or treaty rights of Indigenous peoples in Canada. The duty is derived from section 35 of the *Constitution Act, 1982*.

Limited discussions on consolidated information on risks to achieving the strategy's objectives

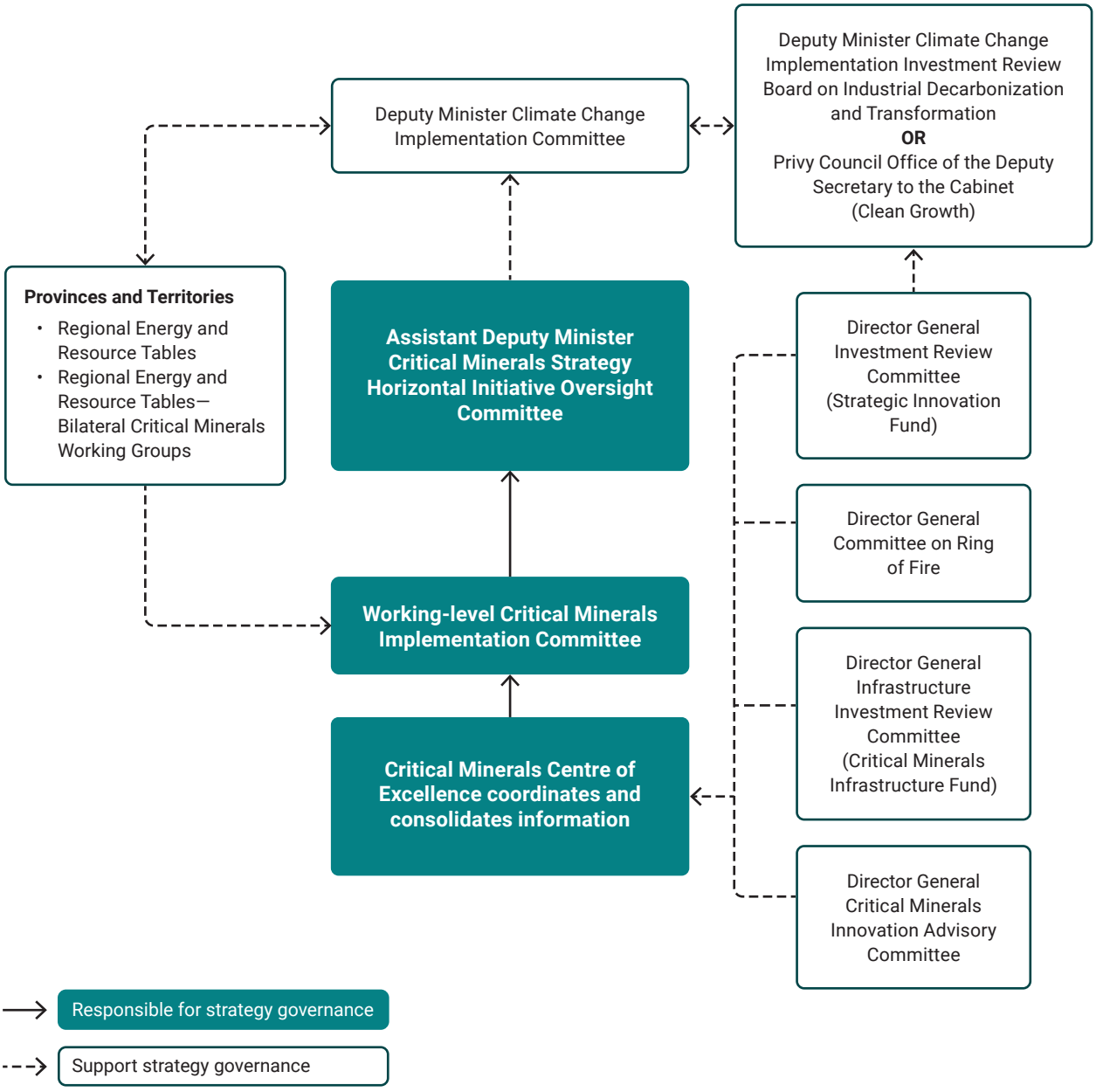
Findings

6.42 We found that a horizontal initiative results framework was established at the end of December 2023, and it included the governance structure for the Canadian Critical Minerals Strategy (Exhibit 6.6).

6.43 We found that Natural Resources Canada's approach to support decision making on the strategy's objectives on climate action, environmental protection, and the advancement of reconciliation with Indigenous peoples lacked consolidated information. Director general–level committee discussions varied but were generally on programs, investments, or projects. The assistant deputy minister–level oversight committee, responsible for supporting the implementation of the strategy, had not yet specifically discussed the climate, environmental, and Indigenous reconciliation objectives or risk management and mitigation measures. The deputy minister–level oversight committees had been presented standardized high-level reporting information, but this information did not focus on managing risks to achieving the

climate and environmental objectives of the strategy or on advancing reconciliation with Indigenous peoples. The Canadian Critical Minerals Strategy implementation performance measurement and data subcommittee was newly established, and it was yet to be seen what coordination role it would play. As such, the committees responsible for the strategy governance and the key committees supporting it did not use or discuss consolidated information on risks to achieving these objectives to support decision making.

Exhibit 6.6—A governance structure was established to support implementing the Canadian Critical Minerals Strategy



Source: Adapted from information from Natural Resources Canada

Exhibit 6.6—A governance structure was established to support implementing the Canadian Critical Minerals Strategy—Text description

The chart shows the committees and groups responsible for governance and those supporting the implementation of the Canadian Critical Minerals Strategy. The committees and groups responsible for strategy governance are as follows:

- The Critical Minerals Centre of Excellence coordinates and consolidates information and supports the Working-Level Critical Minerals Implementation Committee.
- The Working-Level Critical Minerals Implementation Committee reports to the Assistant Deputy Minister Critical Minerals Strategy Horizontal Initiative Oversight Committee.

The Assistant Deputy Minister Critical Minerals Strategy Horizontal Initiative Oversight Committee reports to the Deputy Minister Climate Change Implementation Committee, which supports strategy governance. This committee interacts with the Deputy Minister Climate Change Implementation Investment Review Board on Industrial Decarbonization and Transformation or the Privy Council Office of the Deputy Secretary to the Cabinet (Clean Growth).

The Deputy Minister Climate Change Implementation Committee interacts with federal, provincial, and territorial regional energy and resource tables, and bilateral critical minerals working groups from the regional energy and resource tables.

The federal, provincial, and territorial resource tables and working groups provide input to the Working-Level Critical Minerals Implementation Committee.

As stated, the Critical Minerals Centre of Excellence coordinates and consolidates information. It does so from the following committees and groups that also support strategy governance:

- the Director General Investment Review Committee (Strategic Innovation Fund), which reports to the Deputy Minister Climate Change Implementation Investment Review Board on Industrial Decarbonization and Transformation or the Privy Council Office of the Deputy Secretary to the Cabinet (Clean Growth)
- the Director General Committee on Ring of Fire
- the Director General Infrastructure Investment Review Committee (Critical Minerals Infrastructure Fund)
- the Director General Critical Minerals Innovation Advisory Committee

Source: Adapted from information from Natural Resources Canada

6.44 We found that the Critical Minerals Centre of Excellence coordinated, tracked, and reported on the strategy's activities. A customer relationship management system supported record keeping on various Natural Resources Canada–led initiatives, and the department leveraged several engagement forums to collect and share information with federal entities and with the provinces and territories. However, Natural Resources Canada lacked a system to efficiently collect, synthesize, and analyze information and data on the strategy's programs from departments and agencies involved in the strategy or from the provinces and territories. Such a system could help the department to better understand economic conditions, regional impacts, Indigenous considerations, and environmental and cumulative effects of critical mineral programs and provincial and territorial plans. Natural Resources Canada's Customer Relationship Management system provides a

software solution for internal coordination; however, the lack of uniform systems across federal organizations prevented Natural Resources Canada from using a similar system with those organizations involved in the strategy.

6.45 Environment and Climate Change Canada and the Impact Assessment Agency of Canada were members of the assistant deputy minister–level oversight committee, which provided advice and guidance on key initiatives and processes. However, the committee had so far limited focus on advancing climate action and environmental protection strategy objectives. Although Environment and Climate Change Canada and the Impact Assessment Agency of Canada were involved with the Canadian Critical Minerals Strategy, they were not partner organizations responsible for approving products, deliverables, or commitments related to the strategy. Natural Resources Canada leveraged its expertise to obtain input, advice, and feedback on products, deliverables, and commitments related to the strategy.

Recommendation

6.46 Natural Resources Canada should examine options and establish an information technology–based solution to enable the Critical Minerals Centre of Excellence to gather and manage information and data from other federal departments and agencies, including Environment and Climate Change Canada and the Impact Assessment Agency of Canada, to inform decisions on the Canadian Critical Minerals Strategy's implementation.

The department's response. *Agreed.*

See **Recommendations and Responses** at the end of this report for detailed responses.

Efforts made to obtain feedback from Indigenous groups during the development of the strategy but no plan for ongoing engagements

Findings

6.47 We found that efforts were made by Natural Resources Canada to obtain feedback from numerous Indigenous groups and peoples. Beginning in February 2022 until December 2022, Natural Resources Canada conducted 19 engagement sessions with Indigenous organizations to discuss the Canadian Critical Minerals Strategy. The sessions were with Indigenous governments, groups, and land and rights holders in the form of information meetings, presentations, and round table sessions.

6.48 Indigenous groups presented to Natural Resources Canada a range of perspectives on critical mineral mining activities. Some expressed support for mining and co-development, provided certain conditions were met. Some comments emphasized the importance of considering the implementation of all provisions of the *United Nations Declaration on the Rights of Indigenous Peoples Act*. Some Indigenous groups highlighted the importance of ensuring the safety of Indigenous women, girls, and their communities. Other groups voiced concerns about the environmental and climate impacts associated with mining activities. Some Indigenous groups also informed us that their engagement in the development of the strategy was insufficient and occurred too late in the process, which hindered their ability and time to meaningfully contribute.

6.49 We found that while Natural Resources Canada engages Indigenous groups through various mechanisms, there was no formal engagement plan to help the department consistently inform Indigenous groups in a timely manner of engagement opportunities in the critical mineral sector and to define the best approach for ongoing and meaningful engagement. However, Natural Resources Canada commenced work to this effect. In February 2024, the department engaged an Indigenous-owned consultancy company to conduct preliminary work that will help inform a plan for Indigenous engagement on Natural Resources Canada–led critical mineral programs, focusing on the Critical Minerals Infrastructure Fund. This initial step is to be completed by fall 2024.

Recommendation

6.50 Natural Resources Canada should complete and implement a plan for ongoing Indigenous engagement on the Canadian Critical Minerals Strategy and on Natural Resources Canada–led critical mineral programs. The department should ensure that the plan is designed to encourage early and meaningful dialogue with Indigenous groups regarding critical mineral programs, funding opportunities, and risks that may affect their communities.

The department's response. *Agreed.*

See **Recommendations and Responses** at the end of this report for detailed responses.

Conclusion

6.51 We concluded that Natural Resources Canada's existing governance and reporting structure for implementing the Canadian Critical Minerals Strategy did not use a consolidated approach to support decision making to achieve the strategy's objectives to promote climate action, protect the environment, and advance reconciliation with Indigenous peoples.

6.52 The department did not sufficiently identify risks and related risk mitigation measures to promote climate action and environmental protection and to advance Indigenous reconciliation or to know if mitigation measures would be effective.

6.53 We also concluded that Natural Resources Canada delivered on initial actions of the Critical Minerals Geoscience and Data Initiative. However, the initiative was not optimally planned to be able to comprehensively identify locations where critical mineral projects could have the lowest environmental and social impacts and the greatest economic benefits.

About the Audit

This independent assurance report was prepared by the Office of the Auditor General of Canada on the Canadian Critical Minerals Strategy. Our responsibility was to provide objective information, advice, and assurance to assist Parliament in its scrutiny of the government's management of resources and programs and to conclude on whether Natural Resources Canada, in collaboration with other federal organizations, complied in all significant respects with the applicable criteria.

All work in this audit was performed to a reasonable level of assurance in accordance with the Canadian Standard on Assurance Engagements (CSAE) 3001—Direct Engagements, set out by the Chartered Professional Accountants of Canada (CPA Canada) in the CPA Canada Handbook—Assurance.

The Office of the Auditor General of Canada applies the Canadian Standard on Quality Management 1—Quality Management for Firms That Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements. This standard requires our office to design, implement, and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

In conducting the audit work, we complied with the independence and other ethical requirements of the relevant rules of professional conduct applicable to the practice of public accounting in Canada, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

In accordance with our regular audit process, we obtained the following from entity management:

- confirmation of management's responsibility for the subject under audit
- acknowledgement of the suitability of the criteria used in the audit
- confirmation that all known information that has been requested, or that could affect the findings or audit conclusion, has been provided
- confirmation that the audit report is factually accurate

Audit objective

The objective of this audit was to determine whether

- Natural Resources Canada, in collaboration with other federal organizations, developed an appropriate governance and reporting structure to implement the Canadian Critical Minerals Strategy in a manner that protects the environment and supports Indigenous communities by identifying risks and mitigating impacts
- Natural Resources Canada delivered on initial actions in support of the Canadian Critical Minerals Strategy under the Critical Minerals Geoscience and Data Initiative

Scope and approach

We examined

- whether Natural Resources Canada, in collaboration with other federal organizations, developed an appropriate governance and reporting structure
- whether Natural Resources Canada, in collaboration with other federal organizations, had effectively identified risks and related risk mitigation measures to inform and support decisions and priorities and the achievement of the strategy's outcomes in a manner that protects the environment and supports Indigenous communities and the needs of future generations
- whether Natural Resources Canada delivered on initial actions under the Critical Minerals Geoscience and Data Initiative according to stated timelines and commitments

The audit focused on 2 of the 5 objectives of the Canadian Critical Minerals Strategy: to promote climate action and environmental protection and to advance reconciliation with Indigenous peoples. The approach included gathering information and data mainly through document reviews and interviews. We reviewed documentation supporting the development of the strategy and initial actions. This involved examining internal departmental documents, interdepartmental correspondence, input and consultation records from interested and affected parties, expert recommendations, interviews with government officials, and benchmarking data (comparison of performance indicators with similar strategies in other regions and countries, if available).

Given the Canadian Critical Minerals Strategy is in its early stages of implementation, we focused on the design of the governance structure and risk management. We did not examine the following aspects of the strategy:

- Achievement of the long-term outcomes of the Canadian Critical Minerals Strategy.
- Effectiveness of the *Impact Assessment Act* in mitigating impacts of new mining developments.
- Tax measures and infrastructure funding.
- Results of funding announced in 2022 and 2023 to support battery manufacturing projects in Canada.

Criteria

We used the following criteria to conclude against our audit objective:

Criteria	Sources
Natural Resources Canada, in collaboration with other federal organizations, developed an appropriate governance and reporting structure.	• The Canadian Critical Minerals Strategy, Natural Resources Canada, 2022 • *Auditor General Act* • Policy on Results, Treasury Board, 2016 • Directive on Results, Treasury Board, 2016 • Guide to Departments on the Management and Reporting of Horizontal Initiatives, Treasury Board of Canada Secretariat, 2018 • Framework for the Management of Risk, Treasury Board of Canada Secretariat, 2010 • Auditing Preparedness for Implementation of Sustainable Development Goals: Guidance for Supreme Audit Institutions, 2019
Natural Resources Canada, in collaboration with other federal organizations, effectively identified risks and related risk mitigation measures to inform and support decisions and priorities and the achievement of the strategy's outcomes in a manner that protects the environment and supports Indigenous communities and the needs of future generations.	• The Canadian Critical Minerals Strategy, Natural Resources Canada, 2022 • *Auditor General Act* • *Federal Sustainable Development Act* • Minister of Natural Resources Mandate Letter, 2021 • 2030 Emissions Reduction Plan, Environment and Climate Change Canada, 2022 • Transforming our World: The 2030 Agenda for Sustainable Development, United Nations, 2015 • Guide to Departments on the Management and Reporting of Horizontal Initiatives, Treasury Board of Canada Secretariat, 2018 • Framework for the Management of Risk, Treasury Board of Canada Secretariat, 2010
Natural Resources Canada delivered on initial actions under the Critical Minerals Geoscience and Data Initiative according to stated timelines and commitments.	• The Canadian Critical Minerals Strategy, Natural Resources Canada, 2022 • Geological Survey of Canada: Strategic Plan 2023–2028 • The 2023–26 Integrated Business Plan for the Lands and Minerals Sector, Natural Resources Canada • Policy on Results, Treasury Board, 2016 • Directive on Results, Treasury Board, 2016

Period covered by the audit

The audit covered the period from 1 January 2021 to 28 June 2024. This is the period to which the audit conclusion applies. However, to gain a more complete understanding of the subject matter of the audit, we also examined certain matters that preceded the start date of this period.

Date of the report

We obtained sufficient and appropriate audit evidence on which to base our conclusion on 21 October 2024, in Ottawa, Canada.

Audit team

This audit was completed by a multidisciplinary team from across the Office of the Auditor General of Canada led by James McKenzie, Principal. The principal has overall responsibility for audit quality, including conducting the audit in accordance with professional standards, applicable legal and regulatory requirements, and the office's policies and system of quality management.

Recommendations and Responses

Responses appear as they were received by the Office of the Auditor General of Canada.

In the following table, the paragraph number preceding the recommendation indicates the location of the recommendation in the report.

Recommendation	Response
6.24 Natural Resources Canada should request the Impact Assessment Agency of Canada to examine the merit and feasibility of using regional and strategic assessments to understand • the effects of future activities carried out in areas rich in critical minerals, including cumulative effects that fall within federal jurisdiction • the impact of the Canadian Critical Minerals Strategy and its contribution to Canada's international and domestic environmental commitments In addition, Natural Resources Canada should work with relevant federal departments and agencies to • complete a national-level analysis of the expected net impacts of the strategy on domestic greenhouse gas emissions and on Canada's 2030 and 2050 climate goals • publicly report on the expected effects and benefits, along with limitations and uncertainties, that new mining activities and related infrastructure developments will have on greenhouse gas emissions, the environment, and biodiversity and their contribution to Canada's commitments related to climate change and biodiversity	**The department's response.** Partially agreed. • The Canadian Critical Minerals Strategy is a whole-of-government initiative that articulates a policy vision for accelerating critical minerals development in Canada. The strategy does not approve specific projects or conduct impact or environmental assessments. Rather, the strategy and its various initiatives respect existing jurisdictional responsibilities and legislative, regulatory, and policy frameworks that make Canada a world leader in environmental, social and governance standards across critical minerals value chains. • The strategy has been purposefully and appropriately designed to respect Canada's shared jurisdiction for mining, including the provinces and territories' primary role for conducting impact assessments under their respective relevant legislation. Where federal impact legislation applies, Natural Resources Canada (NRCan) will request the Impact Assessment Agency of Canada to examine the merits and feasibility of using a regional and a strategic assessment to understand the effects of future activities carried out in areas rich in critical minerals. The federal government will continue to work with provinces and territories to promote regulatory coordination and certainty. • NRCan agrees with the importance of demonstrating the strategy's contribution to achieving the federal government's broader climate and environmental commitments. However, given that relatively few critical minerals projects fall within federal jurisdiction, the strategy alone cannot account for expected national level net-impacts of critical minerals development on domestic greenhouse gas emissions. NRCan agrees to work with provinces and territories and implicated federal departments and agencies to examine appropriate methodology for a national level

Recommendation	Response
	analysis of expected net-impacts of the strategy on domestic greenhouse gas emissions and Canada's 2030 and 2050 climate goals. Given that the strategy supports the development of minerals and metals needed for many of the clean technologies and energy sources that directly contribute to reaching net zero by 2050, this analysis will emphasize a full life-cycle approach to greenhouse gas analysis to ensure downstream impacts are appropriately considered. • Since the launch of strategy in December 2022, important progress has been made to examine ways to reduce the environmental impacts, including greenhouse gas emissions, of mining operations, improve energy efficient mineral processing, and support upstream mining extraction via clean energy and transportation infrastructures. NRCan agrees to work with other federal departments and agencies to publicly report on the impact of the strategy and its contribution to Canada's domestic and international commitments related to climate change and biodiversity.
6.29 As part of its regular updating of the Canadian Critical Minerals Strategy, Natural Resources Canada should continuously assess environmental risks to support effective decision making aimed at avoiding, minimizing, and mitigating adverse effects and cumulative impacts of increased critical mineral mining activities and related infrastructure developments.	**The department's response.** Agreed. Natural Resources Canada agrees to work with other federal departments and agencies with federal regulatory oversight on mining activities to continuously assess environmental risks of critical minerals mining activities and related infrastructure developments, under existing federal regulatory frameworks.
6.33 Natural Resources Canada should work with relevant federal departments and agencies to improve the indicators and targets for measuring the Canadian Critical Minerals Strategy's climate impacts, environmental performance, and Indigenous reconciliation. The department should use the indicators to inform actions to address challenges and risks related to achieving the climate, environmental, and Indigenous objectives of the strategy.	**The department's response.** Agreed. Natural Resources Canada agrees to work with implicated federal departments and agencies to update performance indicators and targets to enable effective performance tracking and reporting, particularly as it relates to climate impacts, environmental performance, and Indigenous reconciliation.

Recommendation	Response
6.36 Natural Resources Canada should review its planned activities under the Critical Minerals Geoscience and Data Initiative to ensure research activities are aligned with and directly contribute to the initiative's expected results of mapping environmental, social, and governance considerations and mineral potential models, including assessing the critical mineral potential from unconventional sources, such as mine waste by-products.	**The department's response.** Agreed. Natural Resources Canada agrees to review its planned activities under Critical Minerals Geoscience and Data to ensure research activities are aligned with, and directly contribute to the initiative's expected results and the initiative's expected environmental and mineral potential models.
6.37 Natural Resources Canada should engage with relevant groups, including Indigenous peoples in the identified areas rich in critical mineral potential, to better integrate their priorities in the Critical Minerals Geoscience and Data Initiative modelling, mapping, and datasets. The department should also develop a plan to communicate to a broader audience beyond scientists to ensure that new tools will be used as expected to guide evidence-based decision making for investments in the exploration and development of critical minerals.	**The department's response.** Agreed. Natural Resources Canada (NRCan) agrees to engage implicated Indigenous groups to better integrate their priorities in the Critical Minerals Geoscience and Data initiative modelling, mapping and datasets. NRCan agrees to develop and implement a comprehensive communications plan for the initiative to reach audiences beyond scientists.
6.46 Natural Resources Canada should examine options and establish an information technology–based solution to enable the Critical Minerals Centre of Excellence to gather and manage the information and data from other federal departments and agencies, including Environment and Climate Change Canada and the Impact Assessment Agency of Canada, to inform decisions on the Canadian Critical Minerals Strategy's implementation.	**The department's response.** Agreed. Natural Resources Canada (NRCan) agrees that the effective and efficient management of information and data from other federal departments and agencies, including Environment and Climate Change Canada and the Impact Assessment Agency of Canada, to inform decisions on the strategy's implementation is important. NRCan will review options and will implement the best suited solution to enable the department to gather and manage the information and data from other federal departments and agencies.
6.50 Natural Resources Canada should complete and implement a plan for ongoing Indigenous engagement on the Canadian Critical Minerals Strategy and on Natural Resources Canada–led critical mineral programs. The department should ensure that the plan is designed to encourage early and meaningful dialogue with Indigenous groups regarding critical mineral programs,funding opportunities, and risks that may affect their communities.	**The department's response.** Agreed. • The Canadian Critical Minerals Strategy was developed with extensive public and Indigenous consultation, including comments received on a Discussion Paper between June and September 2022. These include engagement with Inuit Land Claim Organizations, National Indigenous Organizations, and self-governing and modern treaty partners, along with 19 engagement sessions with Indigenous groups and organizations to discuss the strategy and to receive feedback.

Recommendation	Response
	• Natural Resources Canada agrees to implement a plan for ongoing Indigenous engagement on NRCan-led critical minerals programs under the Strategy to encourage ongoing and meaningful dialogue regarding current critical minerals programs and future initiatives. • Advancing reconciliation with Indigenous peoples is a key pillar of the strategy. The strategy introduced funding to support Indigenous groups' participation in mining with up to $25 million under the Indigenous Natural Resource Partnerships Program while the Critical Minerals Infrastructure Fund (CMIF) provides up to $13.5 million for Indigenous engagement, capacity building and knowledge gathering and sharing activities related to clean energy and transportation projects related to critical minerals development. The strategy also introduced $40 million for the Northern Regulatory Initiative to support improved Indigenous participation in northern resource management processes and initiatives (including impact assessments, land use plans, and regional studies) and to advance opportunities for regulatory dialogues and information sharing among partners. These initiatives have been designed to support early and meaningful dialogue and engagement on a project-by-project basis, including section 35 of the *Constitution Act, 1982* and the *United Nations Declaration on the Rights of Indigenous Peoples Act*.