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Chair: Terry Duguid



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• (1105)

[English]

The Chair (Hon. Terry Duguid (Winnipeg South, Lib.)): Good morning, colleagues. I'm calling this meeting to order.

Happy Thursday. It's a short week this week, so I hope you get back to your communities safe and sound, today or tomorrow, to reconnect.

Welcome to meeting 4 of the Standing Committee on Natural Resources. I would like to acknowledge that we are meeting on the unceded territory of the Algonquin Anishinabe nation.

Welcome to new member Dean Allison.

It's great to see you back, Mr. Allison, and it's good to see Mr. Rowe and others back as well.

Today's meeting is taking place in a hybrid format, pursuant to the Standing Orders. Members are attending in person in the room and remotely using the Zoom application. I would ask that all in-person participants consult the guidelines written on the cards on the table. These measures are in place to help prevent audio and feedback incidents and to protect the health and safety of all participants, especially our amazing interpreters. You will also notice a QR code on the card, which links to a short awareness video.

I have just a few comments for the benefit of witnesses and members. Please wait until I recognize you by name before speaking. For those participating by video conference, click on the microphone icon to activate your mic and please mute yourself when you are not speaking. We have one person on Zoom today. At the bottom of your screen, you can select the appropriate channel for interpretation—floor, English or French. For those in the room, you can use the earpiece and select the desired channel.

This is a reminder that all comments should be addressed through the chair. For members in the room, if you wish to speak, please raise your hand. For members on Zoom, please use the “raise hand” function. The clerk and I will manage the speaking order as best we can. We appreciate your patience and understanding. Particularly for our Zoom friends, do put your hand up when you would like to address us. The clerk will give me an elbow, because sometimes we're not looking at the screen.

Colleagues, we have a bit of business that we have to do. We have to do it in public. You will recall that we had discussed travel on this important critical minerals study, to get down to the front and see what's happening on the ground. We had agreement at the last meeting, but given that the break week coming up has really

come upon us, we don't have the appropriate approvals. The proposal is to put that off to the following break week, which is Remembrance week. Of course, Remembrance Day is November 11. The rest of the week we will be in our communities or elsewhere.

I understand that we will need a motion after some discussion to refer this back to the clerk to work out the logistics. I know that they will be open to our feedback.

To our witnesses, we will have to ask for your patience for now. We will get to you very shortly. You can see how the sausage is made, as they say.

Monsieur Simard.

[Translation]

Mario Simard (Jonquière, BQ): I'm sorry to interrupt, Mr. Chair.

I'm very pleased with the work you're doing, but I think we should have this discussion in our second hour.

I would like to hear the witnesses now. In fact, I think you'll find consensus on this, so let's not waste too much time.

If you don't mind, I move that we proceed immediately to the witnesses' remarks.

[English]

The Chair: We can if it's the pleasure of the committee. I think we could have dealt with this, but if it's the will of the committee, so be it.

Corey Tochor (Saskatoon—University, CPC): Yes. I would agree with Mario's opposition on this full-heartedly. The Conservatives support it.

The Chair: Colleagues, the liaison committee meets at 1:30. We wanted to give them some notice, some opportunity, and this is a rather simple matter.

[Translation]

Mario Simard: I understand.

Can we be quick about it?

I think we can all agree that time has flown by too quickly. We wanted this trip to be considered, but it should be held during a break week since that's simpler for everyone.

I think you'll find consensus to put the trip off until the next break week.

If everyone agrees, we could settle this very quickly.

[*English*]

The Chair: Okay.

[*Translation*]

Mr. Guay, you have the floor.

Claude Guay (LaSalle—Émard—Verdun, Lib.): I agree, as long as we're not travelling on Remembrance Day.

[*English*]

The Chair: Okay.

[*Translation*]

Richard Martel (Chicoutimi—Le Fjord, CPC): Pardon me.

You just mentioned Remembrance Day. Obviously, we can't travel on that day. We'll be pretty busy.

[*English*]

The Chair: No, that's correct.

Colleagues, I'm feeling that the will of the room is that we refer this to the clerk, that it be put back to the following break week and that we will be taking input from you, from your whips and from all of those who are involved, to put together a proper travel budget. We want this trip to be successful.

Monsieur Guay, you move that this be forwarded to the clerk—

• (1110)

Claude Guay: I do.

The Chair: —and that the parties can....

Claude Guay: —and that we consider the next non-sitting week.

[*Translation*]

Richard Martel: Pardon me.

The House sits the following week.

Right?

Mario Simard: It would be during the next break week, so in November.

Richard Martel: Perfect. Thank you.

[*English*]

The Chair: I think the clerk has determined the will of the room.

Pursuant to Standing Order 108(2) and the motion adopted on Thursday, September 18, the committee resumes its study of development of critical minerals in Canada.

We welcome our witnesses.

Thank you for joining us, everyone.

We have David Cataford, chief executive officer of Champion Iron.

We have John Mullally, head of external relations and social performance, Newmont Corporation.

Also with us is Chad Ulansky, president and CEO of Cantex Mine Development Corporation.

On Zoom, we have Sandeep Singh, president and chief executive officer of Western Copper and Gold.

You will each have five minutes or less for your opening remarks.

We'll start with you, Mr. Cataford. You have the floor.

[*Translation*]

David Cataford (Chief Executive Officer, Champion Iron): Mr. Chair, committee members, thank you for inviting me.

[*English*]

Let me take you to the border of Quebec and Labrador, home to one of Canada's most developed mining regions, the Labrador Trough. This region holds some of the purest iron ore in the world, now recognized on Canada's critical mineral list for its strategic role in decarbonizing the steel industry.

[*Translation*]

Thanks to hydroelectric power, we produce a high-purity iron-ore concentrate and our carbon footprint is one of the lowest in the world.

[*English*]

With up to 80 billion tonnes of resources, the trough has tremendous long-term potential, with current operations and projects that could progress rapidly, such as our Kami project.

Despite these advantages, a gap has developed between Canada's share of the global iron ore market and that of other producing countries, such as Australia. While Australia's resources are lower in quality, it has heavily invested in its iron ore sector, generating \$20 billion annually in taxes and royalties over the past decade.

[*Translation*]

We believe Canada must act now to unleash the full potential of its high-purity iron-ore industry.

Given the quality level of this scarce resource, it is our duty to develop and promote this sector intelligently.

This industry could thrive for generations. However, the greatest challenge we face is the deployment of new mining projects.

[*English*]

Champion's story is a case in point. In 2014, we founded the company with a vision of developing high-purity iron ore projects in the Labrador Trough. We were a small team of three. We restarted operations at the Bloom Lake mine site in 2018. Since then, we've doubled our production. We did it during a global pandemic on time and on budget. Today we are more than 1,300 employees, and we are still growing responsibly and sustainably.

This growth was made possible through creative partnerships. Examples include federal investments in the Port of Sept-Îles in 2014, and Quebec's acquisition of the Pointe-Noire assets in which we're also financial partners.

[*Translation*]

We are proud to have the Government of Quebec as one of our main shareholders and to have generated some of the biggest returns for Quebec taxpayers.

Since 2018, we have invested close to \$2 billion in our project in the Labrador Trough and paid close to a billion dollars in taxes and royalties to the governments of Quebec and Canada.

Our host communities of Fermont and Labrador West have long played a central role in the Canadian mining sector. The people in these communities have acquired decades of expertise in the iron industry. These communities have contributed significantly to local and national economic development.

Our partnerships with indigenous communities are strong and based on mutual respect and trust.

[*English*]

Today we stand before a unique opportunity to fully unlock the Labrador Trough's potential. To seize it, we must establish a critical minerals corridor, which requires strategic investments in infrastructure in the region. Three major infrastructure projects need to be developed in the trough. A new transmission line needs to be built between Churchill Falls and Labrador West. This is essential for the Kami project to proceed and to foster development in the community. Investments in the Société ferroviaire et portuaire de Pointe-Noire are required to continue growing the Port of Sept-Îles, the second-largest port in Canada largely due to high-grade iron ore. We had the opportunity to complete the rail loop in the Labrador Trough, which would allow continuous train circulation and significantly boost capacity and efficiency.

These infrastructure investments will enable our Kami project, which represents a \$4-billion investment to create more than 600 quality jobs in the region. We recently formed a partnership with Nippon Steel and Sojitz for the development of the Kami project.

• (1115)

[*Translation*]

This partnership with Japanese world leaders of the steel industry speaks to the exceptional quality of the resources found in the Labrador Trough and the region's proven capacity to sustainably develop high-purity iron-ore mining projects on a large scale.

[*English*]

As we're advancing Kami toward a final investment decision, our vision remains to develop a nation-building project. Kami supports the decarbonization of the global steel industry. It is backed by strategic partners and led by Champion Iron, a company with a proven track record, having delivered multi-billion dollar projects on time and on budget. It has the potential to generate benefits for decades to come for our partners, communities and governments, and could be ready for rapid implementation following a final investment decision.

In a time of economic uncertainty, investing in infrastructure supporting high-purity iron ore projects in the Labrador Trough is key to diversifying markets, increasing exports and creating wealth at home.

[*Translation*]

Once again, thank you for inviting me to take part in your study.

[*English*]

The Chair: Thank you, Mr. Cataford. You're right on time, and it's appreciated by the committee.

Our next witness is John Mullally.

John Mullally (Head of External Relations and Social Performance, Newmont Canada, Newmont Corporation): Thank you, Mr. Chair.

Good afternoon, honourable members.

My name is John Mullally. I'm the head of external relations and social performance for Newmont in Canada. It's an honour to present to you today.

Canada, like the world, finds itself in a watershed moment. Global economic uncertainties and geopolitical tensions are reshaping how nations think about resource security and supply chains. Gold prices are at record highs, driven by central bank buying, and copper faces mounting strain as demand for electrification and storage outpaces new discoveries. These dynamics create an extraordinary opportunity for Canada and, in this case, particularly northwestern British Columbia. Newmont believes this region is a world-class mining district. We are committed to shaping its future, in partnership with indigenous nations, government and industry.

For those less familiar with Newmont, we've operated for over 100 years with a long-term perspective in an industry prone to short-term cycles. Our strategy is simple: to be the world's best gold company while diversifying into copper, the key commodity of the next supercycle. That strategy is already taking shape here in Canada. In 2023, our acquisition of Newcrest added the Brucejack and Red Chris mines to our Canadian portfolio. We also hold 50% of Galore Creek, Canada's largest undeveloped copper deposit, in partnership with Teck Resources. Together, these assets position us in a region that holds most of Canada's copper resources, along with significant gold, silver and critical minerals essential to batteries, steelmaking and semiconductors.

What makes the region unique is not only its geology, but its people. The Tahltan and Nisga'a nations bring stewardship of the land, business acumen and vision. Our partnership with the Tahltan Nation at Red Chris is proof of shared decision-making and what that governance can deliver. Red Chris is one of Canada's largest copper mines, with about \$600 million in annual supplier spend. More than \$100 million of that is with the Tahltan Nation Development Corporation.

Together, we are advancing a technically complex block cave that could extend the mine's life by at least 13 years and increase Canada's copper output by more than 15%. This project is advancing under a consent-based decision-making process between the Tahltan Nation and the Province of B.C. The decision is expected to take place in early 2026. It represents the model of participation and the partnership we believe in that should guide Canada's mining future.

Newmont's commitment to Canada remains steadfast, but unlocking the region's true potential requires targeted action that I would highlight in four key areas.

The first is infrastructure and investment. There are good examples in northwestern British Columbia, such as the Dease Lake Airport, the Port of Stewart, which was recently acquired by the Nisga'a and Tahltan and financed by Newmont, and Highway 37 upgrades, in which National Resources Canada invested \$70 million through the critical minerals infrastructure fund. However, much more is needed. Federal investments in roads and transmission upgrades are essential to meet future power demand. The proposed north coast transmission line would unlock critical mineral potential, with indigenous leadership right at the centre.

The second is governance and working with our indigenous partners. We've seen that shared decision-making works. Our experience at Red Chris shows that these frameworks, when indigenous nations are resourced properly to participate meaningfully in permitting and governance.... Federal support for these types of agreements will ensure that indigenous leaders are front and centre in building long-term prosperity in the region. Specifically, we recommend that the federal government join the Province of British Columbia and the Tahltan Nation in what they're referring to as their "foundation agreement".

The third is talent and training. A strong pipeline of skilled workers is critical. We need to work with indigenous nations, governments and institutions to expand trades and mining-specific training. Hub-and-spoke training centres of excellence in the northwest would help ensure that local communities, especially indigenous youth, are positioned to take on the high-skilled jobs this industry demands.

The final area is federal tax policy. The clean technology manufacturing investment tax credit must recognize copper's critical role. Lowering the critical mineral content threshold from 90% to 50% and including brownfield expansions would make the program directly applicable to copper-gold projects in northwestern British Columbia, thus unlocking significant investment, which would also level the playing field with competing jurisdictions.

In northwestern British Columbia, Canada has a chance to responsibly unlock critical minerals and many operations that are already producing minerals at this time to attract additional incremental investment worth many billions of dollars in investment opportunities, advance reconciliation and protect communities and culture.

● (1120)

This is more than an economic opportunity; it is proof that responsible development, indigenous participation, and environmental stewardship can coexist and thrive. Newmont is committed to being a catalyst for that transformation.

Thank you once again for the opportunity to present today.

The Chair: Thank you, Mr. Mullally.

Now we'll move on to you, Mr. Ulansky.

Chad Ulansky (President and CEO, Cantex Mine Development Corp.): Thank you to the committee for the invitation to present today.

I'm the president and CEO of Cantex Mine Development Corp. We're a junior exploration company with a project in central Yukon where we've discovered mineralization that is rich in the critical metals zinc and germanium.

The perspective that I bring today is that of a junior explorer. The market capitalizations of junior explorers are relatively insignificant compared to those of the majors. We find nearly all the mines in Canada. As such, we're the foundation of the mining industry.

As I'm sure you're aware, mining is one of the pillars of our economy. It's ranked third at the moment, and it produces about \$160 billion per year towards our GDP. Due to a number of coinciding global events—society's green transition, geopolitical tensions with China, armed conflicts around the world and the strained economic relationship with our neighbour to the south—mining in Canada has found itself back in focus. Many are looking to mining to increase its activities to generate more jobs, more tax revenue, and more direct and indirect economic opportunities. A growing number of people, both here and abroad, are realizing that Canada has a wealth of critical metals that could be a reliable, friendly source that operates at the highest environmental, social and governmental standards. This is the situation we find ourselves in: with broad domestic support for advancing critical metal projects and with international allies eager for our resources. However, I feel that there is a very real chance that we will miss this opportunity.

While there are numerous factors that put this opportunity in jeopardy, there are several that I believe could be alleviated through the actions of government. These fall into four broad categories.

First is financing and investment. From a junior perspective, we have small market capitalizations, typically in the tens of millions of dollars, and we do not have producing assets. As such, we are reliant on capital markets to fund our work. These capital markets have not been reliable, and there is often a shortage of capital available for the exploration and development of our projects. In fact, capital investment in mining was lower in 2024 than it was twelve years earlier, in 2012. That's in spite of 33% inflation over that period.

I believe that the government should continue to incentivize investment through the continuation of the critical mineral exploration tax credit. It's been a fantastic program. However, I believe that the government can do more. I would like to see some of our pension funds domestically invest more back into Canada.

The second item is regulations and permitting. At the outset, I'd like to say that I'm in favour of responsible mining. I live in Canada; my family lives here. I have a strong, vested interest in ensuring that we uphold the strongest environmental regulations. However, the ever-lengthening time required to obtain the permits necessary to do everything from low-level exploration right through to mine development is a real hindrance to our industry. Commodity prices are cyclical. Investment has a short-term focus, and the geopolitical environment is rapidly changing. We can't spend 10 years or longer waiting for permits to put projects into production. The credibility of the Canadian mining sector is tarnished due to the glacial pace of our permitting system.

Third, on the first nations front, I'm concerned about the, at times, strained relationship with the first nations. Although there are shining examples of first nations taking a lead role in mining—the Tahltan and Osoyoos first nations in British Columbia and the Cree of northern Quebec—there are many first nations that have yet to benefit and to become involved. With the continued recognition of first nations' right to free, prior and informed consent, both government and industry need to ensure that we have an open and trustworthy relationship with first nations and are able to offer them a real interest in having resources developed in their traditional territories.

Finally, there's infrastructure. Most of Canada is undeveloped; it's uninhabited. Our resources are much more likely to be found in a place with no infrastructure than next to civilization. As such, we need the government's assistance in connecting these deposits to infrastructure, both power and roads. Without infrastructure, they can't be developed.

In summary, I'd like to reiterate my belief in the potential for mining critical metals in Canada. We've a rich, ever-expanding endowment due to the hard work of a skilled workforce from coast to coast. Our nation has turned to us to become a stronger pillar of our economy in these difficult times.

• (1125)

Equally, our allies around the world are turning to us to see whether we can supply the strategic critical metals they've historically sourced from such countries as Russia and China, who are now withholding these metals for competitive and military gain. However, as mentioned, there are a number of challenges. I believe the Government of Canada can continue to expand its leadership in

overcoming these obstacles and making the most of this generational opportunity for the benefit of the Canadian mine industry and all Canadians.

The Chair: Thank you, Mr. Ulansky.

We'll now go to Mr. Singh on Zoom.

Mr. Singh, you have five minutes.

Sandeep Singh (President and Chief Executive Officer, Western Copper and Gold): Thank you, Mr. Chair. Hopefully, you can hear me. If you can't, please let me know. I apologize for what appears to be a disco light above my head but I assure you is not.

Thank you again, Mr. Chair, and thank you to the members of the committee for the invitation to appear today.

I'm Sandeep Singh, president and CEO of Western Copper and Gold. I've spent my entire career in mining. I will start by saying that I am genuinely encouraged by what I'm seeing at the moment. The conversations we're having around mining have shifted. I think we're recognizing as a society its vital role in Canada's future. I'll also mention that the government has taken important steps with the critical minerals infrastructure fund in particular and the Major Projects Office that has just started off. I'm pleased to see that government at all levels, including this committee, is continuing to reconfirm that commitment.

[*Translation*]

I look forward to sharing our experience regarding the Casino Project in the Yukon—Canada's largest critical minerals project in terms of annual revenue.

Casino is a great example of how critical minerals development can serve multiple national priorities: provide substantial economic benefits, strengthen domestic supply chains, justify infrastructure investments and bolster Arctic sovereignty.

[*English*]

We are in a global race for critical minerals. I regret to say that the west is behind. Countries are investing enormous sums in securing supply. The one thing Canada has that money cannot buy, unless we allow it, is that we have the mineral endowment itself. We have the resources the world needs and we have the talent required to extract them sustainably. The question isn't whether we can compete: It's whether we can execute and whether we can move fast enough to capitalize on our innate advantages and rise up to the moment.

Our project, the Casino project in the Yukon, demonstrates what's possible when geology, partnerships and policy align. The economic impact of our project is profound. Over its phase one, 27-year mine life, Casino would contribute nearly \$61 billion to Canada's GDP, including \$51 billion directly in the Yukon, and deliver \$19 billion in tax and royalty revenues based on a conservative consensus on long-term commodity prices. As a result, the project has attracted multiple equity investments from Rio Tinto and Mitsubishi Materials, world-class copper groups based in allied G7 countries.

The mineral contribution is equally significant. Casino holds just over five billion pounds of copper reserves, the third largest in North America. At 241 million pounds annually, Casino alone could increase Canada's national copper production by more than 15%. For molybdenum, Casino holds the largest reserve in North America, with the potential to increase Canada's output fivefold. The significant gold content, of over 10 million ounces in reserves, makes the project incredibly resilient for future cyclical downturns in critical minerals. This is a generational mine once permitted and built.

The Yukon and Canada's north have demonstrated exceptional geological potential—the Yukon has 27 out of 34 metals on the critical minerals list in 2025—and yet the region remains vastly under-explored compared with southern jurisdictions. The primary reason is lack of infrastructure. The solution is dual-use infrastructure that serves both industry and communities. In our case, Casino requires 130 megawatts of power to become that generational mine. Yukon's isolated grid relies on rental diesel generators to keep up with the current demand and cannot support this additional load, obviously. Our plan is to produce power at site using LNG, which is our base case in the current environment, but the proposed B.C.-Yukon grid connect—already supported with \$40 million in federal CMIF funding, I should mention—would enable Casino to run on clean hydroelectric power while transforming energy access in the region.

I am pleased to relay and suggest that the B.C.-Yukon grid connect has the support of the B.C. and Yukon governments as well as first nations on both sides, and that the proposal appears to be on the short list of projects being considered by the Major Projects Office, at least based on news reports. We believe our project and the grid connect are symbiotic, as without projects like ours as offtakers, it is difficult to justify the infrastructure investment that helps all Yukoners and bolsters Arctic security.

• (1130)

[Translation]

Critical minerals development only succeeds in partnership with indigenous communities.

At Casino, we've prioritized relationships with affected Yukon first nations. We've signed co-operation agreements, conducted collaborative environmental and traditional knowledge studies, and provided millions in funding to support their participation in the assessment process.

[English]

Major projects in the north face complex tripartite assessment processes involving federal, territorial and indigenous decision-

makers. Success requires proactive federal coordination to prevent delays from departmental silos, timely Crown consultation with first nations, a clear focus on assessment mandates and adequate resourcing for both assessment bodies and indigenous participation.

Projects like Casino, major by any standard, not just northern standards, would benefit from robust federal coordination mechanisms that ensure appropriate attention and drive accountability across departments.

[Translation]

Mr. Chair, members of the committee, I want to say that Canada's critical minerals opportunity is real.

Casino represents the type of critical minerals project that Canada needs—one that brings infrastructure north, strengthens supply chains and drives sustained northern prosperity.

Thank you.

[English]

The Chair: Thank you to all of our witnesses for those excellent presentations.

We have a lot of time with you this morning. We're going to have about an hour and a half or so.

We'll now turn it over to members for questions.

The first round is six minutes each, and we're going to start with Mr. Tochor.

Corey Tochor: Thank you, Chair, and thank you to our witnesses.

I have a series of questions for Mr. Ulansky.

What specific regulations keep your project stuck in red tape instead of shovels in the ground?

Chad Ulansky: At our stage of exploration, we face a number of delays. It's largely related to permits for our joint operations, establishing remote infrastructure, so airstrips and such. At the moment, those tend to take years in order to work through the YESAB system in Yukon. It can take us a couple of years to get through a permit to drill or build an airstrip and such. It's very time consuming as compared to other jurisdictions.

• (1135)

Corey Tochor: With your history spanning decades, has it gotten worse in the last 10 years?

Chad Ulansky: Yes, absolutely.

I was involved with the discovery of Ekati, the diamond mine in the NWT, quite a long time ago. I'll give you a quick timeline on Ekati. Our first drill hole into kimberlite was in late 1991. We started permitting in 1994, and our last permits were available in 1996. We went into production in 1998. That was a tier one world-class mine.

I can't permit drill holes fast enough to permit that entire mine in the NWT. Granted it's a different time, but that's a demonstration of how long our permitting is presently taking in Canada.

Corey Tochor: We know about all the regulations the Liberals have brought in and that the red tape is layered on your sector, especially in the north where it's so important to have those private sector jobs. Another witness has referenced that it has dual purposes, but we should also keep in mind the military and defence reasons. Having that infrastructure in the north is beneficial. Not having it and not having those jobs makes Canada less safe and less productive.

Given Canada's vast critical mineral deposits, do you believe Liberal laws, such as Bill C-69, delay projects, cost jobs and block investments in Canada?

Chad Ulansky: I believe the intent was there to try and streamline the permitting process and speed things up, but I—

Corey Tochor: The example you just gave would prove the opposite, right?

Chad Ulansky: There was a but. The fact that federally the government is starting to overreach into provincial and territorial approvals and expanding the requirements for approvals for those permits has demonstrated, unfortunately, that the time frame is expanding rather than being reduced at the moment.

I wish that every project that had commercial viability across the country was fast tracked rather than the select few.

Corey Tochor: That's what we heard from the Supreme Court. It's unconstitutional, and it infringes on provincial responsibilities.

Ultimately, would repealing the anti-development law, Bill C-69, increase projects and increase the speed at which projects would get off the ground?

Chad Ulansky: Yes, it would. I'd like to see further changes along the same line to reduce the complexity of the permitting system. I'm not looking to try to reduce the oversight on environmental impact at all, but I think it can be streamlined. Get rid of that duplication both federally and provincially, but also within the different ministries provincially and territorially. When we permit, we get the same questions from various ministries over and over again. It would be nice to have a single-window approach to our permitting to try to speed things up.

Corey Tochor: That's what the courts have ruled, but we're still waiting for the Liberal government to fix the problems with that bill.

Interestingly, your company operates in both Canada and the States, and it takes 38% longer to build a mine in Canada, while U.S. approvals can happen as early as within 28 days if the mine's

on federal land. What other differences do you see between the approval process in the States versus in Canada?

Chad Ulansky: As you mentioned, on federal lands, there's a 28-day period, which the present government there has deemed is the turnaround time for permits. It would be wonderful if we had something similar in Canada, but we don't. On the whole, they are several years faster in permitting in the States than we are in Canada.

For the multinational companies around the world that are looking to invest, when you have two projects that have fairly similar attributes, the time it takes to get to production makes a significant difference and those dollars will flow to other countries before they come to Canada. That is, unfortunately, the situation at the moment. We are losing global investment as a result of how long it takes to put our resources into production.

Corey Tochor: Have you also seen Canadian investment not investing in Canada? We have pension funds and other private industries that don't do this.

Is it tightening up so that even Canadians have given up on investing in Canada?

Chad Ulansky: One thing that strikes me is that our Canadian pension funds, like the Maple Eight, which are the eight largest pension funds in Canada, cumulatively invest around \$2.4 trillion. Prior to 1990, there was legislation in place that said they had to invest about 90% of their funds domestically in Canada. That was reduced through to 2005, when all requirements were lifted. They've gone from having 90% invested within Canada down to about 25%, so about \$1.8 trillion is invested elsewhere around the world. They invest more in China than they do in Canada.

I'm not saying we should go back to 90%. I'm also not saying they should be investing in junior exploration companies that are pretty small, but for the mid-tier and large-tier Canadian-based companies, it would be wonderful to have that money come back into the mining sector and the broader Canadian economy. That investment would filter down to many jobs within Canada, and it would strengthen our mining industry in particular, which has been hollowed out since then. We've lost Inco and Falconbridge—

• (1140)

The Chair: Thanks, Mr. Ulansky.

Thank you, Mr. Tochor.

We'll go to Mr. Danko.

John-Paul Danko (Hamilton West—Ancaster—Dundas, Lib.): Thank you, Mr. Chairman.

As a representative from Hamilton, I'm primarily interested in Mr. Cataford and iron ore. My questions are going to be primarily for him. I'm asking non-partisan questions because I'm interested in your expert opinions as witnesses.

You spoke about the economic potential of the Labrador Trough and fully developing that resource. You gave the comparison to Australia having invested \$20 billion in their iron ore mining industry.

To start with the big picture, what potential is there if that resource is fully developed?

David Cataford: If we look at today, Canada has roughly 80 billion tonnes of known resources. We produce roughly 50 millions tonnes per year. We have an opportunity to be able to develop infrastructure in a very creative way that would allow us to double the current production in a short time frame. We could go from 50 million tonnes to about 100 million tonnes. That would allow us to double the revenues we currently produce in the region with very limited investment compared to typical infrastructure investments.

John-Paul Danko: Thank you.

I'm interested in digging into where your customer base is, noting that Nippon Steel from Japan is one of your potential investors and part of your customer base. I believe Australia sells mostly to China, and Japan is a similar region.

If this resource has to be further developed, where would that ore be shipped and where primarily would the customers be buying?

David Cataford: When we look at the current situation in terms of exports from Canada into the rest of the world, Asia is the worst potential market for us geographically, because it's the furthest away. It's the one that costs the most. When we started our project, we had about half of our tonnes delivered to the Asian market and half of our tonnes closer to home in Canada and to Europe and the Middle East.

We're currently investing \$500 million of our own money to develop a new plant to upgrade our resource, which will allow our clients not only to reduce their carbon footprint when they produce steel, but also to move most of our tonnes that are currently going to Asia to markets that are closer to home. That's more into Canada, more potentially into Ontario, into your region, and also more into Europe and the Middle East.

John-Paul Danko: You've mentioned carbon emissions and the decarbonization of the steel industry a few times as a priority for the industry and a key economic value added that I think we bring in Canada. I was hoping that you could expand a bit further on the relationship between the quality of ore that we produce in Canada and the decarbonization of the steel industry.

David Cataford: High level, if we look at the transformation of iron ore into steel, you essentially have to melt it. If you're melting more contaminants, you're creating more CO2 emissions. Having an extra-pure material like we have here in the ground in Canada allows our customers to reduce a significant amount of CO2 emissions.

As an example, if you use the blast furnace technology, which is the main technology that's used to produce steel, by using our material you can reduce CO2 emissions between 10% and 20%. When you go towards the electric arc furnace, then you can reduce CO2 emissions by 50% using our material.

It gets critical once you get towards electric arc furnaces, because once you've delivered that type of technology, you cannot buy lower-grade iron ore. You need to buy high-purity iron ore. That's where we have a unique opportunity here in Canada, because we produce exclusively high-grade iron ore.

• (1145)

John-Paul Danko: I want to touch on infrastructure.

A number of our witnesses—I think all of you, actually—have mentioned infrastructure as a barrier to development. Specifically for the Labrador Trough, you mentioned transmission, the Sept-Îles port and rail connections.

I have an open question for anyone who wants to answer.

I'm trying to better understand the relationship among federal investment infrastructure, provincial investment and the responsibility of the private sector. What incentive is there for taxpayers to be investing in infrastructure in order to make some of these projects economically viable?

David Cataford: If you don't mind, I'll lead and then let my colleagues respond.

If you take Champion Iron as an example and we go back to when we started the project, the federal government invested about \$55 million in the port infrastructure to allow Sept-Îles to become the second-largest port in Canada. The Quebec government also invested in the port infrastructure and allocated energy to our project. Combined, roughly \$400 million has been invested in infrastructure. In just a few years, not only did the Quebec government make a significant return on equity on the mining side, but they generated close to a billion dollars in taxes and revenue.

You can see that the investments that were made on the infrastructure side allowed us to invest over \$2 billion in the Labrador Trough, but also allowed a whole lot of taxes and royalties to be collected by the government.

We have a project today which, on paper, has 15 years of life of mine, but we have decades more of resources in our portfolio. The revenues will keep on coming for the next decades and that investment is now behind the various government bodies.

John-Paul Danko: If there is still time, if any other witnesses would like to—

The Chair: There actually isn't, but we'll come back to you, Mr. Danko. You'll probably get another chance.

We're going to Monsieur Simard.

[*Translation*]

Go ahead, Mr. Simard.

Mario Simard: Thank you.

I want to follow up on the infrastructure issue. I've spoken with a few mining stakeholders, and I would say the biggest challenge is building the infrastructure. You have to extract the ore you develop. I have trouble seeing how a single-developer model could work, since many of you may have interests in the sector. However, you can't assume all the costs associated with a new rail line, for example.

You talked about what you did at the port of Sept-Îles. That's great, but I'd like you to provide the committee with documentation or more information on the infrastructure funding models, if you can.

How could it work? Could it be a breakdown between governments and indigenous communities?

What kind of model could be put in place to fund infrastructure projects like the rail loop Mr. Cataford talked about?

I'd like to hear from all the witnesses on the financing package needed to build the infrastructure.

John Mullally: Thank you, Mr. Simard.

I'm going to answer in English, but I understand what's being said in French.

[*English*]

One thing I would say about infrastructure specifically in north-western British Columbia is on the indigenous participation. As those nations' capabilities and abilities to participate in large deals have increased, through organizations like FNFA and through the indigenous loan guarantee program, we've started to see, in the case of, say, the LNG project, Cedar LNG, that the Haisla Nation has taken a 51% stake in that project. Ksi Lisims is a Nisga'a-led project as well.

From infrastructure on the transmission side, there are models that we've seen in Ontario. For example, the Wataynikaneyap is 51% indigenous owned as well. When we talk about the northwest transmission line and the potential among the three phases, which are the north coast transmission line and then two additional phases, one of which may go to the Yukon, as my colleague Mr. Singh raised, I suspect that those two would also be financed in partnership with nations who, again, are finding ways to access through First Nations Finance Authority and having the backup of other institutional investors that are getting very interested in that model.

• (1150)

[*Translation*]

I think that's one part of the solution.

Thank you.

Mario Simard: I understand.

I'm talking to you as someone who is new to all this, so forgive me. Either federally or provincially, is there some mechanism to set up a project office whose mission or mandate would be to develop this kind of infrastructure?

I'm wondering about the financing for projects like the rail loop, which you talked about, or even the northern corridor.

I think these kinds of projects have challenges, so how can the financing be undertaken in a way that reflects CN's interests, on one hand, and mining companies' interests, on the other?

Aren't we missing the bridge for the party that becomes the project developer—the one carrying the ball, if you will?

[*English*]

The Chair: Mr. Simard, Mr. Singh has had his hand up. It's your time, of course, but....

Okay. Go ahead, Mr. Singh.

Sandeep Singh: Thank you, Mr. Chair.

I think I can capture a bit of Mr. Simard's question as well.

The first thing I wanted to mention earlier was that these are the best dollars we can spend from an infrastructure perspective, from a Canadian perspective, putting all of our respective biases aside. These aren't handouts. It's just a question of timing. The challenge with trying to tie mining projects to infrastructure, even though when you think about the north, much of the infrastructure in the Canadian north stems from previous mining operations, dragging, in some cases, infrastructure north that now is to the benefit of Canadians and indigenous groups, and a benefit from an Arctic sovereignty perspective.

I would say that, in a lot of ways, we can leave it up to the industry to promote what the financial mechanisms look like. What's required is, as you mentioned, that coordination effort. How do we streamline or how do we manage the disconnect between permitting timelines for our projects, which may not exactly coincide with the timelines you need to build this infrastructure? How do we confirm to investors that it's worthwhile to make the infrastructure investment and that the projects will then backfill on the financing side, on the return side? Again, as we pointed out, our project alone is \$60-plus billion of GDP. When you add things like the Galore Creek, when the Yukon government and B.C. are talking about that northwest transmission line, they're talking about almost \$200 billion of GDP that can be unlocked.

I think it's coordination, as you pointed out. I think it's timing and bridging that gap such that those investments can be made, but I will restate that those investments are the best things we could be doing for ourselves as Canadians.

[*Translation*]

Mario Simard: Thank you.

I'd like you to elaborate on what you said about Canadian pension fund investments pre-1990 versus today. I don't have much time, but I'll come back to it if necessary.

Did you check whether the Canada growth fund—which has ties to pension funds—has a strategy vis-à-vis mining companies? I know that something exists and that there was an intention to invest in carbon capture and sequestration technologies, for example.

[English]

The Chair: Please give a quick answer.

That's for anyone.

Chad Ulansky: I guess the short answer is that I'm not aware of whether there is anything presently that's driving investment to the mining industry, certainly not on the pension fund side.

[Translation]

Mario Simard: Thank you.

[English]

The Chair: Okay.

We're on to Monsieur Martel.

[Translation]

Go ahead.

Richard Martel: Thank you, Mr. Chair.

Thank you to the witnesses for contributing to the committee's study today.

Mr. Ulansky, mining projects in Canada are highly complex. I want us to be able to compete with the rest of the world because critical minerals are found across the globe.

Why do investors come to Canada, where it is so difficult to get a project off the ground? Is it the resource?

• (1155)

[English]

Chad Ulansky: Speaking as somebody who drives investment into various countries, we very much are, first off, concerned with the geologic endowment. What is the likelihood of there being something that eventually could be economically mined? Canada is very fortunate to have an abundance of mineral wealth.

Second, we're looking for stability. That's something which Canada obviously has. It's a wonderful jurisdiction. It's very difficult to find a place elsewhere around the world where you can put in a mine and it is done socially, environmentally and governmentally responsibly.

On the downside, of course, are those items we've all been discussing, such as a lack of infrastructure and the permitting delays. Those are the downside risks. All of those components play into the decision to invest. Clearly, Canada is a tier one destination with its challenges.

[Translation]

Richard Martel: We have incredible resources.

As far as I'm concerned, Canada absolutely has to take a close look at its regulations because the time frames are endless. We have to do something and speed up the process. We keep hearing about

the red tape, the long time frames and the sky-high costs, but nothing gets done.

We want to be competitive in Canada. We want to keep our resources here and potentially process them, so we can become self-reliant.

Do you agree that it's absolutely necessary to examine the regulations?

[English]

Chad Ulansky: Yes.

[Translation]

Richard Martel: We agree on that, then.

The government says that Bill C-5 is going to speed things up.

Do you believe that? Are you hopeful?

[English]

Chad Ulansky: I always have hope. I'm an explorationist. I'm in a high-risk profession, so I am an eternal optimist. Yes, I always have hope, but there's always more that can be done.

[Translation]

Richard Martel: In your view, how much money does Canada routinely lose because investors put their money elsewhere?

It must be a good deal of money. Certainly, we could benefit from those investments. We need money to pay for our social programs and other things. At a certain point, you have to create wealth.

[English]

Chad Ulansky: We're losing billions. As Mr. Singh has said, potentially, one project in the Yukon has the ability to add billions to our economy. In the Yukon, that one project would probably make up...I'm not sure of the percentage. Mr. Singh can probably jump in and let me know.

A vast majority of that territory's tax revenue would come from a single mine, never mind having multiple mines. There is a real opportunity to dramatically stimulate the Canadian economy for the whole public's good.

[Translation]

Richard Martel: I may come back to this as well. I find it interesting.

Mr. Cataford, do you agree that proximity to raw materials and a powerful energy source are essential if a processing company is to be successful?

Processing companies need a source of energy.

Do they not?

David Cataford: Yes, absolutely.

Richard Martel: The energy source we regularly hear about is liquefied natural gas, or LNG. It's known for being able to provide the power processing plants require.

Would you agree with that?

• (1200)

David Cataford: I imagine it depends on the region where the company operates. In our case, with high-purity iron, we are directly connected to high-voltage power lines, and almost all the energy we use is hydroelectric.

Richard Martel: You're able to operate on hydroelectric power, then.

You must be close to a hydroelectric plant.

Isn't that right?

David Cataford: That's right.

Richard Martel: All right, but does it change if the company is far from the energy source?

I assume they really need to focus their operations close to where the resource is extracted and processed.

Am I wrong?

David Cataford: Proximity to the resource is an advantage for mining sectors. For example, the Labrador Trough is so close to the electron source that a small-scale project can be undertaken using the power lines. As a result, much of the energy that's used comes from Churchill Falls or the surrounding area.

Richard Martel: I see.

[*English*]

The Chair: Mr. Martel, we're going to go to Mr. Singh who looks like he has a response to your question.

Mr. Singh.

Sandeep Singh: I was just going to add that, generally speaking, our mines are not in industrial centres. My colleague at Champion Iron is blessed by having hydropower close by, which is a clear advantage in Quebec. Our mines are in remote places and, oftentimes, especially in the north, we need to tie them with transmission.

Our project works off of LNG. I think LNG has a role to play in providing the power to do the things we need to do, but certainly as a country, we need to find and invest in power generation and transmission. If we're going to open up these corridors and access these critical minerals, that is going to play a huge part in the next 30 years of our lives.

Power generation and transmission will have, in the next 30 years, the role that oil had for the last 30 years. It's definitely a place in which we need to invest.

[*Translation*]

The Chair: Mr. Guay, you have the floor for six minutes.

Claude Guay: Thank you, Mr. Chair.

Thank you very much, witnesses, for being with us today. Thank you for agreeing to answer our questions.

Earlier, we discussed Bill C-5, which has been passed. This bill offers many advantages for large projects. It provides for a simplified review process and a predetermined two-year deadline for meeting all the conditions necessary for a project to proceed. We agree that this applies to projects designated as major national projects.

That said, not all of your projects necessarily fall into this category.

However, the Prime Minister has announced the list of projects and critical minerals that will be considered in the future.

In theory, this means that it applies to each of your companies. We hope to be able to apply the spirit and approach of Bill C-5 on critical minerals.

How do you see this? I'm sure you've read Bill C-5 and wondered how it might apply to your projects in your respective companies.

How should we ensure that this can work for a set of projects related to critical minerals?

How can we ensure that we do a good job of applying Bill C-5 to each of your projects?

John Mullally: Mr. Guay, thank you for your question.

[*English*]

In the case of British Columbia, the province has been able to substitute their environmental assessments with the Impact Assessment Act. That's a crucial starting point, such that we don't have overlap in terms of jurisdictions.

The other thing is that two years of that includes ECC's end of schedule 2 and the Fisheries Act authorizations, because that's actually a very significant permitting requirement. If it includes that other work, then those can happen concurrently. That concurrent work is extremely important, certainly to stay within the two years. The two years is ambitious. I think it's welcome news to investors and to multinationals operating in Canada.

Third, as the response to Bill C-5 is on whether these are in our best interests from an indigenous perspective, or whether these are overriding our rights, etc., you can see that we really need to engage the nations. In the case of the Tahltan, as I've said, the shared decision-making and work that the province has done to really strengthen the governance of the Tahltan central government has improved their perspective and acceptance of natural resource development. They see that natural resource development actually moves in parallel with reconciliation. I don't think that's the case elsewhere. I think there's a lot of work to do with respect to getting the nation in that position to be ready to work to advance resource development.

[*Translation*]

Thank you.

• (1205)

Claude Guay: I would like to hear everyone's comments.

David Cataford: Another interesting aspect is the planning done by certain authorities. Admittedly, this can be more complex for isolated projects. However, in the case of large projects and certain regions where there are several mining projects, such as the Labrador Trough, if work were done in advance to identify the conditions necessary to obtain a permit, things could move even faster.

We have seen this kind of approach elsewhere in the world, and it works relatively well. It is not a question of lowering standards, but rather of working collaboratively within the framework of Bill C-5.

Anything that could avoid duplication of approval applications would be welcome. This issue has been one of the most complex elements in recent years. Bill C-5 gives us hope that the time required to obtain permits will be reduced.

[English]

The Chair: Mr. Singh.

Sandeep Singh: Mr. Chair, I would say it's a start, and it's an important start. The comment was made that the Major Projects Office and Bill C-5 streamlining these big projects may be meant for some of the larger projects, but they are also the more complex. Projects like ours have a big footprint. We need to walk through them carefully. We are advancing the largest project that the Yukon has ever seen, so it makes sense to take that level of rigour and complexity and handle it slightly differently.

Hopefully, to your point, in time that will flow down to everyone's benefit. We're not trying to or asking to make this easy. It shouldn't be easy. We're just asking for it to be a little less hard, a little bit more straightforward and a little bit more efficient. Often-times, we find in our processes that it's not first nations and the indigenous who are slowing down the process. It's interdepartmental. It's different organizations asking similar questions and bogging things down, or asking questions in phases that don't apply to them.

Honestly, I think a layer of efficiency and discipline can go a long way. All that flowing into the development of the Major Projects Office I'm very optimistic about. Obviously, they have to get started and working. If we can resource and fund those types of initiatives well and resource our departments so that they have the talent, experience and people to do the work that's required of them, that's really how we move things forward. We're not going backwards, I don't think, as a country and throwing out our level of care for the environment and indigenous, and nor should we. I think the mining sector has come a long way in the last couple of decades. It's more about embedding efficiency and discipline and having the right people in the right seats to do the work.

The Chair: Thank you, Mr. Guay.

[Translation]

Mr. Simard, you have the floor for six minutes.

Mario Simard: Thank you, Mr. Chair.

I will continue the discussion started by my colleague Claude Guay.

Although I am not particularly in favour of Bill C-5, far from it in fact, I believe that certain elements could be implemented.

Mr. Cataford, I don't know if it was with you or someone else that I discussed a mining project, but I was told that simply moving a storage site for reasons of efficiency meant that studies on the effects on certain fish had to be redone, even though the new site was less than a kilometre from the old one. I therefore conclude that you must comply with certain standards and specifications.

I would like to know one thing, and I think it would also be interesting for the committee to know more. Perhaps our analysts could provide us with this information.

I suppose you have to take into account both funding and standards.

On several occasions, we were told that it was very difficult to get past the prefeasibility study stage because, if I understand correctly, governments do not provide financial support for it. So, according to what someone told me, it was like crossing the valley of death, and many projects did not make it to that stage.

Can you give us more details, step by step, on the various procedures you have to follow when copper ore or other minerals are discovered?

I don't want to add to your workload, but could you send the committee a document summarizing what the financial steps are, on the one hand, and the steps concerning the standards you have to follow, on the other?

In addition, do you have any ideas on how we could help you overcome some of the difficulties you are encountering in starting a project in terms of standards, while respecting the environment—I understand and agree with what Mr. Singh said—and all that this implies in terms of social acceptability?

I invite all witnesses to respond to this question.

• (1210)

David Cataford: Thank you for the question.

There are probably two answers, depending on whether you are a start-up or a going concern.

For our part, we have projects in operation, but also new projects in development.

Take, for example, our KAMI project, located on the Labrador border. This project could produce approximately 9 million tons of high-purity iron per year, which could increase Canadian production of this type of iron by about 20%.

To date, we have invested approximately \$100 million in this project and have yet to obtain the permit to proceed. I therefore understand the complexity of financing the pre-feasibility stages of a project. As we are an operating company, we invest in our growth budgets to finance these stages.

Having access to the various funds allocated for critical minerals would therefore certainly be advantageous for us. Recently, high-purity iron was added to the list of critical minerals.

Mario Simard: Do you have any tax benefits?

David Cataford: Currently, we do not have any tax benefits, but we are working to obtain them. It would certainly be beneficial for us to obtain them for high-purity iron. This would also enable us to develop other resources.

Mario Simard: Okay.

Gentlemen, we would be grateful if you could send us a document outlining the steps that must be taken as soon as a deposit is discovered.

I will now return to what I said earlier about financing.

I have spoken to some people, and I know that minerals are on the list of critical minerals without companies receiving a tax benefit. This raises the question of what the list is for.

As I understand it—we discussed this—the Department of Finance, which makes these kinds of decisions, will have to align itself with this.

That said, I am interested in what you said earlier about pension funds and the distinction that was made. After 1990, the law was changed. Before that date, investments had to be 90%, whereas after that, they had to be 25%.

Can you elaborate on that?

[English]

Chad Ulansky: The regulation around the investment of the pension funds changed progressively from 1990 through to 2005. In 1990, 90% of their funds had to be invested within Canada, and that was reduced and reduced through to 2005, when there was no minimum amount that needed to be invested domestically.

• (1215)

[Translation]

Mario Simard: I have no idea what happened between 1990 and 2005. Are you talking about an obligation to invest in Canada, or measures encouraging these funds to invest in certain types of projects, such as mining projects?

Was there simply an obligation, prior to 1990, to invest in Canadian projects of any kind, or were there specific provisions regarding minerals?

[English]

Chad Ulansky: I believe it was just domestic projects. There was no specification for mining. They could have invested in real estate or any commodity.

The Chair: Mr. Singh, could we have a quick response from you?

Sandeep Singh: Mr. Chair, I was going to add really quickly that Mr. Ulansky's point is very important. As a Canadian, I am sometimes offended by how little our pension funds—our own funds—get reinvested in our sector in Canada. Some of that is normal. We've tasked these people with securing our retirement futures, and they're making the best investment decisions they can. In some ways, they should be left to do that, but I think there's an opportunity to both allocate those funds smartly and allocate them in a way that benefits us as Canadians as well.

They certainly seem to keep finding the mining sector a bit too risky, but infrastructure, which we've all talked about, is a layup in terms of where we should allocate and marry those funds. That infrastructure then being able to bring on the mining projects and make them easier to accomplish is a mutually beneficial spiral. That's one place where I think we should spend some time and focus.

The Chair: Colleagues, thank you.

Thank you, Mr. Singh.

Before we start our third round, we'll pause for five minutes, get a coffee and stretch. Witnesses, you can do the same. Be back here just before 25 after.

• (1215)

(Pause)

• (1220)

The Chair: Colleagues, we have time for two rounds. We're going to have to reduce the time a little in the fourth round. I'm suggesting, instead of five minutes, we have four minutes for each and then Monsieur Simard will have two minutes instead of two and a half. We should finish a little after one, so close to on time.

We're going to start with Mr. Rowe.

Mr. Rowe, you have five minutes.

Jonathan Rowe (Terra Nova—The Peninsulas, CPC): Thank you, Mr. Chair.

My first question is for Mr. Chad Ulansky.

You mentioned that a lot of the minerals in Canada are away from the population, but what's interesting is, when I look at our critical minerals map, a lot of the deposits have been found—and I think the key word is “found”—in areas where the population is, except for the Rockies.

I'm curious if you can dive into why that might be and what we can do to fix it.

• (1225)

Chad Ulansky: The reason is that exploration is very high risk. Because of that, we tend to look for projects close to where there's infrastructure and where it's cheaper. As a result, there aren't many companies willing to go out to those blank areas and look for resources.

I'm fortunate—or unfortunate—to have spent a lot of time looking in those blank spaces and finding things that haven't been found before, and that's where a lot of the new discoveries are going to occur. You're right: If you take a look at the map of the mineral occurrences, you can see where all the infrastructure is, because that's where people have explored.

Those blank areas on the map are where the new significant tier one discoveries are going to be made. When we make them, we're going to need to have some guarantee that we'll be able to get some infrastructure built to them so that we can bring them to market.

Jonathan Rowe: You talked about investment in the infrastructure. You said that investment has been more short-term focused now, perhaps more than ever, was what you were alluding to. I worked in the mining industry, and I saw that. In the mining industry, the investors seem like they'd rather make a dollar today than two dollars tomorrow.

I'm curious if you could elaborate on that and what we should be doing as a country to motivate people to invest in the long term.

Chad Ulansky: That's a really good question, and I don't have a good answer for you as to how to produce that longer-term view on investment. I think society in general is shorter term. It's not just investment. Everybody has a very.... How long is a TikTok video? That's literally people's attention spans at the moment.

John Mullally: I'll jump in there, Mr. Rowe, to talk about this particular region in northwestern British Columbia. It was really the target of...when we acquired Newcrest in 2023, Newmont saw this region in northwestern British Columbia as a place we could do business for many generations to come. We have people in our company looking 100 years down in terms of infrastructure needs and trying to understand how things are going to evolve here. The first thing is the transmission line and the road did bring those initial discoveries and led to some of the first operations, so adding in additional transmission and additional infrastructure will do that as well.

We've talked, too, about working with indigenous people, and that will be a really important component to solidifying the resource development. Essentially, how can we do that in combination and advance reconciliation at the same time?

The other thing is the geology. These ore bodies are ones that do have the copper-gold porphyries that are large enough to sustain operations for 50 or more years. We have a view at the Red Chris operation right now, for example, that you could operate there for another 50 years, though not for every single type of deposit. Chad and people who understand the geology better than I could detail that. The short term going in and exploiting smaller deposits over short amounts of time doesn't set up well, but infrastructure and investments in workforce development and training and getting large companies in, like ourselves, with over 100 years of experience in the industry and bringing the expertise to the area, can set up certain regions for significant critical mineral production over many years.

The Chair: Mr. Rowe, I think Mr. Singh has a response for you, if that's all right with you.

Mr. Singh, go ahead.

Sandeep Singh: Mr. Chair, I'm not sure if it's much of a response, but I'll say it quickly anyway.

I think at the end of the day, we have to be good businesses, which we are. There are lots of great Canadian companies doing good things in Canada. John, Chad, David and I are reasonably resourceful. We have opportunities and we have chosen to tackle the things we're tackling, because we think they're great opportunities that can provide a good for Canada and our investors.

Ultimately, we're not going to change the world. We're not going to change how people invest. I think we have to have a product that they're compelled to want to invest in. Whilst there are places in the world where you can do this easier and maybe quicker, if I'm being an optimist like Chad was earlier, I'd much rather have a balanced approach that leads to a successful outcome in Canada. Once you are permitted in Canada, once you have a mine running in Canada, it's among the best places, if not the best place in the world, to have it. We've seen how you can go faster in other places. Panama was one example, and that mine got taken away two years into production.

I think it's about finding the balance. Right now, I'll admit things are stacked against us a little bit in the mining sector. Anything that could be done that relieves that pressure and simplifies the process will go a long way. The rest of it is on us to find those investment dollars, which we're all capable of doing.

• (1230)

The Chair: Thank you, Mr. Rowe.

We're on to Mr. Hogan for five minutes.

Corey Hogan (Calgary Confederation, Lib.): Thank you, Mr. Chair.

I want to thank you all for your time today. It's very valuable in helping the work of this committee as we work on our common goal of supercharging critical mineral development in Canada.

Building off Mr. Martel's and Mr. Simard's questions about capital, I want to ask about access to capital and how we draw capital to Canada. It's also been identified by earlier witnesses as the most essential component to the development of critical minerals. It's also one of the roles of the Major Projects Office, helping projects access the capital they need. As Mr. Guay was mentioning, critical minerals as a basket is one of the areas the Major Projects Office is working on.

I want to ensure that, first, Mr. Ulansky's comments about overall improved regulatory environment are well heard. It's something the Prime Minister himself has said will be a focus of this new government as we bring average timelines down. One of the other complementary things I have heard would be that to access capital would be examples of projects going well and going quickly in Canada. You could then point markets to show Canada's new government is living our time to build mantra.

My question for the witnesses is on having their thoughts on that view, that case studies of Canada's new government's new approach would be helpful in accessing capital. Also, when you look at it through that lens of speed, when you weigh projects more heavily by speed, where do you think the opportunities are for Canada?

The Chair: Mr. Cataford, go ahead.

David Cataford: First, I think the importance of the critical minerals list was key if you take our example in attracting capital. As soon as Canada, Newfoundland and Quebec put high-grade iron ore on the list of critical minerals, which was welcome because it is essential to decarbonizing the steel industry, we were able to secure a partner, Nippon Steel and Sojitz, to commit to invest \$2 billion in Newfoundland and Labrador to be able to develop the Kami project.

Where we still have quite a potential issue is when we talk about the infrastructure side. As a mining company our cost of capital is much more expensive than on the infrastructure side. To give you an example, if I go to see a pension fund company in order to borrow money, if I borrow it as Champion Iron, it's going to cost me a whole lot more than if I borrow it as infrastructure company X. If we're able to separate the infrastructure side and have that financed in a separate way and allow us to focus just the investor dollars on the actual mining side, I think that's one of the paths that will attract more capital into the region for sure.

Corey Hogan: Do any other witnesses want to weigh in on that?

I see Mr. Singh.

Sandeep Singh: Yes, thank you.

If you're talking about where we can access capital efficiently as a sector, if you're drilling and finding and having success from a drill perspective, you'll find all kinds of capital. Money will come your way. If you're producing effectively as well, there's capital even if you probably don't need it at that point in time, because you're in the cash flow side of your business. It's in the middle. It's in that trough that we often refer to, that permitting timeline where you're spending huge amounts of money on a relative basis given the size of your company. There's no assurance on timelines. There's no assurance on success at the end of those timelines, which is fair enough. You have to do the work to prove that those projects should move forward. I think having some success stories, being able to point to your comment about how the commentary at the top is actually funnelling through the bureaucracy in leading to streamlining, that's where the rubber hits the road. I've had plenty of investors say, "We're talking about a multi-year permitting process; come talk to us at the end of it." That's the challenge. That's where we need to really—again, some bias accepted—shorten that timeline if we're going to attract capital to the mining sector. That's where it's more starved.

John Mullally: I have one example, Mr. Hogan.

In northwestern B.C., again where Newmont has two operations, the capital decision is coming up relatively soon at the Red Chris mine. It's one that was listed to be designated amongst the first five.

Bill C-5, the Major Projects Office and the profile that's come to the Red Chris project since, along with the investment that was made on the road through the critical minerals infrastructure fund and the financing that may be part of the designation with respect to the clean technology manufacturing investment tax credit, all of this has had a very significant impact on our board.

Our board will be making the investment decision upwards of \$4 billion Canadian in May or June next year. These steps that are being taken are being noticed by a multinational like ours, so it has had a significant impact.

Additional infrastructure and the next phase of projects in that region would require additional power. Galore Creek, for example, is not a feasible project without an increased enhancement to the transmission line. Additional power up there would serve to induce future capital decisions from Newmont.

Thank you.

• (1235)

The Chair: Thanks, Mr. Hogan.

If Mr. Ulansky has a comment later, Mr. Hogan has another opportunity to ask that question.

Next we have Mr. Simard for two and a half minutes.

[*Translation*]

Mario Simard: Thank you, Mr. Chair.

I will be brief.

Mr. Cataford, you did not answer my question earlier about funding, but you did answer my colleague Mr. Hogan's question.

If you want to please the government, you don't ask it for money. You can simply ask it to make regulatory changes. The government likes that.

Let's suppose you have as much power as my friend Claude Guay and that you have the minister's ear. What kinds of short-term regulatory changes could we make that would have an impact on you and facilitate the launch of projects?

David Cataford: For our part, we don't just ask for money. We are proud to have helped the governments of Quebec and Canada to make some.

I think that when you invest fairly in a project, it certainly provides the initial momentum to attract other capital.

If governments are willing to support projects fairly, it can be very profitable for taxpayers when done right. This can be a very positive factor.

When it comes to regulatory changes or ways of changing how we work, taking more risks to support projects can lead to a good return on investment, if done right.

Mario Simard: Would you like to add any comments, Mr. Singh?

Sandeep Singh: Thank you.

[*English*]

Fixed timelines are needed that we can point to as an industry and say that we know the process we're going down. I think that would be something. It's what we're talking about when we're talking about streamlining permitting on the federal level.

We have a different process in the Yukon that we're about to begin. However, having some certainty that these timelines which will stay long will actually have some endpoints to them will allow you to run your businesses accordingly, because the worst thing that can happen is that you start a process and you don't know where it ends.

[*Translation*]

Mario Simard: Thank you.

I would like to clarify one point. If I don't have enough time, I may come back to it in the next round of questions.

Many of you mentioned the Clean Technology Investment Tax Credit. As I understand it, this does not currently apply to critical minerals.

You also mentioned the reduction in GHG emissions that high-purity iron and copper allow. I understand that at Glencore, if we didn't burn what is commonly referred to as scrap, i.e., recycled materials, but rather copper, there would be fewer emissions.

Is this something that would be eligible for the clean technology tax credit?

As I understand it, you are not currently eligible for this credit.

Is that correct?

[*English*]

The Chair: It's probably a good time to note that any further detail you want to relay to the committee can be done by brief. If you didn't have an opportunity to answer a question of one of the members, that's a good way to get information to the committee, to the analysts, and hopefully influence the final report.

Do we have one quick response?

Mr. Mullally.

• (1240)

John Mullally: I can take that.

[*Translation*]

Thank you for your question, Mr. Simard.

[*English*]

In terms of the clean technology manufacturing investment tax credit, the threshold for copper is currently 90%. In that case, most major copper deposits would not be eligible. Essentially, you'd make most of the copper in Canada not eligible for this particular

tax credit, one that, as I mentioned, would be very instrumental and critical in terms of inducing major investments.

We spoke about the copper and gold porphyries in British Columbia, in northwestern B.C. That example I know very well. The copper content is closer to 50%. One of the ideas is to lower that threshold from 90% to 50%, making many significant projects eligible and, in turn, inducing major investments in the sector.

The Chair: Thank you.

We're going to Mr. Tochor and then Mr. McKinnon for five minutes each. That will complete the third round. We'll go on to a reduced fourth round after that.

Mr. Tochor.

Corey Tochor: Thank you, Chair.

Mr. Ulansky, I'm not sure how closely you follow other natural resources, but CBC reported on September 29 that Calgary's Imperial Oil announced that it will eliminate 20% of its workforce, approximately 900 jobs, most of which are in Calgary. Are you aware of that report?

Chad Ulansky: Yes, I did hear that it was trying to minimize its costs.

Corey Tochor: There are a lot of costs that have been layered on by the Liberals. Would you agree that—

Claude Guay: Mr. Chair...

The Chair: Is this a point of order?

Claude Guay: Yes, I have a point of order.

I don't think this is pertinent to the study we're on right now. Maybe Mr. Tochor can explain how it's relevant.

The Chair: Mr. Tochor.

Corey Tochor: Absolutely.

Chair, can you confirm that I still have four minutes and 30 seconds?

The Chair: Yes, we stopped the time.

Go ahead.

Corey Tochor: At what time...?

The Chair: You have four minutes and 22 seconds. We'll stop the time until you respond.

Corey Tochor: Thank you very much.

We're hearing about how Liberal—

Claude Guay: He's not answering.

The Chair: I don't think it's a point of order. I think it's debate.

Mr. Tochor, please go on.

Corey Tochor: Thank you, Chair.

We've heard how Liberal regulatory process has increased cost and Imperial Oil had to make the decisions it made. We've heard a lot about Bill C-69 and some of the disastrous anti-growth regulations the Liberals have layered onto Canadians. Would you agree that it would affect all natural resources, including mining?

Chad Ulansky: I believe that all delays to permitting that can be avoided should be avoided. The increased complexity doesn't benefit industry.

Corey Tochor: Would you agree with the statement that...? When you read that article and found out what had happened in Calgary, were you shocked and disappointed to see that Imperial Oil has laid off hundreds of employees, particularly as the company has record production and near record profits for Canada?

John-Paul Danko: I have a point of order, Mr. Chair.

It's a matter of decorum. It's really unfair to ask our witnesses, none of whom have any experience in the oil industry, questions about the oil industry.

The Chair: Mr. Tochor, if you could relate it to the study that we're involved in here, I think that would be appreciated by all.

I think I know the point you're trying to make. You're obviously talking about the regulatory system, but if you could steer it back to critical minerals, I'd appreciate it.

Corey Tochor: Chair, critical minerals are natural resources. I would like to find out more about how this has hurt our natural resource sector. I think who really needs to hear about this is our MP Hogan, who represents Calgary, which has suffered all those hundreds of job losses.

I cede my time of two minutes to Mr. Hogan so that he can hopefully ask questions and learn how disastrous the Liberal policies have been in Canada.

John-Paul Danko: You just really need that clip.

The Chair: Mr. Tochor, you can cede your time to one of your members but not to a member on the other side, to my understanding.

Does anyone want to take up Mr. Tochor's time?

• (1245)

Corey Tochor: Chair, I would say that we have ceded time to other members of other parties in the past.

Mr. Hogan, it's your time to use to hopefully learn a little bit more about—

The Chair: Let me consult with the clerk.

Yes, Mr. Hogan, if you'd like to respond, go ahead.

Corey Hogan: I appreciate that. The gift of time from Mr. Tochor is welcome.

I'm happy to hear more about the views that the witnesses have on the regulatory framework, in particular maybe I'd expand on my last round in terms of access to capital.

Are there things that you think the federal government should be focusing on that would increase access to capital and could be done

through that lens of speed? What would allow us to, in a timely fashion, showcase Canada's new government's new approach to development and build Canada into the superpower we want it be with critical minerals?

The Chair: Does anyone want to respond?

John Mullally: At the risk of repeating myself, I think the CTM ITC, the clean technology manufacturing investment tax credit, for the sake of some of these near-term critical mineral deposits would go a long way toward inducing some major investments. I think that would strengthen the Major Projects Office's position and the work it's doing.

As I said, our board has taken note of the shift in terms of the role that critical minerals are intended to take here in Canada with our economic growth agenda, so that one is very important.

The Chair: I believe Mr. Singh has a comment.

Sandeep Singh: Thank you, Mr. Chair.

I'm probably repeating myself as well, but I'm quite optimistic about the Major Projects Office and the role it can play from a de-bottlenecking perspective. At least in my view, that's where most of our challenges are.

The other point, I would say, is increased emphasis on the federal government's responsibility to consult with first nations. It's doing that earlier in the process and making sure those first nations are funded.

Those are tactical things to do. They're maybe not overly sexy, but that's where the challenge is. The challenge is in the corners. That's where we have to be incredibly more efficient to rise to the challenge.

The Chair: You have 45 seconds.

Corey Hogan: That's great.

Mr. Ulansky, a specific question is around access to capital for exploration and juniors. You know, big companies come from small companies and we need to be creating a robust ecosystem.

What can we be doing specifically for companies of your size?

Chad Ulansky: I would say that continuing on with the flow-through funds is critical for the junior mining space.

I'm going to go off topic a little bit quickly on the first nations side. Having first nations as a partner in resources is critical. I think we are all increasingly understanding the importance of having them at the table in a meaningful role.

The Chair: Mr. McKinnon, you have five minutes to complete this round.

Ron McKinnon (Coquitlam—Port Coquitlam, Lib.): Thank you, Mr. Chair.

Mr. Rowe pointed out that most of our critical minerals are in the vicinity of where people live. I suspect that's because that's where the critical minerals are and people came to access those minerals. It makes me realize that 99% of this country is remote and we're always going to find a problem with infrastructure, so I was wondering what we can do to be more effective in developing infrastructure in a timely manner.

I'm going to start with Mr. Mullally.

I'm interested in the Red Chris mine. I notice that it's in north-west British Columbia. I haven't been out there, but I know it's very remote. There's a main highway that goes up to Watson Lake and Red Chris is quite well off that road.

What kind of infrastructure do you need up there specifically? How can we structure things to make it easier to create infrastructure when and where we need it?

John Mullally: Red Chris is about 600 kilometres north of Terrace and about five hours south of Whitehorse. It is very remote.

There is a road. One thing that the road shares is significant risks for communities, as well as significant risks for operations, because the road is not necessarily suitable for industrial traffic all the time. As a very important artery for the region, it will be important for it to be safe for communities, for safe passage, along with more industrial traffic as well. The federal government made a \$70-million investment, and the Province of British Columbia made a \$120-million investment in that road. Road safety will be critical.

As well, on community infrastructure, our philosophy is that as we operate and grow in a region the surrounding communities should also benefit. While the Tahltan communities of Iskut, Telegraph Creek and Dease Lake continue to have substandard outcomes in health and education and in their roads, stores, clinics and other things, I think that as we look at this region as a major project of national interest we'll need to really consider how we continue to increase the standard of living in these communities. In particular, we would expect that there would be more people living in that region as well.

Then there is the required transmission, really, beyond this phase. As I said, we have a couple of operating mines. There is another project. Then, just thereafter, there would be no more projects because of the investment. Essentially, we'll always be strained without infrastructure. In particular, critical minerals are highly energy-intensive operations and really need to be connected to transmission lines.

As an example, Galore Creek would be roughly a 300-megawatt load, so it's almost impossible that its operation would be developed without a transmission line. It would represent a 40% increase in Canada's copper production.

• (1250)

Ron McKinnon: What can we do as a government to facilitate investment in the infrastructure?

John Mullally: Well, I think the critical minerals infrastructure fund is one way, Mr. McKinnon, and also, looking at other ways to invest in this region.

Again, it's being looked at as a major project of national interest in Canada, so I think of transmission. BC Hydro is the proponent, and British Columbia's potentially working with Yukon is a connection point as well.

I know that this is a big priority for B.C. and a significant priority for Yukon as well. That cross-territorial and -provincial connection is one that would bring a lot of value in terms of Mr. Singh's project, along with many a copper/gold project along the way.

Investments in transmission would be a very important step.

The Chair: I think Mr. Singh has a response to your question, Mr. McKinnon.

Mr. Singh.

Ron McKinnon: I believe Mr. Cataford has as well.

The Chair: Okay. We'll get to both of them.

Mr. Singh and Mr. Cataford, could we have quick responses, please.

Sandeep Singh: Mr. Chair, very quickly, I will re-emphasize that these are phenomenal infrastructure investments that we're talking about. People will step up to make them. They don't necessarily all need to be backed by the government.

What needs to be done is a streamlining of these. There needs to maybe be some capital on the front end, but it's about bridging that gap, as I mentioned earlier, so that the mining projects that are going to be the anchor tenants for some of those infrastructure investments that are on the come are not going to be blocked for the wrong reasons and are going to move through the process in a reasonable time frame. If we can do that, that money will flow.

The Chair: Mr. Cataford, give a quick answer, please.

David Cataford: When we look at the various investments that are required, I think they're very large amounts when we talk about infrastructure. If we look at the current funds that are available and we look at just our project, we could probably require all the funds in certain of these that were put in place.

I think one of the elements—and it touches a bit on what Mr. Singh just said—is that investments for infrastructure can be there if there is support from the government and if it's also for projects that are recognized in a streamlined fashion. I think there are certain areas in Canada that are critical to focus on, the Labrador Trough being one. I think our colleagues here have mentioned another. That can generate significant investments in the future.

You can look at the Abitibi region. In the 1920s it was not accessible. They built the rail and now you have about seven mines in the region. They've been operating there for the past hundred years.

I think we have certain regions we can focus on that can generate a significant amount of revenue. That could potentially allow us to focus on other more remote areas that have critical minerals that are essential for Canada but are maybe a little riskier.

• (1255)

The Chair: Colleagues, we're going to round four, which is our final round. We're running late because of our pause and because we allowed some additional responses from our amazing witnesses, who we've worked over pretty hard over the last almost two hours.

We can take one of two approaches at the will of the committee. We can do one round from each party—four minutes for the two parties and two minutes for Mr. Simard—or we can do the full round with maybe three minutes each for five—

Dean Allison (Niagara West, CPC): Option one sounds good.

The Chair: We'll have one from each party. Does that sound good?

Okay, so it will be four, four and two, starting with Mr. Allison.

Dean Allison: Thank you very much, Chair.

Thank you to our witnesses. After 21 years, I'm always amazed at the expertise we get at the table, yet governments don't always follow their excellent information.

I want to go to Mr. Ulansky for a second because he talked in his opening comments a bit about germanium. I don't think a lot of people understand or even know what it is. Where does germanium come from? I know you guys have some opportunities in the Yukon, but it's my understanding that germanium comes from Russia and China, which are two not exactly friendly countries.

How much germanium do they have, and why is germanium so important as a critical mineral?

Chad Ulansky: Roughly 80% to 90% of the global germanium supply comes from Russia and China, and China has blocked all exports of germanium to the U.S. as part of the ongoing dispute.

Our western source, primarily the only western source in North America at the moment, is the Red Dog mine, which is owned by Teck. That germanium is recovered down at the smelter in Trail. The Red Dog mine is scheduled to end production in 2031, which is not that far away.

Germanium is one of those critical metals we're all discussing here today that are instrumental in a lot of our modern technologies, whether it's our fibre optics, computer chips or LEDs. From the military perspective, it's necessary for night-vision goggles, sensors and such. It is critical. It's found with our zinc mineralization in our project, but we in the west desperately need to have a source in friendly hands.

Dean Allison: One of the things I always find interesting is we have this Major Projects Office that would advance a project. Is this one that would qualify?

Chad Ulansky: I would like to believe so, yes.

Dean Allison: Has it qualified for it?

Chad Ulansky: Not yet.

Dean Allison: Okay.

The other thing would be dealing with legislation and regulations. It's been talked about non-stop. It would benefit the whole mining industry and we wouldn't need a major projects office. We could just fix the regulations, fix the investment and fix the certain-

ty, which would make a huge difference not only for critical minerals, but for all mining in Canada.

Chad Ulansky: I think everybody is on the same page in wanting to have responsible mining occur as quickly as possible, and I'd like to believe that we are all working toward that end as efficiently as we possibly can.

Dean Allison: Great.

I have one minute left.

Do you agree with the system we have? It's been talked about, so I want you to recap it again.

If we look at some of the incentives and streamlined processes in places like Australia and the U.S., it's clear how important it is to do a better job and why we need to do a better job. It's because we're competing in a global economy with resources that can flow and capital that can flow, etc.

You have 30 seconds.

Chad Ulansky: Basically, as we've all discussed, we're in a global environment. Capital flows to where it feels it has the best chance of return, and Canada needs to compete. There are a lot of strengths in Canada. We have great mineral endowment. We have amazing people. We have a stable government. There are still some shortcomings that we need to work on, like times for permits, but you can't replace having the minerals in the first place.

• (1300)

The Chair: Thank you.

We'll go to Mr. Guay for four minutes, followed by Mr. Simard for two minutes and then we'll wrap up.

Claude Guay: Thank you, Mr. Chair.

This question is for Mr. Cataford.

[*Translation*]

Mr. Cataford, you mentioned a project to connect two railway lines to create a loop. You said that this would be a turning point for your company and for the Labrador Trough region.

What can the federal government do in terms of regulation or capital investment to support this particular project?

David Cataford: I think the days when mining companies owned infrastructure are over.

Access should be provided to the territory and as many projects as possible should get off the ground. Reducing the risk associated with our projects is also an objective.

In the Labrador Trough, there is a unique project to connect two railway lines approximately 400 kilometres apart. These lines run down to two ports, which are 50 kilometres apart. The distance of the connection needed to link these two lines is approximately 25 kilometres. It would therefore be a small investment, and I use that word advisedly.

If we were to consider building a new railroad, the investment would be \$7 billion to \$8 billion, whereas connecting the two existing railroads would require an investment of approximately \$800 million. For a fraction of the price of a new railroad line, we could potentially double the rail transport capacity in the region.

The government's role is to seize this opportunity to find a solution to unblock the Labrador Trough. This involves working with the four groups that currently own parts of the railway to connect them and create a loop. It also involves working with partners, such as pension funds, to obtain the necessary capital.

Claude Guay: Thank you very much, Mr. Cataford.

[English]

Mr. Mullally, I'm going to direct the next question to you because your company has a lot of experience working with indigenous people over many years and on many different projects.

I'm interested in the lessons. We talked about about Bill C-5 and consultation, but I also heard Mr. Singh talk about resourcing for first nations.

Can you talk to me about some of the things that we should focus on, include and encourage, with possible templates that we should prepare in advance, on how to work with first nations based on your lessons learned?

John Mullally: I think the strength of first nations typically starts with a good, strong governance structure and finding ways to incorporate the nations in early stage studies. This includes production from an employment perspective, business opportunities and working especially with development corporations. I think the indigenous development corporations have come a long way in many parts of the country and have significant benefits. In particular, these development corporations often pay dividends to the communities and are therefore a credible source of revenue.

We've also seen that governance and British Columbia's consent-based decision-making can work, but it is a significant lift for the nations to essentially run parallel processes where there are statutory decision-makers. I think that can work, but where the federal government needs to step in is to resource nations to ensure that natural resource development is proceeding at the same rate as community development is proceeding. It's hard for nations that are in regions where they see mining and companies prospering and where their own services are substandard. It's very difficult for them to support the projects.

Our philosophy at Newmont is that we will only continue to build and prosper at the same rates as we've made significant investments in community development.

The Chair: Thank you.

Mr. Simard, wrap up the morning and the afternoon, please.

[Translation]

Mario Simard: Thank you.

Mr. Mullally, I would have liked to address the issue of raw material processing and the value chain, but unfortunately we will not have time. However, I would be very interested in any information you could provide on this topic.

Mr. Cataford, you mentioned—along with my colleague Claude Guay—a project for a rail link. The aim is to connect a railway line from Rio Tinto to ArcelorMittal.

Am I mistaken?

• (1305)

David Cataford: The project aims to connect the Rio Tinto and ArcelorMittal railway lines. We already have 36 kilometres of railway line, and the Quebec government also owns 36 kilometres.

Mario Simard: I see.

In Saguenay—Lac-Saint-Jean, there is a problem with the Roberval-Saguenay railway, which belongs to Rio Tinto. Without wishing to offend the people at Rio Tinto, I have to say that it is sometimes a little difficult to communicate with the employees of this company. I wondered whether a mechanism could be put in place to solve this problem.

However, this might require negotiations. This approach is used in the telecommunications sector. For example, there was a mechanism in place for infrastructure owned by Bell that allowed other telecommunications giants to use it.

Is it difficult to reach an agreement when the infrastructure is owned by a competitor or someone who has different financial interests than you?

David Cataford: There are two different situations. If a railway line crosses two provinces, transport falls under federal jurisdiction. In this case, the Canadian Transport Act applies. For example, freight cannot be refused on this railway line.

Let's take the example of the Rio Tinto railway line on the Côte Nord. As it runs through Labrador and Quebec, no one can prevent us from travelling on the company's land. On the other hand, the ArcelorMittal railway, located in Quebec, is entirely privately owned. In this case, the company is not obliged to accept freight.

In your situation in Saguenay—Lac-Saint-Jean, where the railway runs through a single area, there is no obligation to transport freight.

If railways fall under the Canadian Transport Act, this is of course positive, as it enables projects to be developed.

Mario Simard: You must certainly understand that you are speaking to a sovereignist who may not see things the same way. Mitigation measures will definitely have to be taken.

Thank you.

[*English*]

The Chair: Thank you, Mr. Simard.

On behalf of the committee, thank you to our witnesses. You've had a lot of time with us. It's been very valuable with robust ques-

tions and answers with much conviction. We've learned a lot and appreciate your coming out to see us.

Again, anything you would like to provide to us in writing is welcome. I know our analysts have been writing feverishly and have captured some of the powerful thoughts you shared with us today.

Colleagues, I'm entertaining a motion to adjourn.

Hearing no objections, we are adjourned.

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