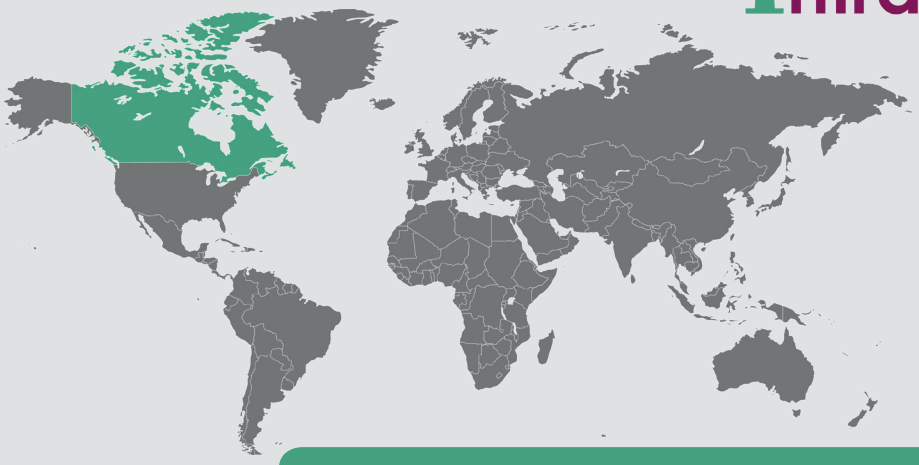
CANADA

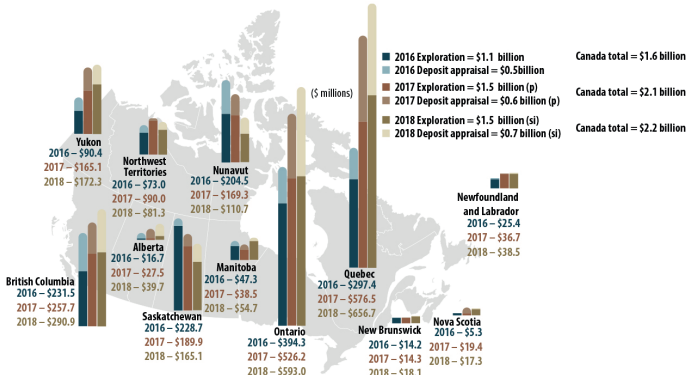
Raw Materials Strategy and Priorities #1



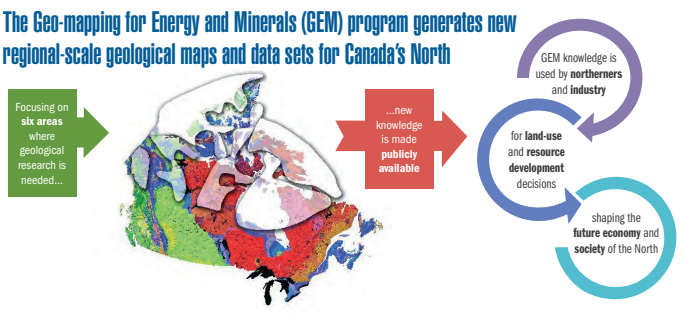
The Canadian mining industry´s success can be explained by the interrelation of two major factors: **mineral endowment** and a **political-institutional environment** that has been consistently attractive for mining investment.

The development of Canada's **mineral endowment** has been closely related to **extensive prospecting and exploration activities which have transformed mineral occurrences into discovered deposits**. Two factors leverage those activities:

1. **Discovery momentum and entrepreneurial reward:** most recent new "mineral endowments" in Canada only came to light as a result of the entrepreneurship (risk-taking culture) of modern exploration; drawing its impetus for risk taking from the extrapolation of rewards to explorers in the past to potential rewards in the future ("success breeds success");
2. **Availability of public and reliable geoscience data:** Canada´s federal government (and the provinces and territories too) have traditionally provided funding for public geoscience information on the premise that good economic government policy requires a sound knowledge of Canada's mineral potential. The public availability of up to date bedrock geological maps, regional geochemical, geophysical and geospatial data (in a repository) and reports, reduce the cost and risk of exploration by allowing companies to identify areas of high mineral potential, reducing the need to spend time and money exploring less prospective ground. In addition, geoscience information also informs government policy decisions in respect of land use planning, infrastructure development and environmental protection. This information is critical to the reduction of financial risk associated with exploration decisions and attract investments. For instance, in 2013 Canada announced the renewed support of (Canadian dollar) $ 100 million over seven years (2013-2020) for the Geo-mapping for Energy and Minerals (GEM) programme, which advances geological knowledge in the North to support increased exploration of natural resources and inform decisions on land use that balance conservation and responsible resource development.



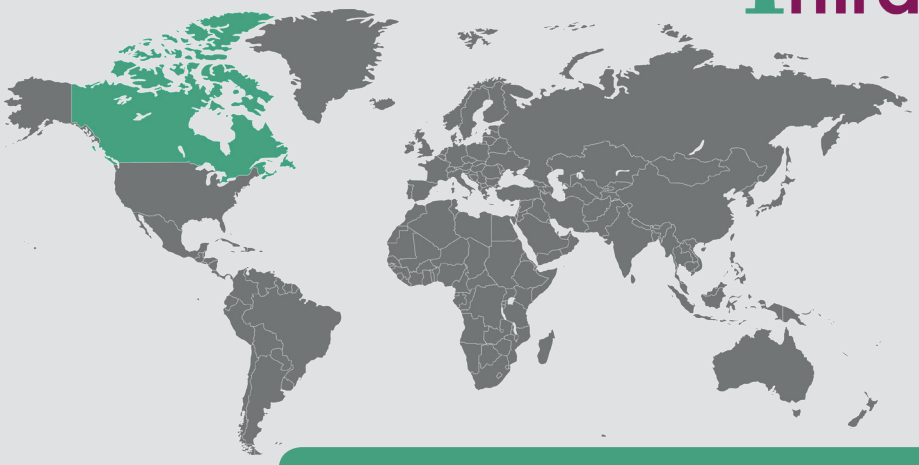
Exploration and deposit appraisal expenditures, by province and territory, 2016–2018 (si). Source: NRCAN (https://www.nrcan.gc.ca/mining-materials/facts/minerals-economy/20529#exploration).



Geo-mapping for Energy and Minerals (GEM) programme. Source: NRCAN (https://www.nrcan.gc.ca/sites/www.nrcan.gc.ca/files/earth-sciences/files/pdf/geo-mapping_north_2020_e.pdf).

CANADA

Raw Materials Strategy and Priorities #2



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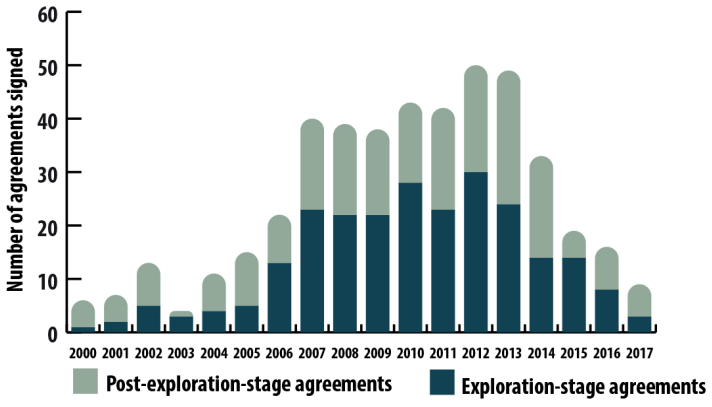
A **political-institutional environment** fostering a successful mining industry has been enabled by (in no order of priority) the following:

1. **Political and institutional stability:** this guarantees a high respect for the rule of law, provides the conditions for a legal framework that guarantees security of tenure and the ability to repatriate profits. All these are necessary conditions to attract investors.
2. **Access to land, energy and water.**
3. **Access to reliable transport infrastructure.**
4. **Access to risk finance:** Canada´s capital markets provide funding for mining investments and are well-developed. The Canadian mining industry has become a global leader in mining financing, exploration, development, and mine site closure and rehabilitation. Canada-tailored policies such as the Canadian Mineral Exploration Credit and flow-through shares allowed the creation of a successful exploration cluster in Vancouver (world´s largest junior companies exploration cluster) enabled by the world-leading financing cluster in Toronto.
5. **Access to a skilled workforce.**
6. **Access to a developed and competitive services industry** (mining equipment, technology and services sector).
7. **Efficient permitting procedures:** the Canadian permitting procedure for mining is considered stringent but very effective with a permitting delay of around two years, similar to Australia, and lower than that for the USA (average of ten years).
8. **Achieving a social licence to operate:** Canada´s mineral sector has seriously considered the issue of the social licence and understands that dealing with this issue requires ongoing dialogue between all relevant stakeholders. This multi-stakeholder approach fosters understanding and mutual recognition at all stages of the nature of the work and possible outcomes of the mining investment as well as of cultural and social sensitivities and concern and allows compromises to be reached. The "free-entry" system has given rise to conflicts between the mining industry and First Nations. As a result, it has now been established that a duty to consult applies to the free-entry regime as well as more generally.
9. **Government support for the mining industry:** government support has enabled the development of publicly available geoscience data and of transport infrastructure alongside the discovery of deposits and the development of mines.
10. **Research & Innovation:** the Canadian mining industry has played, and still plays, a key role in Canada´s economy as one of the most innovative sectors across all industries. The mining industry has continuously invested in research and innovation (R&I), even during downturns and recessions, including for high risk projects, and has become a driving force in Canada´s new knowledge-based economy. By innovating, Canada has transformed potential resources into discoveries and measured resources and proven reserves. Examples are discoveries of deposits in the 1970s using airborne geophysics or, more recently, the usage of unconventional technologies to extract oil from oil sands in Alberta.



Number of agreements signed by exploration and mining companies and Indigenous communities or governments, 2000–2017. Source: NRCAN (https://www.nrcan.gc.ca/mining-materials/facts/minerals-economy/20529#indigenous).