



## **Seizing the Moment:**

### **Canadians Want More Mining, Can We Deliver?**

#### ***Address to the Greater Vancouver Board of Trade***

***September 20<sup>th</sup>, 2022***

It is great to be back in-person at the Greater Vancouver Board of Trade for the first time in two years. I have had the good fortune to participate in this annual address for close to 15 years now, having served as President of the Mining Association of BC prior to joining the Mining Association of Canada as President and CEO, and this continues to be an event I look forward to every year. Thank you for taking the time to be here today.

Much has happened over the past two years, with impacts from the ongoing pandemic and the invasion of Ukraine being felt on a global scale with both having brought the security of supply vulnerabilities into sharp focus for many countries and consequently accelerating the desire of Canadians to source and produce locally, with greater self-reliance.

Our industry has a particularly important role to play in ensuring the supplies needed, both by us and our allies, are readily available and produced using the highest standards in the world.

With the instability resulting from the current events affecting the world today it is imperative that our industry, the bedrock of the Canadian economy, be provided the supports it needs to succeed. The good news is that in many ways mining is

flourishing, with the minerals sector having contributed \$125 billion, or roughly 5%, to Canada's total nominal GDP in 2021. Our industry employs over 400,000 workers across the country in mineral extraction, smelting, fabrication and manufacturing, and indirectly employs an additional 263,000. Proportionally, the mining industry is also the largest private sector employer of Indigenous peoples, providing over 16,500 jobs in communities across the country.

B.C. is a big contributor to these numbers. One of the top three mining provinces in the country, the production value of the industry in 2021 was \$12.9 billion. As the global centre of expertise for mineral exploration, B.C. is home to over 1,000 exploration companies, most of which are in the greater Vancouver area. For generations, mining has played an essential role as an employer and economic contributor in the

province. B.C. has an incredibly strong presence in Canada's mining sector, with world leading companies like Teck Resources, Eldorado Gold, Copper Mountain and Pan American Silver, just to name a few, all calling Vancouver home. These companies are leaders in climate action specifically, committed to lowering GHG emissions and using innovative tech and R&D to reach the goal of net zero carbon emissions by 2050.

[Copper Mountain](#)'s electric trolley assist project and [Teck](#)'s use of electric crew buses in the Elk Valley are just two examples highlighting the work being done by leading Canadian mining companies in this space.

Not only are we focused on minimizing our own carbon footprint; we are also playing a critical role in the global energy transition. Our industry provides the building blocks for clean

tech like wind turbines, solar panels, nuclear energy and EV batteries. There is no question that the world needs mining in order to achieve a greener future. While our industry has understood this need for some time, awareness outside our sector on the essential role mining plays at the ground floor of this process is growing.

In fact, this enhanced understanding that mining has a significant role to play in the green tech revolution has led Canadians to show greater enthusiasm than ever before for the industry.

For the past 12 years, MAC has worked with Abacus Data to assess public opinion on Canada's mining sector. This year, support is at an all time high, with 83% supporting mining projects when there is a plan to reduce greenhouse gas

emissions, 80% reporting that they have a positive feeling about producers of minerals and metals in Canada, 84% giving mining companies in Canada a good or acceptable performance in contributing new materials for use in greener and cleaner technologies and 78% saying they have a positive feeling about Canadian mining companies.

Upon learning about Canada's leadership in sustainable mining via *Towards Sustainable Mining*, a globally recognized sustainability program that supports mining companies in managing key environmental and social responsibilities, 88% believe it is a good idea for government to support Canadian companies that adhere to such standards in their efforts to win in export markets and to attract investment to Canada.

As one of the lowest carbon-intensity producers of mineral and metal products in the world, Canada fulfills the need for mined materials better, and with higher environmental and social standards, than most competing mining jurisdictions and we are pleased to see this increasing recognition by the public at large.

The generally positive sentiment about the mining sector is due to several factors. It goes without saying that it's partly because of the economic benefits and well-paying jobs for Canadians in communities created by mining across the country. But the survey also reveals that people believe the industry has been making an effort to reduce its environmental impacts and build positive relationships with Indigenous peoples. There's enthusiasm about the role Canadian mining is playing in elevating mining standards in other parts of the world too. Not

only is the public on board, but our [Prime Minister](#) has spoken extensively on the importance of mining, stating during his time at COP26 that Canada *“has access to a large number of the critical minerals that are needed for the production of batteries and production of modern technologies...the challenge is (that) the extraction and processing of those in our country is more costly because we have higher environmental standards and higher labour standards than the countries that are right now busy cornering the market on those sorts of productions.”*

The positive impression of Canada’s mining sector is timely, given the enormous anticipated demand for mined materials to support decarbonization. And frankly, I think we’ve earned this reputation.

Why do I say this?



Because for the past few decades Canada's mining sector has made a concerted effort to improve how it operates and to earn the trust of Canadians. Across Canada, mines work in partnership with Indigenous communities through negotiated agreements the likes of which are not found elsewhere in the world. Canada is home to the first fully-electric mines built by companies like Newmont and Agnico Eagle. [Teck Resources](#) this year announced a donation of 14,000 hectares of land for conservation, committing to a net positive impact on nature over time.

And, as you know, the industry has come together to develop and implement *Towards Sustainable Mining*. *Towards Sustainable Mining*, or TSM, is a program originally created in 2004 to drive performance improvement across a range of social and environmental issues where it mattered most — at

the mine site level. This focus on mine site performance makes TSM a go-to system for investors and manufacturers, like Tesla, looking to invest in and purchase responsibly mined materials. A mandatory component of MAC membership, TSM enhances credibility and ensures companies are being held accountable in critical areas of the mining process, including climate change, Indigenous engagement, biodiversity conservation, water stewardship, tailings management and much more. Today, TSM has been adopted by nine other mining associations around the world, making it the most widespread ESG program of its kind. Next month, I fly to Guatemala City to welcome TSM's eleventh participant. A country that has struggled with mining and had many challenging and, at times, violent conflicts, I am especially proud to think that Canada's TSM will help raise the bar and contribute to better outcomes there.

As a constantly evolving program, TSM is not static and seeks to encompass the many focal points of our industry, and that is particularly true today as we work on a new standard focused on equity, diversity and inclusion. TSM has a proven track record of driving performance improvement over time. You can see it in the data, all publicly available, where performance levels across all indicators 15 years ago pale in comparison to what they are today. This is what makes TSM particularly useful to tackle an issue that has plagued the mining sector for a long time, if not forever.

While Canada's mining sector may stand out for the progress it has made in Indigenous inclusion, it otherwise has major challenges. Let's be honest: miners in Canada are primarily white and male. Visible minorities, LGBTQ+ and women are grossly underrepresented. While I've seen the participation of

women in corporate offices improve over the past 20 years, it remains low and has barely changed at all at the sites. The homogenous nature of our industry, particularly in the face of labour market shortages and increasing demand for skilled workers, clearly must change if we are to ensure our sector remains competitive and able to fulfill global demand for our products. The question we must ask ourselves is: how can we make Canada's mining sector one where all Canadians feel they can belong?

While there is clear potential for a more respectful, equitable, diverse and inclusive mining workforce, many companies are struggling to achieve this objective. As EDI becomes a more central tenet in the ESG narrative, companies are rightly being held accountable by investors and the public at large to improve their performance in this increasingly important space.

Change is possible. BHP made a public commitment a few years ago to achieve gender parity by 2025 and when its Jansen potash project transitions into operations, it will be with a gender balanced workforce. While we don't know if they'll achieve this target, the progress made in the past few years is significant and inspiring. Another company that is leading the way in prioritizing this work is Rio Tinto, particularly through the February release of [Everyday Respect](#), a report focused on a comprehensive external review of its workplace culture, commissioned as part of its commitment to ensure sustained cultural change across its global operations.

The review, which was proactively publicly disclosed, was carried out by former Australian Sex Discrimination Commissioner Elizabeth Broderick and identified findings of bullying, sexual harassment, racism and other forms of

discrimination throughout the company. The report, which outlines 26 detailed recommendations, is informing work being carried out to improve how the company prevents and responds to discrimination and unacceptable workplace behaviour.

I commend Rio Tinto for putting such sensitive information transparently out in the public domain, as it has served as a jump off point for many other companies to take the time to ask themselves these same difficult questions and make the issue of harassment, bullying and discrimination more front and centre.

Accountability and commitments to do better are important first steps and the strong support by our members to be more active in this space inspired the work behind the new *TSM*

*Inclusive and Respectful Workplaces Protocol*, which will be finalized within the next few months. This draft protocol, which has been published for public review, was developed in collaboration with MAC's *TSM Community of Interest Advisory Panel* and with the Minerals Council of Australia and its members with the support of other TSM partner associations across the globe. The protocol will focus on inclusive and respectful workplaces and includes a corporate strategy that is complemented by site-level policies, processes, and performance.

At the mine site, MAC and its members are defining criteria for comprehensive engagement with workers and relevant external stakeholders to develop effective EDI policies and processes – for example, reviewing human resources and other business processes to identify potential barriers and biases.

At the same time, MAC is exploring criteria that promote safe and respectful workplaces, including policies and processes to mitigate, respond to, and address instances of unsafe, harmful, or disrespectful behaviour. And, important to the conversation with investors around EDI metrics and performance, the draft protocol outlines approaches to data collection, reporting, and setting EDI objectives.

By holding mining companies to account, this new protocol will inspire and compel improvements to the mining sector, ensuring a sense of belonging for all of those who work within it, not just in Canada but internationally. With TSM having been adopted by ten mining chambers around the world, including by heavyweights like Australia and Brazil, it is our hope that this new protocol will lead to positive change globally.



The industry emphasis on climate action, innovation and enhanced EDI practices is due in large part to the heightened demand for our materials and the knowledge that we must mine them responsibly. Not only is the Canadian public supportive of these efforts but the federal government has perhaps never been more keen on our sector, doling out funding of historic proportions, exemplified best by the most recent federal budget released this past spring.

With a commitment of \$3.8 billion, focused specifically on critical minerals development, the 2022 Budget positions Canada's minerals and metals industry for success as a partner in accomplishing Canada's goal of a greener future while also enhancing greater supply chain resiliency, particularly in battery and advanced manufacturing materials.

Budget 2022 reinforces the government's commitment to climate action and supply chain security goals by providing strategic funding and programmatic supports to Canada's minerals and metals sector with specific commitments, including \$80 million to public geoscience and exploration programs to help find the next generation of critical minerals deposits and the doubling of the Mineral Exploration Tax Credit, or METC, for targeted critical minerals, including nickel, copper, cobalt, rare earths and uranium.

This METC commitment in particular is telling of the government's understanding of the role we must play in providing the materials needed for clean energy solutions. In order to provide the responsibly sourced materials needed for the technologies we increasingly depend on, we first need to know where the deposits lie. I strongly suspect that this Budget

commitment will place Canada securely in the top spot for global exploration spending in the next year or so.

However, when it comes to building a mine, from the exploration phase through to operation, we need to do better if Canada is to fulfill its potential in being the trusted supplier the world needs. As [Natural Resources Minister Jonathan Wilkinson](#) said repeatedly at PDAC in June, if an *“average mine takes 15 years to bring into production in the context of the energy transition, we don’t have 15 years if we’re actually going to provide enough of the minerals to be able to support just the battery development.”*

We can’t afford to fail. Frankly, our allies in the US and Europe are counting on us. It’s what last month’s visit by the German Chancellor was all about. It’s what President Biden’s climate

legislation is all about. Canada needs to deliver if we are to reduce our reliance on China and Russia for critical minerals, if we are to continue to have a North American auto sector so important to the Canadian economy, if we are to have any chance of fighting climate change. The stakes are very high.

A stable battery ecosystem is powered by critical minerals and customers are lining up to buy from Canada. Battery plant announcements, from the [Stellantis N.V. and LG Energy](#)

[Solution Ltd.](#) plans to invest \$5 billion to build in Windsor to the

[Umicore SA](#) plans to build a \$1.5 billion battery-supply chain

plant that will produce cathode active battery materials, are

occurring at breakneck speed with many other massive

companies, including General Motors and Ford, committing

billions to their EV operations in Canada.

Indeed, the announcement in July that Canadian EVs will qualify for tax credits in the U.S should their batteries contain a certain percentage of material sourced from U.S. free trade partners is yet another ringing endorsement for the role Canadian mining plays in providing the low carbon mined materials needed for the green revolution.

Establishing a strong, end-to-end supply chain for EVs in Canada, from the mining of lithium, nickel, copper and cobalt to EV production, provides us the once in a generation opportunity to position us as the sustainable EV supplier of choice.

Who wouldn't want to buy an EV knowing it contained Canadian metals and minerals and was built in Canada using our high labour standards – particularly when the alternatives

currently come from jurisdictions where these very bonafides are decidedly lacking?

In times of growing international uncertainty — indeed peril — and supply chain issues, the world needs more Canadian mining and we must ensure the sector has the ability to provide a secure and stable supply of the minerals and metals essential to Canadians, our allies and businesses around the world.

Canadians have voiced their support and the clean tech and auto industries are counting on us to deliver, now is the time to follow-through. Thank you.