



Advancing the Canadian Critical Minerals Strategy: Action Areas for 2024-25

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Global industrial activity and manufacturing is shifting to focus on the production of technologies needed to reduce emissions and tackle climate change. Canada possesses important reserves of many of the minerals required to manufacture these technologies, particularly zero-emission vehicle (ZEV) components and electrified vehicle (EV) batteries. This represents an important economic and industrial opportunity for Canada and led the federal government to publish [The Canadian Critical Minerals Strategy](#) in December 2022.

The Critical Minerals Strategy, which designates six of Canada's 34 critical minerals as priority - nickel, cobalt, copper, lithium, graphite, and rare earth elements - provides the direction the federal government will take to advance the development of our country's resources and offers the mining industry and adjacent sectors downstream, as well as investors, an important framework within which to begin planning projects and capital expenditures.

Since the publication of the Critical Minerals Strategy the federal government has been active in introducing programs and funding to support Canada's critical minerals ecosystem. These include:

- Launching the [2023-2028 Action Plan](#) to achieve the directives of the United Nations Declaration on the Rights of Indigenous Peoples.
- Implemented the [Indigenous Capacity Support Program](#) through the Impact Assessment Agency of Canada.
- Committing in Budget 2024 \$5 billion to a national [Indigenous Loan Guarantee](#) program to enable Indigenous communities to have greater access to affordable capital to participate in major natural resources projects.
- Allocating [\\$1.5 billion to the federal Strategic Innovation Fund \(SIF\)](#) to support critical minerals projects, with prioritization given to advanced manufacturing, processing, and recycling applications.
- Introducing a [\\$4.5 billion Investment Tax Credit for Clean Technology Manufacturing](#).

- Instituting the [Critical Minerals Exploration Tax Credit \(CMETC\)](#), to provide investors a 30% tax credit based on the amount invested for exploration projects focused on 15 critical minerals.
- Launching the [Canada Growth Fund](#) to help de-risk and bolster private investment in projects focused on pushing Canada closer to a net-zero economy.
- Organizing 2023 Team Canada Critical Minerals Investment Missions to London, Paris and Japan.
- A [15 per cent refundable tax credit](#) on eligible investments in clean electricity generation, including publicly-owned utilities.
- Launching a \$1.5 billion [Critical Minerals Infrastructure Fund](#) to support infrastructure gaps in critical mineral value chains, with a focus on priority critical minerals.
- The Canada Infrastructure Bank has announced [plans to invest in critical minerals infrastructure projects](#) to support the Critical Minerals Strategy.

The support for minerals development projects and the Critical Minerals Strategy in general should be contextualized alongside the major commitments by federal and provincial governments to support new electric vehicle battery plants in southern Ontario and Quebec. Through incentives matching to the US Inflation Reduction Act and specialized tax credits, governments in Canada have committed over \$30 billion to attract major investments from Honda, Stellantis, Volkswagen, and Northvolt to build electric vehicle batteries and their components in Canada. These projects represent the downstream endpoint of the critical minerals value-chain for batteries and, should the Critical Minerals Strategy prove successful, should form the natural market for the minerals extracted in Canada.

The mining industry, including its major representative associations, have also been undertaking key actions that advance the goals of the Critical Minerals Strategy, including but not limited to:

- The development of the Mining Association of Canada's [Towards Sustainable Mining program](#), which is a globally leading Environmental Sustainability and Governance (ESG) standard for the mining industry.
- The work of the Prospectors and Developers Association of Canada to advance their [Driving Responsible Exploration \(DRE\) framework](#) and their [Indigenous Affairs program](#).
- The Battery Metals Association of Canada's project to [map out value chains](#) for Canada's battery metals resources.
- The First Nations Major Project Coalition work throughout Canada to support and provide advice to Indigenous communities related to major project development. This includes both their [Major Project](#)

Assessment Standard and the recently released [Sprit of the Land Toolkit](#).

This is important and measurable progress signalling that Canada is taking its critical minerals opportunity seriously. But, as all stakeholders, including business and government, understand, more will need to be done for Canada to fully capture the opportunity before us.

The Critical Minerals Strategy is an evergreen document and invites the ongoing engagement of key stakeholders in the critical minerals ecosystem. As such, we are pleased to share input from industry leaders on next step actions that can be undertaken in 2024-25 to support the goals of the Canadian Critical Minerals Strategy.

These insights were developed by a Critical Minerals and Materials Task Force convened by Accelerate and MaRS Discovery District, in collaboration with the [Mining Association of Canada](#), the [Battery Metals Association of Canada](#), the [Canadian Critical Minerals and Materials Alliance](#) and the [Prospectors and Developers Association of Canada](#). The industry and association leaders within Canada's mining ecosystem who contributed their perspectives in this Task Force all have an interest in establishing Canadian critical minerals as a foundation upon which to build and grow Canada's clean technology industries, including Zero-Emission Vehicle battery supply chains.

In considering next steps to progress domestic critical mineral development, these industry leaders reflected on the current state of the Canadian ecosystem and assessed progress made within the first year of the Strategy. Five key actions on which government, industry, and other key actors should focus on for 2024-25 were identified through a review of the input received during Task Force workshops and individual interviews.

Some of these key actions are expanded upon in greater detail below, along with a number of mid-term and longer-term action propositions. While not necessarily reflective of the perspectives of all Task Force members, these concepts warrant further consideration and analysis by industry and government and are detailed in the section entitled Going Further.

When discussing Canada's position as a nation with the ability to produce critical minerals and the products they go into while also serving as a key supplier of these minerals for our trading partners, Task Force participants underscored the urgency with which action must be taken. Governments throughout the world are basing climate change and economic growth strategies on new clean technology and electrification of vehicle fleets and power-grids that will be dependent on these mineral resources. Without building our own value chains, and supporting our allies, Canada will remain reliant on minerals processing and production in jurisdictions where environmental and working standards are low. The transition to a low-emitting economy cannot rely on exporting our emissions overseas and must be aligned with Canadian values of environmental protection, workers' rights, and reconciliation with Indigenous peoples.

Five key actions for 2024-25

1

Develop critical minerals production targets for Canada

Accelerating this industry should be guided by the principle that “what gets measured gets done”, therefore government and industry should determine achievable and measurable targets for the development of our critical minerals. This would allow the broad ecosystem of actors from governments to industry to Indigenous interests and, ultimately all Canadians, to understand what we are striving to achieve and how we are progressing against that objective. This principle is further reinforced in [Seizing Canada’s Opportunity](#), a report issued by Accelerate capturing priorities for Canada’s ZEV industry as articulated by CEOs and other senior business leaders in mid-stream and downstream manufacturing.

Today, Canada represents 2% of the global economy when considering Canada’s Gross Domestic Product (GDP) as a percentage of global GDP. As a guiding objective to benchmark the success of the Critical Minerals Strategy, Canada could aim to be responsible for the production of 2% of global critical minerals by 2035 ([as discussed here](#)). With this benchmark in mind, policies, supports and investments could be calibrated to achieve this or a similar target. While the definition of critical minerals can change and battery chemistries may evolve to include different metals than are required now, our research question considered nine battery metals where Canada has existing production (lithium, nickel, manganese, cobalt, aluminium, iron, phosphate, graphite, and copper) and weighed this against the International Energy Agency’s assessment of required battery capacity in 2023 needed to achieve a 2050 net-zero target.

2

Support and continue to develop made-in-Canada Environmental, Social, Governance and Indigenous (ESGI) standards

Task Force members believe that the success of the Canadian Critical Minerals Strategy will depend on successful and mutually beneficial business and social relationships between Indigenous communities, industry, and government that uphold strong environmental, social and governance practices.

Canada’s leading mining associations, including the Mining Association of Canada (MAC) and the Prospectors and Developers Association of Canada have worked to support higher ESG practices in the mining industry. Notable action has come via recent updates to MAC’s Towards Sustainable Mining (TSM), a made-in-Canada globally recognized sustainability program that supports mining companies in managing key environmental and social responsibilities. It incorporates measurable criteria reflecting the Truth and Reconciliation Commission of Canada’s call to the corporate sector and establishes what is considered good practice including aiming to achieve free, prior, and informed

consent before proceeding with development where impacts to Indigenous rightsholders may occur.

Indigenous leaders, industry and government must continue to collaborate to develop consistent guidelines by which to engage and collaborate with Indigenous communities on critical mineral projects.

Going forward, it is fundamental that Canada's mining community, including governments, effectively communicate and demonstrate its commitment to the highest ESGI standards. This includes adherence and support for programs such as Towards Sustainable Mining, as well as effective regulations that protect the environment and support safe working conditions, policies to engage and involve Indigenous communities, and transparent rule-making that ensures governments and industry play by the rules.

Such high standards, critically valuable in their own right, represent a clear advantage for Canadian projects seeking to gain social license and attract capital from global investors increasingly focused on the ESGI practices of their prospective holdings.

3 ■

Expand the value chain by focusing on materials manufacturing

Demand for Canadian-mined minerals will be driven by the mid-stream production of the materials that support the energy transition, including precursor materials for batteries, lightweight vehicle components, electronics, tools and machinery. Currently this mid-stream, including critical minerals refining and processing capacity is dominated by China, which makes the global critical mineral supply chain vulnerable to interruptions and geopolitical shifts.

As in other jurisdictions scrambling to catch-up to China to counterbalance its dominance, the mid-stream of the critical minerals value chain is still emerging in Canada. In 2024-25 it will be important to prioritize through funding and planning, the growth of this segment to catalyse the market for Canadian resources and progress the success of the Critical Minerals Strategy. This will also support and enable a made-in-Canada approach, and bolster Canada's sovereignty over its own critical minerals value chain. and help meet the needs of a nascent North American battery industry.

4 ■

Focus on driving private investment in critical minerals projects

Increasing private investment in critical minerals projects is essential to the success of the Canadian Critical Minerals Strategy. The government has implemented innovative tax measures to encourage private investment including the Critical Minerals Exploration Tax Credit (CMETC). The Clean Manufacturing Investment Tax Credit (ITC), announced in Budget 2023 and put forward in draft legislation in December 2023, will provide tax credits on capital costs that support critical minerals projects. Further incentives to attract investment in critical minerals projects could include similar credits implemented to incentivize

the use of Canadian minerals and materials in battery and advanced materials manufacturing in Canada. Further, Finance Canada could explore developing credits and incentives on finished goods, such as EV battery components or precursor materials, which are tiered to support higher percentages of Canadian-sourced materials.

More broadly, Canada must continue to develop the emerging brand of high-ESGI critical minerals and materials for both global investors and purchasers and Canadian capital markets. The federal government has led multiple trade missions in the last year to this effect and should continue these efforts. Targeting Canadian institutional investors and decision-makers is also critical to ensure that incentive regimes to support Canadian critical minerals are well-understood and fully leveraged. Government support for critical minerals development, through target setting, transparent regulatory reviews, and tax policy all support private investment by helping to de-risk investment in Canadian projects.

5 ■

Develop key performance indicators to measure progress of the Critical Minerals Strategy

Beyond an overall critical minerals production target of 2% of global production, additional key performance indicators (KPIs) would give confidence to investors, stakeholders and Canadians that Canada is meeting its objectives. This would also signal that different levels of government are working in concert with industry and that the critical minerals ecosystem is growing efficiently.

In 2024-25, federal government and industry should develop a series of understandable and publicly available KPIs to track the progress of critical minerals development within the Critical Minerals Strategy. These might include a percentage of public funding deployed through various programs, the number of upstream and midstream projects funded, progress against lowering regulatory timelines for new mine openings, the percentage of investment into critical mineral projects originating from key sources, such as Canadian-based downstream manufacturers and the number of critical minerals projects that include Indigenous partnerships. KPIs could also reflect Canada's high ESGI standards and revolve around reduced emissions from mining projects or increased participation of Indigenous communities.

Going further: actions for further consideration and research

Further actions were discussed in Task Force meetings and interviews that should be considered in the short-, mid- and long-term to better position Canada's critical minerals industry. While these reflect what we heard from the Task Force process, they do not necessarily reflect the views of all Task Force participants or collaborators and should be viewed as ideas that warrant further exploration beyond 2025.

These actions are organized around the following seven priority areas:

- **Supporting Deposit Development and Prioritizing Critical Minerals**
- **Streamlining Regulation and Accelerating Critical Minerals Projects**
- **Engaging and Consulting with Indigenous Communities**
- **Expanding the Value Chain and Increasing Materials Manufacturing**
- **Fostering Investment and Engaging Canadians**
- **Championing High ESGI Standards**
- **Building Enabling Infrastructure**

Supporting Deposit Development and Prioritizing Critical Minerals

Task Force participants expressed that government and industry in Canada must move efficiently and quickly to develop critical minerals value chains while playing to Canada's strengths based on known reserves and production needs.

Because there are already known deposits of critical minerals in Canada that are not being utilized, there must be support for industry innovation to increase the efficiency, effectiveness and resourcefulness of mineral development – particularly in northern and remote regions.

What's been done to date

- The [Canadian Critical Minerals Strategy](#) identifies 34 critical minerals, including six priority minerals in Canada (lithium, graphite, cobalt, copper, nickel and rare earth elements) that are needed to support the future economy. Budget 2022 included \$3.8 Billion in funding to support the Critical Minerals Strategy.
- The \$1.5 billion Critical Minerals Infrastructure Fund launched through Budget 2023 to support infrastructure gaps in critical mineral value

chains, with a focus on priority critical minerals.

- The Geological Survey of Canada supports critical mineral development in Canada through initiatives like the Critical Minerals Geoscience and Data (CMGD) Initiative and the Targeted Geoscience Initiative (TGI). These initiatives aim to advance the knowledge base for critical minerals in Canada and develop predictive models to support deposit discovery.
- Ontario, Saskatchewan, Manitoba, and British Columbia have all released critical minerals strategies and other provinces are consulting on their own strategies now.

What can happen next

- Increase the geoscience knowledge base in Canada:
 - Increase the capacity of the [Geological Survey of Canada's \(GSC\) Environmental Impact Assessment Service \(EIAS\)](#) through increased funding and increased coordination between NRCan and ECCC on the Impact Assessment process. The GSC's EIAS provides critical technical information for use in impact assessment processes.
 - Advance and accelerate the National Geological Surveys Committee's projects on increasing public access to geoscience data and training the next generation of geoscientists as outlined in their [Pan-Canadian Geoscience Strategy](#).
- Support increased mineral exploration in cold climates:
 - Task Force interviews suggest that industry and government should collaborate on initiatives to incentivise innovation in and the development of cold-weather mining and exploration equipment.
- Streamline and prioritize Canada's Critical Minerals list:
 - Develop an industry-government forum to identify the specific minerals needed for battery production in Canada and develop strategies to support value-chains for these minerals.
 - The [Let's Talk Critical Minerals consultation](#) (December 2023 to February 2024) is a good starting point for developing a consistent industry-government dialogue on this front. The consultation focused on criteria for inclusion on the Critical Minerals list and resulted in the expansion of the Critical Minerals list to 34, now including high-purity iron, phosphorous, and silicon metal.

Streamlining Regulation and Accelerating Critical Minerals Projects

For Canada to respond to the growing global demand for critical minerals, mining regulation must become more efficient, responsive, and flexible. Responsible regulations are essential for ensuring the safety and environmental sustainability of the sector, but complex regulatory and permitting processes can hinder economic competitiveness and increase investment risks. Improved coordination is needed across all levels of government and throughout the impact assessment and regulatory/permitting processes to avoid duplication, streamline requirements, and ensure early Indigenous participation and involvement.

What's been done to date

- Actions outlined in the Critical Minerals Strategy included:
 - Mandating the Critical Minerals Centre of Excellence (CMCE) to support project developers in navigating regulatory processes and federal support measures.
 - Convening Regional Energy and Resource Tables to align Canada's federal, provincial, and territorial approaches to mining regulations.
 - Reviewing Canada's regulatory framework with Natural Resources Canada and the Impact Assessment Agency of Canada (IAAC) to advance clean growth projects, including critical minerals mining.
- The federal budget in 2022 allocated \$40 million over seven years to support northern regulatory processes in reviewing and permitting critical mineral projects.
- Budget 2023 announced that the government would develop, by the end of 2023, a concrete plan to streamline impact assessment and permitting processes for major projects. This plan is still forthcoming.
- The October 2023 decision by the Supreme Court of Canada on the 2019 Impact Assessment Act challenged the constitutionality of the impact assessment process and will create uncertainty for project assessment. The Court's decision leaves room for strategic assessments under the IAA that consider multiple projects linked to wider strategic goals.¹

What can happen next

- To continue expediting permitting processes, projects that can demonstrate financial backing and established support from reputable partners including Indigenous groups, government partners, and materials manufacturers or producers downstream in the value chain in Canada can be prioritized.

¹ <https://climateinstitute.ca/publications/streamlining-clean-growth-project-approvals>

- Set targets to speed up permitting times:
 - Using the tools described above, the ECCC and the IAAC, with strategic support from the CMCE, should target a significant reduction in the time to open a new mine in Canada. Recent announcements by the Minister of Natural Resources suggest a target of 5 years is possible. It will be critical to measure progress in achieving this target and compare to the global average of 16.3 years and that of comparable jurisdictions.²
 - The federal government should work with Canada's premiers to develop a clear plan by 2025 to achieve this reduction in permitting times while maintaining high standards for environmental protection, worker protection, and community support. Pathways could include eliminating duplicative processes at the provincial and federal levels and aligning provincial regulatory measures with the federal plan that was outlined in Budget 2023.

Engaging Indigenous Communities

Successful development of Canada's critical mineral reserves for a zero-carbon future must prioritize and include Indigenous peoples in Canada. The Canadian Critical Minerals Strategy includes advancing economic reconciliation with Indigenous peoples as a core objective. Every participant in our Critical Minerals Task Force recognized the importance of partnering with, and developing strong and equitable relations with Indigenous communities as they develop major projects. The level of complexity of these relationships cannot be understated as private companies, federal and provincial governments, together with Indigenous communities navigate project development in the traditional territories of collectives of Indigenous Nations, consider different community development goals, and attempt to maintain respect for environment and traditional practices all while reconciling our colonial history.

Indigenous participation in the development of Canadian critical minerals must occur in the wider context of reconciliation with Indigenous Peoples in Canada and creating an understanding of Indigenous perspectives. This means that private companies working on critical minerals projects must engage early, often, transparently, and flexibly with Indigenous communities. This also requires leadership action from the federal and provincial governments who are working directly with Indigenous communities on other issues, such as treaty negotiations.

What's been done to date

- The federal government has launched the 2023-2028 Action Plan to achieve the directives of the United Nations Declaration on the Rights of Indigenous Peoples. NRCan is working with Indigenous partners to develop a [National Benefits Sharing Agreement](#).
- The Impact Assessment Agency of Canada has implemented its [Indigenous Capacity Support Program](#) intended to foster Indigenous

² <https://www.spglobal.com/marketintelligence/en/news-insights/research/average-lead-time-almost-18-years-for-mines-started-in-2020-23>



groups' participation in federal impact assessment processes.

- The Critical Minerals Strategy commits to supporting loans for Indigenous communities to purchase equity stakes in major projects, with financing through the Canada Infrastructure Bank.
- The First Nations Major Project Coalition (FNMPC) has developed both their Major Project Assessment Standard and Spirit of the Land Toolkit to support the meaningful inclusion of Indigenous groups in major project assessment and to support dialogue between project proponents and federal government during the project assessment phase.
- FNMPC has held two critical mineral roundtables that resulted in the publication of a roadmap report for industry, government, and Indigenous communities to follow.
- The 2024 Federal Budget announced that the federal government will develop a \$5 billion Indigenous Loan Guarantee to enable Indigenous communities to have greater access to affordable capital to participate in major natural resources projects.

What can happen next

- Quickly deliver the national Indigenous Loan Guarantee program announced in Budget 2024.
- Develop an industry toolkit to support Indigenous partnership in critical mineral production projects:
 - FNMPC, leading mining associations, and federal, provincial and territorial stakeholder groups should continue to develop frameworks and toolkits for extraction companies working in Indigenous communities that clearly outline best practices for engaging during prospecting, exploration and mining project development.
 - These engagements must explore opportunities for Indigenous participation in major projects through skills and job training as well as financial participation.
- Use public geoscience data to engage local communities early:
 - Mining companies and governments should use existing geoscience data related to Canada's critical mineral reserves to proactively engage with Indigenous communities as early as possible.

Expanding the Value Chain and Increasing Materials Manufacturing

Engaging mid-stream manufacturers will be crucial in the development of value chains for critical minerals in Canada, from extraction through to final product manufacturing. Prioritizing collaboration with mid-stream manufacturers will create a more streamlined and efficient industry, create jobs beyond assembly and extraction sectors, and position Canada as an important supplier of the materials needed globally for the clean energy transition.


What's been done to date

The Critical Minerals Strategy's six areas of focus do not specifically call out the importance of engaging mid-stream actors, including those that are processing critical minerals and developing critical materials, however several initiatives exist that were created to support Canadian materials manufacturing including:

- \$1.5 billion allocated to the federal Strategic Innovation Fund (SIF) to support critical minerals projects, with prioritization given to advanced manufacturing, processing, and recycling applications.
- Finance Canada introduced the \$4.5 billion Investment Tax Credit for Clean Technology Manufacturing, a refundable tax credit equal to 30 percent of the cost of investments in new machinery and equipment used to manufacture or process key clean technologies, and to extract, process, or recycle key critical minerals.

What can happen next

- Incentivize investment into the mid-stream of the ZEV supply chain.
 - The Investment Tax Credit for Clean Technology Manufacturing will support the mid-stream manufacturers in Canada. A similar tax credit should be implemented to incentivize the use of Canadian minerals and materials in battery and advanced materials manufacturing in Canada, Finance Canada should explore developing tax credits that are tiered to support higher percentages of Canadian-sourced materials.
- Establish a *Critical Materials Manufacturing Hubs* strategy that leverages existing industrial activity in certain areas of the country to support mid-stream activities:
 - ISED, NRCan, and Finance Canada should work with provincial and municipal government partners and industry to identify criteria for *Critical Materials Manufacturing Hubs*.
 - Such criteria could include:
 - Existing manufacturing footprints in the ZEV and battery supply chain

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- Infrastructure links to upstream materials production and downstream supply chain nodes like ports
 - Existing or emerging capacity for recycling and materials recovery.
 - New projects and facilities in these hubs could be prioritized under the tax credit systems already in place to support mid-stream manufacturing.
 - The Hubs Strategy would send a signal to private investors that government supports are being pooled and prioritized.
 - Some existing ongoing projects that could be integrated into a hubs strategy include:
 - Saskatchewan’s Rare Earth Processing Facility in Southern Saskatchewan, located near key lithium deposits and linked to national rail infrastructure.
 - Kingston, Ontario and Eastern Ontario, which include major battery production and recycling projects.
 - Bécancour, Québec and the surrounding region where multiple companies are working on battery production, graphite processing, and titanium and aluminium processing to support material light-weighting.

Fostering Investment

Fostering investment in Canada’s critical minerals industry is imperative as this sector holds substantial economic growth potential, driven by global demand for high-tech and green technologies critical for a green and sustainable future, while also creating jobs and reducing the nation’s dependence on foreign sources. Increased investment in Canadian projects could also set a precedent that supports better mining practices that uphold ESGI standards in other countries.

Our Task Force discussed the difficulties that mining projects in Canada face in attracting private investment. The long lead times for project development, uncertainty over approvals processes, changing needs in the battery metals market, and a relative lack of understanding in the Canadian investor community of the mining and critical materials industry were all cited as reasons for investor hesitancy.

What’s been done to date

- The Critical Minerals Exploration Tax Credit (CMETC), announced as part of the Critical Minerals Strategy, provides investors a 30% tax credit based on the amount invested for exploration projects focused on 15 critical minerals. The tax credit is designed to foster investment in Canadian critical minerals projects.

- The Canada Growth Fund, announced in Budget 2022, is a \$15 billion public investment vehicle designed to de-risk and bolster private investment in projects focused on pushing Canada closer to a net-zero economy.
- In 2023, the Government of Canada led Team Canada Critical Minerals Investment Missions to London, Paris and Japan and supported other events to highlight Canada's critical minerals potential.

What can happen next

- Increase education and awareness of the mining industry to foster critical investment:
 - Through the Task Force interview process, mining industry stakeholders expressed concern over a perceived lack of cultural buy-in for mining in Canada, which detracts from potential new investor interest. Business leaders, executives, and pension fund managers need to be educated on the ZEV transition in Canada, Canada's high ESGI standards, and new tax credits to support investment in critical minerals projects. Industry and government need to work together to demonstrate the need for - and the positive ESGI impact of - mining and processing in Canada as opposed to other less regulated regions globally, and clearly articulate these advantages to the public and the investor community.
 - The Canada Development Investment Corporation, Canada's major banks, and Canada's leading mining associations should coordinate to carry out targeted investor days in 2024 and 2025 to raise awareness of the opportunities for the Canadian investor community.
 - Global Affairs Canada should continue to organize regular critical mineral and material-specific investment missions to promote Canadian projects and to position them within the context of broader value chains. This can be done by introducing investors to companies working in upstream mining, as well as mid-stream materials production.
- Enhance and align the Critical Minerals Exploration Tax Credit (CMETC) and Mineral Exploration Tax Credit (METC):
 - The METC was renewed in 2018 out to March 31st, 2024, and the new CMETC will apply to flow-through share agreements entered into prior to March 31st, 2027. Finance Canada should extend the METC out to 2027 and develop a clear plan to renew both credits after this 2027 deadline to ensure their uptake and provide predictability for investors.
 - Both tax credits include expenditure timelines. Exploration work within these windows can be severely impacted and delayed by

natural disasters like flooding or fires. Mechanisms should be introduced to account for these force majeure impacts on projects and allow for an extension of the timeline window.

Championing High ESGI Standards

Strong Environment, Social, Governance and Indigenous (ESGI) standards should be the bedrock of the push to develop Canada as a globally significant producer of critical minerals.

Our discussions with industry stakeholders make clear that ESGI standards are a vital differentiating factor for Canadian mining and minerals production in the global marketplace. Canada must continue to support high ESGI standards in all phases of mineral development, including exploration, project development, infrastructure build-out, and the development of processing capabilities. Support for and inclusion of Indigenous Peoples through ESGI standards, and the development of ESGI practices is unanimously seen as critical.

What's been done to date

- The Government of Canada developed the Responsible Business Conduct Abroad strategy and action plan to promote responsible business practices that respect high-ESG standards outside of Canada.
- Canada's Critical Minerals Strategy includes core objectives related to ESG and advancing reconciliation with Indigenous Peoples.
- The Mining Association of Canada's (MAC) [Towards Sustainable Mining \(TSM\)](#) Standard has been implemented by MAC members in Canada and is now being adopted by mining companies in other jurisdictions.
- The Prospectors & Developers Association of Canada (PDAC) has developed its [Indigenous Affairs Program](#).

What can happen next

- Integrate and leverage ESGI standards for mining:
 - The mining industry in Canada should coordinate with the Canadian Sustainability Standards Board (CSSB) and the intergovernmental Sustainable Critical Minerals Alliance.
 - Leading ESG standards like TSM and the [Driving Responsible Exploration \(DRE\) framework](#) toolkit need to be transparently leveraged by governments in Canada to speed up project approvals processes. These would reduce burden for provincial and federal assessment regimes and incentivize industry to rally around common ESG reporting mechanisms.
- Focus on brownfield sites and unconventional deposits:
 - Develop a fast-track permitting process for brownfield sites that

could be re-developed into new mining projects or into sites for supporting infrastructure for greenfield mining projects.

- Incentivize the development of unconventional mineral deposits such as reclaimed tailings.

Building Enabling Infrastructure

A principal challenge identified by all Task Force participants is the vast Canadian geography and the remoteness of mines and known mineral deposits. Building out the required infrastructure to support mining and minerals exploration is not a new challenge for the Canadian mining industry, and the Critical Minerals Strategy has put forth ample funding to support needed infrastructure projects. However, these funds need to be distributed more quickly, more efficiently, and in a manner that will support the communities where projects are located.

Enhanced collaboration between provincial, federal and territorial governments to support infrastructure build-out to remote and northern regions was cited as critical by participants. The development of transportation and energy infrastructure to support mining projects was also viewed as a mechanism to support communities in these areas. There is an opportunity to support Indigenous communities by eliminating infrastructure related barriers that can restrict their participation in Canada's Critical Minerals Strategy.

What's been done to date

- The establishment of the \$1.5 billion Critical Minerals Infrastructure Fund (CMIF), to be managed by NRCan in support of transportation and energy projects that support critical minerals development.
- The Canada Infrastructure Bank has also announced \$100 million in supportive investments to complement the CMIF as part of its overall \$5 billion long-term Trade and Transportation portfolio.
- \$1.5 billion in SIF funding to support projects in clean tech, critical minerals and industrial transformation.
- A 15 percent refundable tax credit on eligible investments in clean electricity generation, including publicly owned utilities.

What can happen next

- Identify and define 3-4 priority geographic corridors for Critical Minerals projects:
 - These identifiable corridors would help focus and efficiently distribute the funding that the federal government has set aside for infrastructure in the Critical Minerals Strategy and recent federal budgets by prioritising funding for infrastructure projects in these corridors.



- The federal government should work with the mining industry, provincial and territorial governments, materials processors and manufacturers to define and identify these corridors by 2025.
- Criteria for critical minerals corridors should include the presence of 1-2 greenfield sites where critical minerals projects are in development.
- Supporting remote project sites and their adjacent communities:
 - Ensure that the announced infrastructure funding supports telecommunications and housing for remote site projects. Stakeholders suggested that funding announcements targeted for roads and other key infrastructure need to be fully complemented with infrastructure to support the needed workforce in remote sites.
 - Invest in developing innovative solutions, like battery storage, to reduce operating emissions in new project builds.

About the Task Force Process

The antecedent to the creation of the Critical Metals and Minerals Task Force was an Accelerate event run at MaRS Discovery District in partnership with Natural Resources Canada in September 2022, to focus on building and framing the opportunity for Canada to build a robust and sustainable battery ecosystem. This participatory event convened a range of stakeholders, including mining companies, battery companies, and OEMs, to collectively define the desired future state for the national battery ecosystem, and the activities that need to be undertaken to get there.

Building on this, the Critical Minerals and Materials Task Force was created and convened for the first time in January 2023, focused primarily on bringing together experts and leaders from the mining industry. The workshops that were convened with this group of stakeholders are listed below. Workshops were led and hosted by Accelerate and facilitated by the Mission from MaRS team at MaRS Discovery District.

The intention was (and continues to be) to create a common direction and identify activities that contribute to value creation for Canada's critical minerals and materials ecosystems. The intention is also for this to contribute to investment and growth within the Zero Emission Vehicle (ZEV) supply chain within Canada, to foster Canadian competitiveness and reduce carbon emissions over time.

The Task Force established four core guiding principles to help achieve its objectives:

1. **Action-oriented mindset** that prioritizes realistic short-term implementation/ "quick wins" with long-term benchmarks
2. **Supports ESGI and circularity solutions** through innovation (upholding Environment, Social, Governance responsible practices and Indigenous partnership and equity)
3. **Takes into consideration diverse stakeholders** and influential (or related) actors from the end-user to industry, NGOs, and international players
4. **Promotes effective coordination and collaboration** across stakeholders and the supply chain

Task Force Engagement

JANUARY 2023 WORKSHOP: KICKOFF & DESIGN PRINCIPLES

Developed the relationships and a shared understanding of the purpose and activities of this collaborative forum. Also identified the design principles, conditions and activities required for the visions of success.

MARCH 2023 WORKSHOP: HOW TO ADVANCE CANADA'S MINING- TO-MIDSTREAM

Accelerate partnered with [BloombergNEF](#) to co-host a parallel event at the PDAC mining convention. This in-person presentation and discussion identified tensions and challenges as well as concrete actions to more fully connect Canada's mineral upstream, battery midstream and downstream manufacturing.

APRIL 2023 WORKSHOP: MOVING FROM CURRENT STATE TO FUTURE STATE

Presented Accelerate and Electric Autonomy's [interactive map](#) on Canada's ZEV Supply Chain, re-established the common vision for the task force to define the future state, and identified additional challenges and support towards outcomes for the sector.

JUNE-AUGUST 2023 1:1 STAKEHOLDER INTERVIEWS

Conducted 14 hour-long semi-structured interviews with task force members (all key stakeholders in the mining industry) to invite feedback on the elements of the draft action plan which the team had been developing since the April workshop, including seven priority action areas and related activities.

SEPTEMBER 2023 RESEARCH ANALYSIS & SYNTHESIS

Conducted a research analysis and synthesis process to analyze the qualitative research findings from the interviews and synthesize them together with outcomes and outputs from the workshops and secondary research conducted by Accelerate and the Transition Accelerator.

JULY 2024 PUBLICATION OF THE CANADIAN CRITICAL MINERALS ACTION PLAN

Publication of this report, outlining suggested list of priority action areas and respective activities, using Canada's Critical Minerals strategy as a flagship primary document for this work.

The Critical Minerals and Materials Task Force

This Task Force is a collaboration between Accelerate, MaRS Discovery District, the Mining Association of Canada (MAC), the Battery Metals Association of Canada (BMAC), the Canadian Critical Minerals and Materials Alliance (C2M2A) and the Prospectors and Developers Association of Canada (PDAC). Bringing together stakeholders from primarily upstream mining companies, this group examined priorities and actions to catalyse upstream activity within Canada's ZEV supply chain in a manner that is additive and integrative to Canada's ZEV supply chain and consistent with the priorities in the Canadian Critical Minerals Strategy. The Task Force members agreed that their common objective is to grow the economy while meeting climate goals.

The Task Force was guided by the following question:

How might we catalyse critical mineral development to build a robust Canadian zero-emission vehicle supply chain?

Composition

Stakeholders within this Task Force are positioned to both shape and execute a task-based approach to catalysing critical mineral development to help advance Canada's zero emission mobility industry.

Members of this Task Force were primarily focused on the upstream supply chain industry, including large and small mining companies, and industry associations, as well as the midstream mineral processing industry and the federal government.

Participating organizations

Senior representatives and/or technical experts from the following organizations participated in the Task Force:

Natural Resources Canada (NRCan)
Rio Tinto
Global Energy Metals
Vale
Mining Association of Canada
Glencore
Teck Resources
Canadian Critical Minerals & Materials Alliance (C2M2A)
Sherritt International
Battery Metals Association of Canada (BMAC)

Prospectors & Developers Association of Canada (PDAC)
E3 Lithium
Mangrove Lithium
First Phosphate
First Nations Major Projects Coalition (FNMPC)
Avalon Advanced Materials
The Transition Accelerator

Accelerate:
 Matthew Fortier
 Andrew McKinnon
 Moe Kabbara
 Bentley Allan

MaRS:
 Andy Lam
 Niyat Gebreab