



CANADA'S CRITICAL MINERALS ARE MORE CRITICAL THAN EVER TO A SUSTAINABLE ECONOMY

By Invest in Canada

There is huge demand for critical minerals because the world needs them to power the clean energy transition. Without critical minerals, there are no electric vehicles, no solar panels, no wind turbines, and no chance the world can meet its net-zero by 2050 objectives.

Canada has in abundance the critical minerals the world needs and it is building the supply chain to turn these minerals into transformative products that will create a sustainable future.

Canada is now #1 in the world for the EV battery supply chain

Canada is the only Western country with all the critical minerals needed to build electric vehicles and EV batteries at scale. In fact, BloombergNEF just ranked Canada #1 for the global lithium-ion battery supply chain. Canada scored highest overall across five equally weighted categories: raw materials; battery manufacturing; downstream demand; ESG considerations; and industry, infrastructure and innovation.

Some of the world's largest companies are participating in a flurry of investments into the EV battery supply chain. Since 2022, global companies have committed more than \$20 billion to Canada. These investments include gigafactories for cathode active materials, for precursors and for the manufacturing of batteries themselves. Global automotive brands such as [General Motors](#), [Ford](#) and [Stellantis](#) have all announced massive investments in the EV battery supply chain in Canada. Leading-edge companies such as [Volkswagen](#) of Germany, [Umicore](#) of Belgium and [Northvolt](#) of Sweden are making their first North American electric vehicle investments in Canada.

Canada's unmatched ESG advantages in mining

The critical minerals found in Canada that are integral to EV battery investments include lithium, graphite, nickel and cobalt. But global companies choose Canada for more reasons than the minerals found beneath the earth's surface. They also invest here because of Canada's strong environmental, social and governance (ESG) practices.

Community-focused sustainability: Indigenous participation and the inclusion of Indigenous knowledge reduce investor risks through certainty of land use and access. Indigenous engagement from the outset also ensures opportunities for meaningful and equitable participation of Indigenous Peoples in regulatory processes.

ESG leadership: *Towards Sustainable Mining (TSM)* – the world-renowned program developed by the Mining Association of Canada – was the first mining sustainability standard in the world to require site-level assessments.

Clean electricity: Mining companies increasingly require clean, renewable energy to meet sustainability commitments. And 83% of electricity generated in Canada produces no greenhouse gas (GHG) emissions. Hydroelectricity and other renewables contribute 68% of Canada's electricity. Wind and solar photovoltaic (PV) energy are the fastest-growing sources of generation in Canada.

Established mining ecosystems and sustainable supply chains: Canada has processing plants and refineries for many minerals and metals, with hydroelectricity and extensive transportation infrastructure to move goods downstream to North American manufacturing centres.



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Economic and political stability: Canada is ranked the third most stable economy in the world and has been among the top 3 globally in foreign direct investment (FDI) confidence for five years in a row.

Talent: Canada has the most educated workforce in the world, with 60% of the population between 25 and 64 years of age having received tertiary level education.

Free trade access: Canada offers extensive access to global markets, including North America. Canada has foreign investment protection agreements (FIPAs) with 35 countries as well as 15 free trade agreements (FTAs) offering tariff-free access to 51 countries. These FTAs give foreign investors preferred access to 1.5 billion consumers covering 61% of the world's GDP.

Accelerated permitting process: Recognizing the urgency to get critical minerals out of the ground and into the products that make the energy transition possible, the Government of Canada recently introduced initiatives to dramatically speed up the development of new critical mineral mines. These initiatives, which include investment tax credits (ITCs), translate into improved, often concurrent, permitting and environmental assessment processes.

Canada leads in transparency and traceability

As the world moves into a future where people want full transparency in what they are buying and using, Canada has unmatched traceability advantages. What this means is that companies and consumers can be assured that everything going into a product from Canada was mined with ethical labour standards and has taken the shortest, greenest route to being produced.

Companies including Northvolt and Umicore have indicated that in their quest to see the world's greenest EV batteries built, Canada's traceability advantages are a significant reason why they chose Canada for their investments.

Canada is a top 10 global producer of nickel, cobalt and graphite and has the potential to be a North American hub for battery-grade nickel and cobalt refining.

Along with some of the highest-purity hard rock deposits as sources for battery-quality lithium hydroxide, Canada also has subsurface brine from pre-existing energy sector operations that present potential for lithium.

Canada consistently ranks in the top five in the global production of refined zinc metal (including recycled zinc) and has significant potential in new deposits.

One of the top four global producers of Platinum Group Metals (PGMs), Canada has some of the largest known resources of rare earths in the world, estimated at over 14 million tonnes of rare earth oxides.

As well, Canada ranks among the top 10 global producers of iron ore, making it a vital supplier of the raw materials needed to make steel.

What's more, Canada is the world's largest producer and exporter of potash, a critical element in fertilizers, which has vital strategic agriculture and agri-food applications. BHP's \$14 billion Jansen mine project – the largest private investment in Saskatchewan's history – reflects the size and importance of Canada's potash industry.

Critical mineral projects are being developed throughout Canada

From coast to coast to coast, Canada boasts a wealth of critical mineral opportunities.

In terms of new projects, many of which are seeking additional investment, copper developments can be found in western and northern Canada – including British Columbia, Saskatchewan and Yukon Territory. Lithium opportunities are springing up in Alberta and in Québec, both key provinces in the development of lithium-ion batteries. In Ontario, new nickel deposits have been discovered, while in Québec, new graphite projects are under development. And on Canada's east coast, New Brunswick has opportunities for manganese development.



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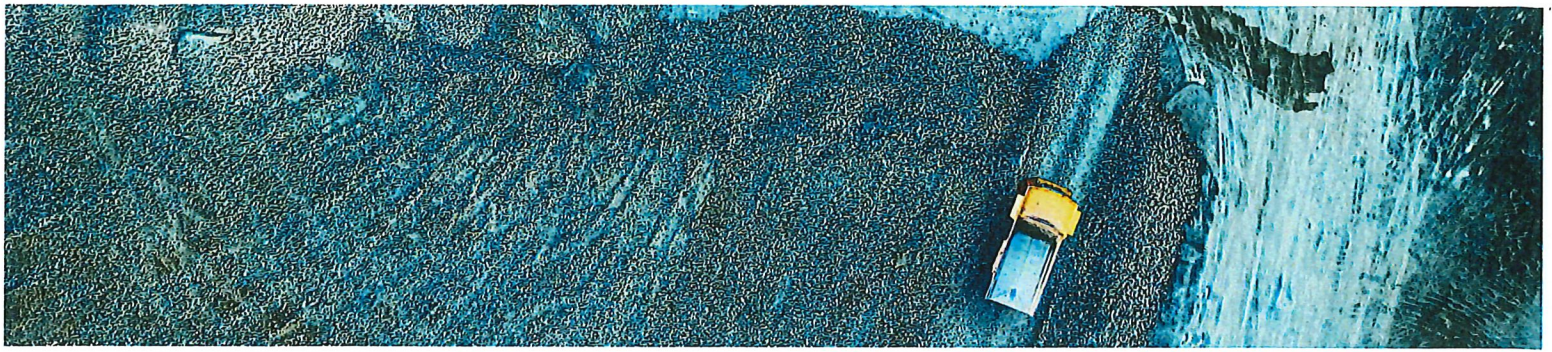
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Many of these projects are located in areas with a long history of mining and a highly skilled local workforce. Fuelling future workforces is post-secondary enrollment in STEM fields – such as environmental science, engineering, artificial intelligence and robotics – that will ensure Canada remains a top destination for knowledge-based industries such as mining.

Strategic incentives for mining in Canada

With Canada's \$4 billion Critical Minerals Strategy as a guiding force, investors in Canadian mining can access a variety of incentives and support from national, provincial and territorial governments. Government of Canada incentives to foster investment in critical mineral projects include:

- a \$1.5 billion Critical Minerals Infrastructure Fund
- investment tax credits of 30% for exploration activities
- 30% tax credits for equipment to extract and process critical minerals for clean technology manufacturing.

Mining incentives in Canada also include notable provincial/territorial programs. Here are several examples:

- In British Columbia, the mining flow-through share (BC MFTS) tax credit allows individuals who invest in flow-through shares to claim a non-refundable tax credit equal to 20% of their British Columbia flow-through mining expenditures
- In Saskatchewan, the Targeted Mineral Exploration Incentive (TMEI) promotes drilling on hard rock mineral exploration projects
- In Ontario, an additional 5% tax credit, known as the Ontario Focused Flow-Through Share (OFFTS), is provided for companies exploring in the province
- In Québec, several tax incentives include the Capital Natural Resource and Energy Fund, as well as refundable tax credits plus deductions and allowances in the mining tax regime
- In Newfoundland and Labrador, Junior Exploration Assistance (JEA) provides focused support for critical mineral exploration, including funding in the form of rebates for eligible exploration activities.

These mining incentives, plus other clean growth and critical mineral incentives help make Canada one of the [top two countries in the world](#) for green energy investment attractiveness.

A combination of unmatched sustainability advantages

Overall, the reasons to choose Canada for investment in critical minerals are simply unparalleled. The world needs more critical minerals. Although they are available in many parts of the world, global investors are choosing Canada for these critical investments.

Quite simply, when it comes to making investments in sustainable mining, the best place in the world is Canada – and the best time is now.

A comprehensive guide – titled **Spotlight on Mining: Opportunities in Canada's Minerals and Metals Sector** – reveals the full spectrum of mining opportunities in Canada. Download the guide at InvestCanada.ca/Mining.



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