PDAC PROSPECTORS & DEVELOPERS ASSOCIATION OF CANADA | ASSOCIATION CANADIENNE DES PROSPECTEURS ET ENTREPRENEURS

August 26, 2025

The Honourable Shafqat Ali, P.C., M.P.
President of the Treasury Board
House of Commons
Ottawa, ON K1A 0A6

PDAC Response to the Government of Canada's Red Tape Review

Dear Minister Ali,

The Prospectors and Developers Association of Canada ("PDAC"), on behalf of our 8,200+ individual and corporate members representing Canada's vital mineral exploration and development sector, is encouraged to see the Government of Canada's recognition of the need to reduce federal red tape to get major projects built in Canada.

Abundant in natural resources, equipped with unique expertise and infrastructure, and outperforming most high-income countries in environmental protections, Canada is well positioned to meet the $770 billion critical mineral demand of 2040. But with an estimated 27 years required to take mines from discovery to production – the third slowest in the world, and more than 15 years of that timeline spent permitting – Canada is falling far short of its potential.

The Government of Canada's Red Tape Review is a unique opportunity to address the foundational challenges facing PDAC members as they find and develop the resources needed to reinforce Canada's economy, national security, and climate initiatives. In addition to a broad focus on eliminating duplicative processes and jurisdictional overreach and ensuring legal certainty, the following recommendations address priority areas of the mineral sector for regulators to consider as they review relevant regulations and their administration.

Sections

1. Impact Assessment Act
2. Species at Risk Act and Migratory Birds Convention Act
3. Fisheries Act
4. Canada Navigable Waters Act
5. Competition Act
6. Investment Canada Act
7. Canada Transportation Act

We kindly ask that this document be circulated to the relevant departments and agencies, and for them to consider this feedback when taking action to reduce red tape and expedite project approvals in Canada.

Thank you for your consideration on this matter. Please contact Jeff Killeen (PDAC Policy & Program Director) at jkilleen@pdac.ca should you wish to discuss our comments further.

Sincerely,

Jeff Killeen

PDAC Director, Policy & Programs

RECOMMENDATIONS

1. Impact Assessment Act (IAA)

Regulator: The Impact Assessment Agency of Canada (IAAC)

Mines and Minerals projects make up 50% of projects going through the IAA, though not a single such project has received approval under the Act. IAs are the longest process proponents must undertake to permit a mine in Canada, taking around 53 – 65 months if outlined timelines are followed. In practice, the Planning Phase alone, said to take 180 days maximum, has taken mining proponents an average of 313 days due to excessive documentation and information requirements that extend beyond matters of federal jurisdiction.

Apply reasonable thresholds: Amend the Project List to significantly increase thresholds for new metal, rare earth element, uranium, and diamond mines to better capture only those that pose the potential for significant adverse effects in federal jurisdiction. The current threshold of 5,000 tonnes per day virtually guarantees that any mine contemplated by a public issuer in the future will be captured by the IA process, an action that is directly counter to the GoC's target to streamline regulatory processes. Additionally, exclude brownfield sites and project expansions from the Project List. Clearly define brownfield sites as "areas that have been disturbed to the extent that they are no longer representative of surrounding environmental conditions".

Align Community of Interest determinations: For mineral projects in the IA, proponents are instructed to engage with an average of 7 Indigenous groups, up to as many as 15; more than 60% of projects see an increase in the number of communities to engage with from the Initial Project Description to the Indigenous Engagement Plan. Provincial and federal regulators must align their consultation lists and provide rationale for this determination to proponents and communities to allow for early engagement and equitable agreements, where outcomes can be predicted in the first stages of project development. Failure to do so to date has caused significant uncertainty and, in many cases, conflict. There is a perception that the Crown consultation process within the IA creates conflict between First Nations; nearly 50% of participants from a First Nations Energy and Mining Council survey shared that their First Nation has disputed with another in relation to IAs on their territory, and fewer than 5% say these disputes were satisfactorily resolved.

Seek provincial leadership: Position provincial regulators as project leads instead of federal, where a single provincial representative seeks input from relevant federal ministries (DFO, ECCC, Transport Canada) as needed. Ensure consistency of information and formatting requirements and align timelines to allow submissions for one regulatory approval to supply information for others, where there is overlap. This coordination will allow for opportunities to combine consultation efforts, mitigating consultation burden and capacity strain. Ensure representatives from departments and agencies remain consistent when possible, or are briefed in the event of a rotation, to reduce slowdowns and eliminate the need for proponents, communities, and other regulators to repeat information.

Justify federal jurisdiction: Limit information requirements to those necessary in determining and mitigating significant adverse impacts on areas of federal jurisdiction. When designation occurs, provide specific and explicit justification of how a project could potentially cause significant adverse effects within federal jurisdiction and how existing federal or provincial processes (under DFO, Species at Risk, etc.) are insufficient to address these concerns. Scaling information requirements to these significant adverse effects within federal jurisdictions will ensure processes are targeted and proportionate. Note that the IA's inclusion of positive and adverse effects on health, social conditions, economic factors, and sustainability is all beyond the scope of an environmental assessment and federal jurisdiction.

Tailor information requirements with consideration for project stage: Most mineral project proponents are Canadian public issuers who must attract significant capital investment from the public market to fund the feasibility-level site designs (precise pit shape, discharge rates, tailings volume) that are currently expected during early project permitting. The prospects for a proponent to raise such funds materially decreases without the certainty of a Decision Statement and raises the likelihood that viable mineral projects will fail to advance because of this uncertainty risk.

A more efficient approach would be to assess only the broad project components required to determine effects in federal jurisdiction under IAA, recognizing minor variations in design may occur because of assessment of alternatives, ongoing resource work, and project development stage. The requirement to provide detailed design should be deferred to stages where permits are being assessed and required only where they are appropriate and necessary.

2. Species at Risk Act (SARA) and Migratory Birds Convention Act (MBCA)

Regulator: Environment and Climate Change Canada (ECCC)

Given the overlap of the approvals required under these Acts, we have combined our recommendations for their improvement. These specific recommendations are in addition to the overarching need for predictable outcomes and certainty for proponents, both legally and through adherence to legislative timelines.

Coordinate with provincial regulators: Improve timelines through coordination with provincial jurisdictions to mitigate duplication and reduce the burden on proponents and Indigenous communities. When outlining baseline studies for proponents, provincial and federal regulators should seek to align required data and associated collection methods and durations, as well as consultation efforts. Furthermore, ensure that federally designated critical habitats for species at risk align to the provinces' more grounded understanding of conditions and use of those regions.

Provide legal and timeline certainty for proponents: Commit and adhere to reasonable timelines in assessing SARA permits, and ensure legislation is clear and consistent to be defensible to legal challenge. See the recent decision of the Federal Court (*Kebaowek First Nation v. Canada (Attorney General), 2025 FC 472*) regarding the permit issued to Canadian Nuclear Laboratories; a seven-year permit process which was later the subject of judicial review in the Federal Court.

Apply evidence- and risk-based decision-making: There are examples in the legislation of critical habitat, particularly for caribou range planning, that have not been field-validated; this puts the onus on the proponent to assess the presence of a species and the features and functions of these areas. This can lead to delays in permitting timelines. Regulators must use existing environmental data (available from government, public, industry, etc.), combined with an understanding of the impacts of historic or ongoing land use (forestry, infrastructure corridors), to determine the real potential for non-negligible, adverse effects on species at risk before requiring a proponent to undertake extensive baseline studies and permit applications. Applying known information will allow regulators to fast-track permitting in well-studied areas and to focus efforts on projects with real potential for adverse, non-negligible impacts.

Standardize best practices and mitigation measures for low-impact activities: For low-impact, predictable activities (exploration drilling, trail clearing, etc.) unlikely to affect protected species or their habitats in a significant way, formalize processes for exemption or, where necessary, have set recommendations for mitigation methods and best practices that eliminate the need for proponents to undertake full permit applications.

3. Fisheries Act

Regulator: Department of Fisheries and Oceans (DFO) and Ministry of Environment and Climate Change Canada (ECCC)

Since the 2019 amendments to the *Fisheries Act*, the lack of follow-through on key implementation tools has resulted in growing delays, administrative burden, and regulatory uncertainty for routine, low-risk activities across Canada. The *Metal and Diamond Mining Effluent Regulation* (MDMER) under the *Fisheries Act* is, on average, the second longest federal permitting process for mines after the Impact Assessment.

Drive regulatory efficiency, culture change, and risk-based implementation: A shift in departmental culture is urgently needed to align with the Cabinet Directive on Regulatory Efficiency for Clean Growth Projects. This includes adopting a results-based mindset, establishing clear service standards, and streamlining review processes. Regulatory efficiency must also be grounded in a risk-based approach – ensuring that oversight is proportionate to potential impacts, and that DFO recognizes the role of existing provincial and Indigenous-led fisheries initiatives and priorities. Improved coordination across departments (i.e., Transport Canada, ECCC) and levels of government (i.e., provinces and territories) will further reduce duplication and complexity.

Accelerate the development of compliance tools: A significant portion of works currently requiring site-specific review are routine, low-risk activities with well-established and effective mitigation measures. Many are essential to the continued operation of existing facilities. DFO must prioritize the timely development of practical compliance tools for these works, including new and updated Codes of Practice and the long-delayed Prescribed Works and Waters Regulations. Advancing these tools will allow departmental and proponent resources to be redirected toward complex, higher-risk projects that merit greater oversight. Progress on implementation of these tools should be tracked and reported annually to Parliament to ensure accountability.

4. Canada Navigable Waters Act (CNWA)

Regulator: Transport Canada Navigation Protection Program

Exemptions to undertake a Prohibited Activity under the Act (dewatering of a navigable waterbody, throwing or depositing of materials) are expected to take up to 24 months. For some projects, like Critical Elements Lithium Corporation's James Bay Lithium Mine, that timeline has extended to more than 10 years.

Standardize best practices and mitigation measures for low-impact activities: For low-impact activities with known mitigation measures and effects (such as temporary structures or culverts) formalize processes for exemption or, where necessary, have set recommendations for mitigation methods and best practices that eliminate the need for proponents to undertake full permit applications. Additionally, expand the list of eligible activities under the Minor Works Order, such as expanding the definition of Temporary Works to include short-term water crossings.

Set clear definitions and criteria: Have standardized, predictable, and evidence-based processes for defining a “navigable water” to reduce ambiguity and unnecessary assessments for waterways with limited navigational use, such as seasonal creeks and waterways in remote or inaccessible areas. Ensure consistency in approval and exemption processes across regions to avoid confusion and uncertainty for proponents with respect to requirements and timelines.

5. Competition Act – Greenwashing Provisions

Regulator: Competition Bureau of Canada

Greenwashing provisions introduced in Bill C-59, and the burden of proof they require, may inadvertently cause companies to reduce their public disclosures around positive outcomes and initiatives, harming transparency efforts, investor attraction, and the competitiveness of junior companies with limited resources.

Generate clear and precise definitions for key terminology: Make publicly available definitions for common terms such as "sustainable," "green technology," "net zero," "carbon neutral," "energy transition," "environmentally responsible," and "carbon footprint”, etc. to reduce instances of violation or review arising from simple differences in definition. To further reduce the administrative burden of the Bill, allow the use of aspirational terminology—such as "aiming to be" or "striving for"—so companies can speak to targets, goals, and corporate objectives as well as current achievements.

Be clear in compliance expectations: Terms used in the Bill, such as “likely”, “depends on circumstances”, and “general impression” are vague and create a lack of legal certainty for proponents. Such terms rely on subjective interpretations, placing the burden of proof on businesses and creating additional uncertainty in what can and cannot be disclosed. This kind of language creates additional work for proponents and regulators, and opens for the door for unpredictable legal action, as all try to establish a uniform, working understanding of the Bill.

Investment Canada Act

Regulator: Innovation, Science and Economic Development Canada (ISED)

The mineral industry is the largest group of public issuers in Canada, accounting for a third of all companies listed on Canadian exchanges and more than half of the issuers listed on the TSX Venture exchange (TSX-V). This combined cohort represents roughly 40% of all publicly listed mineral industry companies globally, with nearly half of all active projects, some +5,300, located abroad. Canada is also a top destination for financing the mineral industry, with nearly a quarter of all equity funds invested in the sector over the last decade coming from the Canadian marketplace. With this context, we must be cognisant that legislation does not create increased regulatory burden and other barriers that diminish the attractiveness of Canadian markets.

Differentiate between assets located within and outside of Canada: Canada is a preeminent destination for investment in mineral exploration and development; even companies with little to no footprint in Canada still often choose to headquarter and list their companies here. Restrictions on ownership by foreign state actors in Canadian-based issuers, irrespective to where their assets are located, will discourage investment by significantly increasing foreign investment approval timelines. Exempting companies from the pre-filing notifications for foreign investments into mineral projects located outside of Canada will reduce regulatory oversight and administrative burdens and ensure the Canadian marketplace continues attracting both investors and mineral issuers.

Resource for timely reviews under the Act: Ensure that all government agencies involved in the review process are sufficiently resourced for timely completion of all reviews under the Act. Consider establishing a concierge service or similar, to inform companies if a review is necessary within a time that aligns with normal exchange (i.e. TSX, TSX-V) and regulatory (i.e. CIRO) review processes.

6. Canada Transportation Act

Regulator: Canadian Transportation Agency (CTA)

The mineral industry is part of a vital supply chain in Canada, but, unlike most other industries, mining proponents cannot choose their operating location; exploration and development must occur where mineral resources can be found. Often, those deposits are found in remote and northern regions with limited infrastructure. Exploration projects in the most remote regions of the country have average all in costs 3 times more than non-remote projects; capital costs for producing mines are up to 2.5 times more in remote areas, and operating costs are as much as 60% higher. In part because of these infrastructure challenges, PDAC found that, of the almost 200 mineral deposits discovered in Nunavut, the Northwest Territories, and the Yukon, a staggering 85%, 69%, and 77% (respectively) await development.

Expedite supporting infrastructure permits: Streamline CTA approvals for low-impact transportation infrastructure that enables exploration and development activities, such as temporary airstrips, infrastructure along or in proximity to existing corridors, and rail spurs, by establishing clear timelines and standardized assessment criteria.

Harmonize CTA approvals with other federal and provincial approvals: Coordinate CTA with other federal and provincial regulators to allow sharing of information (environmental baseline information), coordinated public and Indigenous consultations, and aligned mitigation measures and permitting timelines to eliminate redundancies and streamline approvals.