



Critical Minerals Centre of Excellence  
Lands and Minerals Sector  
Natural Resources Canada  
580 Booth Street  
Ottawa, Ontario K1A 0E4

Via Email: [cmce-cemc@nrcan-rncan.gc.ca](mailto:cmce-cemc@nrcan-rncan.gc.ca)

### **Re: Updated Canadian Critical Minerals Strategy – Request for information**

The Prospectors & Developers Association of Canada (PDAC) is keen to offer input as Canada's critical mineral strategy is updated by government. Through convening more than 140 countries from around the world at our premier mineral exploration and mining convention each March, and our year-round advocacy on behalf of our over 9,000 members, PDAC brings a wide spectrum of voices together in our recommendations.

The first iteration of Canada's critical mineral strategy has made positive strides in attracting investment to early-stage exploration and this activity is leading to growth in estimated mineral resources in the ground for some critical minerals domestically. However, we continue to see mineable reserves and production decline for core critical minerals like copper, nickel and zinc. In updating the critical mineral strategy, government will have to go further to lock in long-term fiscal incentives for exploration and provide more flexibility in how companies can spend incentive dollars so that new discoveries continue to be made, and capital is available for companies to advance projects to a build decision.

A core part of Canada's updated critical mineral strategy must also be improving data accessibility, including ready access to public geoscience data in forms comparable to those used by industry to identify prospective areas, which could also be used by governments to support evidence-based decision-making processes in land conservation and protection.

### ***Promoting domestic production and processing of critical minerals in strategic areas***

Canada should focus on de-risking projects at the earliest stages, when uncertainty is highest and where access to capital is most constrained. Junior companies operating in this high-risk sector need clear and coordinated federal-provincial-territorial regulatory processes. Streamlined regulations offer a way for projects to advance on timelines measured in years, not decades, and the confidence for communities, Indigenous Nations and investors that it can be done responsibly. Enshrining generative fiscal tools, boosting engagement capacity, and committing to broad-based public geoscience initiatives can complement regulatory streamlining to ignite our rate of discovery of new domestic mineral deposits and provide the necessary inputs for mid and downstream processing over the long term.

Public geoscience programs have proven public merits time and again. Research has shown that every \$1 in spending under the [Targeted Geoscience Initiative](#) (TGI) and Geo-mapping for Energy and Minerals (GEMS) program generated more than seven times the investment in economic benefit to Canada. ([Ernst & Young, 2019](#)). This baseline information is key in generating new Canadian mineral prospects and offers a strategic advantage over other nations in attracting capital to domestic opportunities. PDAC recommends an increase in public geoscience funding for TGI and GEMS to account for inflation since the programs' inception in the early 2000s and expand public access to geoscience data.

Fiscal tools are central to project viability. PDAC recommends expanding eligibility of the Canadian Exploration Expense (CEE) category to include scoping and assessment work, such as engineering, economic, and feasibility studies, which are needed to establish reserves and determine mine development prospects. Amending CEE eligibility so that Flow-Through Share (FTS) funds can be used to assess technical and economic viability will result in more projects moving from discovery to extraction.

Long-term fiscal certainty is equally important. PDAC also recommends making the Mineral Exploration Tax Credit (METC) and Critical Mineral Exploration Tax Credit (CMETC) permanent or renewing them for at least 10 years with an interim renewal option. These incentives are a primary reason why Canada maintains the top global ranking for mineral exploration spending each year. They direct capital towards the grassroots exploration that fuels new discoveries. PDAC research shows the credits to be net positive for Canada's economy, and a permanent or long-term renewal can provide a clearer pathway for junior explorers to plan and conduct the type of multi-year programs required to advance mineral projects responsibly.

### **Competitive advantages and economically viable projects**

Canada's strongest competitive advantage is its upstream mineral exploration and mining sector. Canadian projects are supported by strong geologic mineral potential, comprehensive regulatory frameworks, a skilled workforce, and a supportive fiscal system. Canada's competitive advantage should not only be "secure supply," but "trusted supply" at every stage, particularly our responsible upstream supply, which showcases our leadership from the earliest stage. Canada can position itself as a reliable source for customers seeking materials from jurisdictions with strong governance, transparency, environmental expectations, and respect for Indigenous rights. This would help Canada compete on trust, not only cost, while strengthening supply-chain resilience.

Due diligence expectations should be clear, risk-based, and proportionate to company size and project stage. Juniors should be supported with practical templates, guidance, and tools to identify risks related to human rights, Indigenous rights, environment, labour, security, and governance early in the project lifecycle.

[PDAC's Driving Responsible Exploration](#) is a useful example: it is a voluntary resource and practical tool for mineral exploration companies. It helps companies improve social, environmental, and health and safety performance at the exploration stage. This kind of

guidance can complement formal standards, such as the Consolidated Mining Standard, which is being developed to bring together leading responsible mining standards into a single global standard.

### **Emerging demand signals and market opportunities**

The government's [Powering Canada Strong](#) strategy provides a direct link between an emerging demand signal and domestically produced critical minerals. Doubling the capacity of Canada's energy network will require infrastructure that is built with a wide swath of critical minerals like copper, uranium, iron and rare earths. Extracting and processing these raw materials in Canada can be both cost effective and done responsibly, while also placing us on a more sustainable track toward expanding energy availability across the country.

With the rise of the AI industry, new data centre construction is becoming increasingly prevalent across Canada and the continent and critical minerals are essential inputs for both the computing power required for these centres to operate and the significant increase in energy generation required to meet the growing demand from this nascent industry.

Similarly, [Canada's Defence Industrial Strategy](#) offers another clear link between domestic critical mineral supply and strategic initiatives. Canada's defence infrastructure is most secure when the end-to-end lifecycle of materials to machinery can be sourced domestically and through Canadian-controlled supply chains. Uranium, tungsten, titanium, antimony, rare earths and gallium can be found in Canada, and we must encourage discovery of new sources of these minerals to meet the demand, security and chain-of-custody needs of national defence networks into the future.

### **Innovations supporting Canada's competitive advantage throughout the value chain**

Innovations in mineral exploration processes, tools, and techniques are key in strengthening Canada's mineral supply chains. As mineral deposits that are near to surface or proximal to established infrastructure become increasingly scarce and the demand for a diverse range of minerals grows, explorers must continue to evolve techniques, develop new technologies and strengthen interdisciplinary collaboration to make discoveries. Remote sensing, aerial reconnaissance, core scanning and AI analysis tools offer light-touch ways for explorers to generate intellectual property and drive decision-making on project development.

Continued collaboration between government, academia, and industry, through public geoscience programs like TGI and GEMS is essential. Accessible public geoscience data provides input for industry to develop next generation tools and techniques to be deployable in the field. These programs are generative in terms of investment and exploration activity, and they can test applications for innovative and novel technologies. Improving the accessibility of data produced from public geoscience programming through open-source applications should be a central goal in updating Canada's critical mineral strategy.

## Canada's Critical Minerals List

The [guiding criteria](#) for determining Canada's critical mineral list are sufficiently broad in scope and, in our view, no material changes are required following the 2024 public consultation and update. However, there is an opportunity to augment the strategy by explicitly stating the importance of gold and silver to Canada's critical mineral strategy goals, including their role in generating the economies of scale necessary to support our critical minerals sector.

Gold and silver exploration, mine development, and extraction create scale and connectivity within Canada's financial ecosystem and support activity across vast prospective areas in remote parts of the country. Without a vibrant gold and silver sector in Canada, our critical minerals explorers and developers will become less competitive relative to other nations due to reduced access to capital, prospective land and technological resources.

## Protecting Canada's sovereignty and economic resilience by safeguarding critical mineral value chains

Canada should welcome foreign capital while applying clear, targeted national-security reviews. Regulations supporting the Investment Canada Act amendments introduced through Bill C-34 should clarify which investments may be reviewed. Review agencies must be adequately resourced to avoid bottlenecks and deliver timely decisions. Canada should also exempt foreign-located mineral assets from pre-filing reviews, avoiding extraterritorial barriers that could drive companies and capital abroad. To ensure benefits remain in Canada, government should expand domestic processing, transportation and energy infrastructure so more value-added activity, jobs and supply-chain benefits occur domestically.

Each of our domestic mineral supply chains could be at risk. Minerals are key inputs into each listed sector, and should there be future disconnects in current global supply chains, each would be impacted to varying degrees, with agriculture perhaps being least impacted given the abundance of potash within Canada.

Market mechanisms should help Canadian minerals compete as trusted supply, as referenced in Question 1.2. Canada should work with allies to create market incentives for responsibly produced and traceable critical minerals. Trade tools, procurement policies, offtake agreements, traceability systems, and financing mechanisms should reward strong environmental, labour, Indigenous, governance, and human rights performance. This would align with Canada's existing direction on Responsible Business Conduct, including the Fighting Against Forced Labour and Child Labour in Supply Chains Act.

Mineral tenure decisions should be guided by evidence on where critical mineral development is viable, responsible, and aligned with broader land-use objectives. PDAC has produced maps showing exploration restrictions, including withdrawn lands and species-at-risk considerations, to help identify where exploration is viable and where policy barriers or land-use conflicts may exist.

Governments should avoid treating conservation and critical mineral development as separate planning exercises. Tenure policy should map where conservation priorities, Indigenous rights, existing land withdrawals, infrastructure access, and critical mineral potential overlap so decisions are transparent, evidence-based, and regionally informed.

Claim registration should not be treated as equivalent to mine development. [Land disturbance from early exploration](#) is typically minimal relative to claim size and can often be managed through permitting, mitigation, reclamation, and seasonal restrictions. Before withdrawing additional lands from exploration, governments should assess actual activity-related risk, not only the presence of mineral claims.

Offtake agreements and stockpiling address different problems: stockpiling secures Canada against supply disruption and can support already-producing mines, while offtake agreements can facilitate new mine construction through guaranteed demand and pricing. Unlike widely traded commodities such as gold, iron ore or copper, specialized critical mineral projects can face significant challenges in securing financing without some commodity price security. In this state, Canada should prioritize consideration of offtake agreements that are meant to build strategic stockpiles that support other national strategies (i.e. electricity, defence, transport and trade, etc.).

## **Partnering with Indigenous groups, domestic stakeholders, and international allies to develop critical minerals**

The strongest opportunities for public-private partnerships are in the shared infrastructure needed to unlock critical-mineral projects, including electricity transmission, all-season roads, railways, ports and processing facilities.

Canada should use loan guarantees, co-investment and other risk-sharing mechanisms to create a pipeline of appropriately scaled, commercially viable projects that can attract capital from Canadian pension funds. This is particularly important because, according to the Pension Investment Association of Canada (PIAC), the industry's leading body, the portion of equities invested in Canadian public companies has dropped from close to 80% in December 1990 to barely 10% in December 2020, representing only 4% of overall pension assets<sup>1</sup>.

To reverse this trend, shortening development timelines is one of the simplest ways to improve investment prospects for Canadian projects and to attract pension funds back home. Additionally, government should look to co-operative ownership or joint venture opportunities with domestic pensions for established public infrastructure to provide government a source of revenue that can be deployed to build new public infrastructure.

The federal government must prioritize practical exchange processes with each province and territory to meaningfully implement a one project, one process framework for project permitting

---

<sup>1</sup> Source: [https://www.lba.ca/wp-content/uploads/2022/04/Pension-Systems-Divestment-of-Canadian-Equities-Letter\\_EN\\_01-04-2022.pdf?utm\\_source=chatgpt.com](https://www.lba.ca/wp-content/uploads/2022/04/Pension-Systems-Divestment-of-Canadian-Equities-Letter_EN_01-04-2022.pdf?utm_source=chatgpt.com)

and approvals. Without material reductions in the amount of time required to permit and receive approval for major mine development projects in Canada, investors will look to other jurisdictions, Canadian supply chains will languish, and we could face mineral shortages as reliance on foreign sourced materials increases.

Fiscal incentives for mineral exploration and development exist at both the federal and regional levels. The federal government must coordinate with regional governments to ensure that there is alignment between the various fiscal tools available for mineral exploration and mine development at each level of government so that they can magnify impacts through a coordinated framework.

Federal geoscience programming should be dovetailed with provincial and territorial geological survey efforts wherever possible, to ensure information coverage can straddle regional boundaries and augment project efforts to increase geographic coverage.

The government of Canada must also lead proactive cooperation with regional governments on conservation and protections strategies, including identifying novel opportunities to establish conserved and protected areas that reflect the changing nature of climate, weather and species.

PDAC supports shared infrastructure in remote/northern regions, such as roads, clean power, broadband, ports, and emergency response capacity. Infrastructure gaps should also be understood broadly to include both physical and social infrastructure. In rural, northern, remote, and Indigenous communities, project development can increase pressure on housing, childcare, health care, food security, mental health supports, education, and community services.

[PDAC's Social Impact Report](#) found that social infrastructure and service capacity should be built in advance of projects, not after impacts emerge. Government and industry should prioritize multi-user infrastructure that supports communities, Indigenous partners, and responsible project development.

## Other Comments or Considerations

The Canadian Critical Minerals Strategy would benefit from a more targeted approach that recognizes the unique value chains of individual commodities. The current list of critical minerals includes commodities with vastly different market dynamics, regional geologic setting, extraction timelines, processing requirements, and supply chain considerations.

In updating the critical mineral strategy, Canada should develop commodity-specific roadmaps that align investment and regulatory tools with the realities of each value chain. This would help prioritize public investments, identify near- and long-term supply opportunities, engage the appropriate industry partners, and ultimately strengthen the effectiveness of Canada's Critical Minerals Strategy.

The revised strategy should also include updated measurement criteria, KPIs or similar measures so that there is a tangible set of goals where progress can be assessed as the next iteration of our national strategy is implemented.





PROSPECTORS &  
DEVELOPERS  
ASSOCIATION  
OF CANADA

ASSOCIATION  
CANADIENNE DES  
PROSPECTEURS ET  
ENTREPRENEURS

August 2026

Updating Canada's critical minerals strategy offers an opportunity for incremental and meaningful changes that can allow more investment capital to flow into Canadian projects and expand our domestic capacity to find and produce essential raw materials into the future. Committing to productive fiscal tools, increasing geoscience research, streamlining regulation, advancing dynamic conservation and setting measurable goals are all necessary components of an updated strategy.

PDAC welcomes any follow up questions or comments on the recommendations included in this document and please feel free to contact me at [jkilleen@pdac.ca](mailto:jkilleen@pdac.ca).

Sincerely,

**Jeff Killeen**

PDAC Senior Director, Policy & Programs