



**To: Strategic Priorities Directorate  
Canadian Wildlife Service  
Environment and Climate Change Canada  
14th Floor, Place Vincent Massey  
351 St. Joseph blvd.  
Gatineau QC K1A 0H3**

**Re: Emergency order to protect boreal caribou habitat in Quebec**

**BY ELECTRONIC MAIL**

The Prospectors and Developers Association of Canada ("PDAC"), on behalf of our 8,000+ individual and corporate members spanning Canada's mineral exploration and development industry, appreciates the opportunity to provide comment on the recent Emergency Order to protect boreal caribou habitat in Quebec.

The PDAC and our members, as stakeholders in the responsible management of our natural resources, recognizes the importance of caribou, and other species at risk, to our natural environment, the many users of the land, and to the rights and traditional values of Indigenous Peoples. PDAC's [Caribou Management Strategies: Best Practices for the Mineral Industry](#) report highlights the mineral industry's continued efforts to mitigate impacts on caribou. PDAC advocates for a pragmatic approach to conservation and restoration that balances these values with a thriving mineral industry capable of meeting Canada's strategic goals and continuing its vital social and economic contributions.

PDAC has actively engaged our members, strategic committees, our colleagues at the Mining Association of Canada and the L'Association de l'exploration minière du Québec (AEMQ), and participation in virtual information and technical sessions with ECCC on July 4<sup>th</sup> and 18<sup>th</sup>. Through this engagement, PDAC has been made aware of issues with jurisdictional overlap arising from federal engagement on the Emergency Order, as well as inaccurate considerations when defining and assessing the value of the mineral industry in the context of protected areas.

As [stated by the Government of Canada on May 10<sup>th</sup>, 2024](#), "over 95 percent of Boreal Caribou habitat is under provincial and territorial jurisdiction. Provinces and territories have the primary responsibility for management of land, natural resources, and wildlife where Boreal Caribou live." While section 80(1) allows the Government in Council to make an emergency order, decisions and engagement must occur in cooperation with the relevant provincial jurisdiction, under whom regulation of mineral activities such as claim management, mineral rights, and exploration approvals resides.

Furthermore, evidence would suggest a clear lack of urgency relating to this Emergency Order as exemplified by the fact that the caribou in Charlevoix and Val d'Or are in contained pens and restoration of the surrounding habitat will require decades-long processes. Ergo, this Order's aim centres on restoration and not species protection. PDAC is unclear why Quebec is not being permitted to take the necessary time to complete the appropriate consultation to ensure a strategy that accurately reflects provincial conservation and socio-economic priorities can be



implemented. The reasoning for ECCC's intervention is not clear, as the Order itself states that "[the species faces imminent threats to its recovery](#)"; this outlines a threat to recovery, not immediate survival, and therefore lacks the insinuated urgency of the Order. Quebec's recent announcement of a [pilot project involving the Charlevoix Boreal Caribou](#), a \$60 million investment, seems to further emphasize the work being done by Quebec, and the importance of ECCC taking guidance from the appropriate jurisdictional authority, the Government of Quebec.

In addition to concerns over jurisdictional responsibility, PDAC would like to clarify some realities of the mineral exploration and mining industry which must be corrected and carefully considered when sharing information and making decisions related to the Emergency Order:

### **Importance of Exploration**

Without exploration in minimally or entirely unexplored regions, new mineral deposits will not be discovered. It is estimated that only 1 in 10,000 mineral showings will become an active mine; with that statistic in mind, it is crucial that prospectors gain access to as many potential deposits as possible to ensure continuation of the industry.

Mineral exploration is a key contributor to Canadian economies. Per PDAC's [Economic Impacts Study](#), for every \$1 spent on mineral exploration and mining, between \$1.25 and \$1.75 are generated in direct and indirect contributions to local and provincial economies. Intermediate and advanced exploration activities generate contracts for local and Indigenous businesses valued anywhere from \$0.5 million to tens of millions over multi-year periods. For Val-d'Or, the "Valley of Gold" founded on the mineral industry and a continuously active mining region since the 1930s, the mineral and aggregates sectors [directly employed 15% of its working population in 2017](#).

According to [NRCan Mineral Statistics](#), mining and related activities contributed \$5.4 billion in corporate income taxes and royalties across Canada in 2021, and, in 2022, direct contributions of \$109 billion (6% of the total) and an additional \$40 billion in indirect effects to Canada's GDP. In 2023, \$845.8 million were spent in Quebec on exploration and deposit appraisal activities - the second highest spend in Canada. The exclusions and uncertainty associated with these proposed protected areas, which overlap the historic and mineral rich Abitibi Gold Belt, are a threat to these investments.

### **Reality of Disturbance**

The [minimum threshold of disturbance for boreal caribou recovery is 65% undisturbed](#). It is estimated that around [80% of the Val-d'Or herd's habitat is already disturbed](#), [92% of the Charlevoix herd's](#), and [74% of the Pipmuacan herd's](#), with [most of that disturbance attributed to road building and logging](#). PDAC questions the effectiveness of prioritizing habitat restoration in areas that significantly exceed allowable disturbance thresholds, which is a process that will take decades and be very detrimental to local economies. This initiative will have the adverse effect of pushing industrial activities away from already disturbed habitat near existing infrastructure and into potentially undisturbed habitat where additional infrastructure corridors will have to be constructed. The long term negative impacts are potentially greatest for the isolated herds in Val-d'Or and Charlevoix, which consist of only [9 and 31 individuals](#) respectively.



Furthermore, claimed area does not equate disturbed area for mineral projects. In a [Mining-Related Land Disturbance study](#) published by PDAC and MAC in 2023, the percentage of physically disturbed area to total claimed area for 8 case studies across Canada averaged 0.4% for exploration projects and 1.52% for operating mines. Claims may be staked for a variety of reasons aside from direct exploration or mining activities and can not be considered a reliable measure of potential disturbance or a rise or fall in mineral activity levels.

## Predictions of Land Requirements

[Research has shown](#) how restoring caribou ranges with extensive habitat loss back to mature forest conditions is a cycle that takes decades. Declarations from proponents of project footprint and required infrastructure that could occur over the coming decades cannot be made accurately at the early stages of mineral exploration. Requiring companies or prospectors to submit this information to the government for exclusion or exemption at this stage is not feasible; protected areas that allow for exclusion must have clear and predictable amendment processes.

## Project Valuation

Determining lost project value based on engineering or economic studies is not an accurate valuation. Evidence has shown, and it is [generally understood](#), that the estimated accuracy of scoping work increases over time and as more information becomes available through exploration work. Feasibility studies (FS) generally have an estimate accuracy of only 10-20%, while this falls to 20-30% for pre-feasibility studies (PFS), and 40-50% for a preliminary economic assessment (PEA). The purpose of an early-stage exploration project is to progressively gather evidence to inform project scoping and the capital required to navigate through each threshold and complete an FS may well exceed \$100 million, depending on the nature of the mineral deposit.

Valuation of a claim in cases of expropriation is not a standardized process, as it is extremely challenging to assign a value to mineral potential, lost investment, and socio-economic impacts. Valuations must consider factors which, in early stages, are not even known: tonnage, grade, commodity price, mine life, recoveries, strip ratios, processing methods, capital and operating costs, infrastructure requirements, and the potential for competitive bids, to name a few, not even considering the investment of time and money required to research a claim prior to a staking decision, or instances where an entire company, and their shareholders, are dependent on a single deposit.

## Qualifying Mineral Activities Eligible for Exclusion

It is unclear the effectiveness of an approach which is selective in what is “deserving” of exclusion. By allowing some mineral activities and not others, all of which require similar infrastructure and result in comparable levels of disturbance, the intended restoration efforts may be undermined, creating a protected area that is fractured, ineffective, and erodes regional mineral ecosystems.

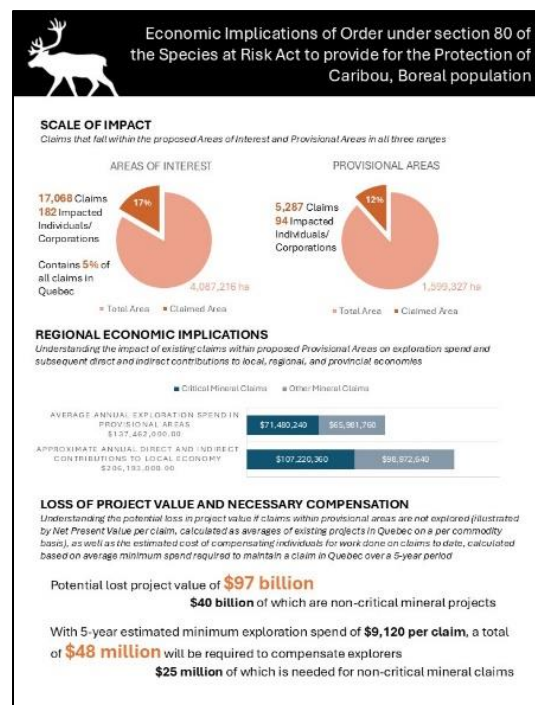
PDAC recognizes and appreciates ECCC’s foresight in seeking to exclude mineral activities from the protection order. There are two important notes to consider. Firstly, it must be clear whether exclusions must be declared *today* or can be introduced on a rolling basis. Requiring project



declarations at this date will prevent any potential for new discoveries, which will have irrecoverable impacts on the region, as described above.

Secondly, while the current approach to protected areas proposes an exclusion for critical minerals projects, it is important to note that prohibition of non-critical mineral projects, such as gold, has potential ramifications for the entire Canadian mineral ecosystem. Canada's geology is predominantly polymetallic, meaning that critical minerals are often found alongside non-critical minerals, such as gold. Given the comparatively high economic hurdles faced by Canadian critical mineral products versus a product like gold, this coexistence is often what makes critical mineral extraction financially viable; in fact, there is only one operating mine in Canada where critical minerals account for 90% or more of the mine's production. Furthermore, the position of Quebec as a competitive jurisdiction is largely based on the capabilities of supporting businesses (drilling expertise, technical consulting, regulatory disclosure, accounting, financing, legal, and more). Regional businesses and expertise are highly dependent on gold and precious metals activities, which account for ~60% of all exploration spending in Canada. There is significant risk that prohibition of non-critical mineral exploration will lead to contraction of the mineral ecosystem, constrict capital access for exploration companies working in Quebec, and temper the pursuit of both critical and non-critical minerals alike.

In summary, ECCC's engagement efforts and proposed strategy to date show a lack of cooperation with the Quebec Government and an inaccurate understanding of the mineral industry's value and its relation to caribou management and recovery. The Order as it currently stands will result in \$200M of losses to local economies each year and could cost the Government of Canada and the Canadian public more than \$500 million in compensation to disrupted prospectors and mineral companies. PDAC strongly encourages ECCC to look to the Government of Quebec for guidance on this issue, and to amend its strategy to reflect the information described above.



See PDAC's attached infographic for more details on the economic implications of this Order.

Thank you for your consideration and we look forward to a more holistic approach moving forward. If you wish to discuss the above in more detail, please contact Jeff Killeen (jkilleen@pdac.ca).

Sincerely,

Jeff Killeen  
Director, Policy and Programs