

Reducing Permitting Delays in Mining Exploration

Submitted by the Timmins Chamber of Commerce

Co-sponsored by the Greater Sudbury Chamber of Commerce, North Bay District Chamber of Commerce, Huron Chamber of Commerce, and the Sault Ste. Marie Chamber of Commerce

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Issue:

Given their importance to the economy, and fluctuations in metal markets, it is crucial for mining exploration projects to receive permits in a timely fashion. It is therefore increasingly problematic that Ontario routinely fails to provide these permits within a reasonable timeframe.

Background:

Valued at nearly \$10 billion in 2017¹, Ontario's mineral production is essential to its overall economic success. However, this success story is the result of ongoing, diligent efforts by junior firms and major companies alike to conduct exploration, which carries significant risk: the process of developing a single mine can often require 500-1,000 grassroots exploration projects.² Given their importance to the economy, and fluctuations in metal markets, it is crucial for mining exploration projects to receive permits in a timely fashion. It is therefore increasingly problematic that Ontario routinely fails to provide these permits within a reasonable timeframe.

Frustrations related to this issue have been widely and increasingly shared in the media in recent years, as growing numbers of mining exploration firms have publicly aired their concerns that delays were extending to such a duration that projects become less economically viable³; this punishes existing investors while providing less confidence to prospective investors.

This issue is not purely anecdotal: *Permit Times for Mining Exploration in 2017* specifically finds that investors are losing confidence in the mineral exploration permit process in many Canadian provinces—including British Columbia, Ontario and Quebec—which has grown longer over the past 10 years and less transparent.⁴ In fact, the report indicated that exploration companies routinely experienced longer waiting times for permits than in competing provinces, and that Ontario “also offered less transparency and certainty throughout the permitting process.”

This also impacts perception of industry participants regarding Ontario's friendliness as a mining jurisdiction: nearly 40 percent of mining-sector representatives who participated in the Fraser Institute report indicated they expected to wait in excess of six months for the required exploration permits, with 7 per cent anticipating the process would take in excess of two years. In turn, this affects firms' certainty of receiving their permits; without that confidence, firms are less likely to invest. Notably, 20 percent of

¹ https://www.oma.on.ca/en/ontariominning/facts_figures.asp

² Roderick Eggert, “Mineral Exploration and Development: Risk and Reward”, 2010

³ <http://www.miningmarkets.ca/news/ontario-permitting-delays-irk-northern-graphite/>

⁴ <https://www.fraserinstitute.org/sites/default/files/permit-times-for-mining-exploration-2017.pdf>

mining firms have “no confidence” of receiving their required permits, according to the Fraser Institute.

Moreover, 43 percent also felt that the lack of transparency in Ontario’s permitting process served as either a mild or strong deterrent to investment.

Similar concerns apply to the delays surrounding environmental assessments, which have had a considerable impact on numerous projects throughout the province. The most visible example of this issue has been within the so-called Ring of Fire, a multi-mineral deposit in the James Bay Lowlands whose potential value is estimated at \$60 billion⁵ by the Ontario Chamber of Commerce. However, progress has been very slow on numerous fronts for many of the exploration firms active in the region, in part due to the many ongoing delays in the environmental assessment process.⁶

RECOMMENDATIONS:

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Dedicate sufficient resources to streamline and improve the process for reviewing and approving exploration permits and environmental assessments; and
2. Work with the federal government to address the duplication of regulatory requirements and processes required for mining exploration, including environmental assessments.

⁵ Jed Chong, “Resource Development in Canada: A Case Study on the Ring of Fire”; Parliament of Canada, 2014

⁶ Liam McGuinty, “Where are we now? A Report Card on the Ring of Fire”; Ontario Chamber of Commerce, 2015