**NORTHEASTERN ONTARIO MINING CONTRIBUTES $1.7 BILLION IN GDP**

**TIMMINS, MARCH 24, 2022:** A new report, [*State of the Ontario Mining Sector*](https://oma.on.ca/en/ontario-mining/2022_OMA_Economic_Research_Report.pdf)*,* published by the Ontario Mining Association (OMA) in partnership with Ontario's Ministry of Northern Development, Mines, Natural Resources and Forestry, details the economic contributions of the mining sector to Northeastern Ontario. In 2019, mining operations contributed approximately $1.9 billion in gross output, $1 billion in wages, and 16,278 direct, indirect, and induced jobs to the Northeast regional economy. Nearly 25% of the total GDP contributions made by mining to the provincial economy take place in Northeastern Ontario. 45% of mining companies’ Ontario-based employees call Northeastern Ontario home, including in the cities of Timmins and Sault Ste. Marie.

*“The opportunities for the mining industry in Northeastern Ontario have arguably never been greater than they are now. As the world emerges from the COVID-19 pandemic, faces increasing geopolitical uncertainty and as the race to halt climate change accelerates, the region is primed to continue contributing meaningful solutions, while capitalizing on rising global demand for green and critical minerals,”* stated Chris Hodgson, President of the Ontario Mining Association.

Twelve out of the fourteen operating mines in Northeastern Ontario are gold mines, which are important sources of job creation and skill development opportunities, particularly for Indigenous communities in remote regions. The price of gold rose over 45% during the decade between 2010 and 2020, and the continued upward momentum is further stimulating the provincial economy.

“*Our Young-Davidson Mine, located near the town of Matachewan, is our flagship operation and one of the largest underground gold mines in Canada.  With a long mine-life supported by a large mineral reserve base, and its central location in a region well-known for servicing the global mining industry, Young-Davidson will serve as our foundation for growth for many years to come,”* said Rebecca Thompson, VP, Public Affairs, Alamos Gold.

Ontario currently has 323 active mineral exploration projects, of which approximately 60% are exploring for gold. 23 are advanced mineral projects, with 7 of these projects located in Northeastern Ontario. Discovering, developing and building a new mine has tremendous economic impact to the local communities, region and province as a whole.

Based on historical data, the estimated total cost to build a new gold mine ranges from $989 million to $1.24 billion over three years. The annual total economic contributions of construction ranges from $357 million to $447 million in GDP; $132 million to $165 million in wages and salaries; and 1,850 to 2,312 full-time equivalent jobs.

“*Our Côté Gold Project, located in northeastern Ontario is currently under construction and on track for initial production in the second half of 2023. Côté is creating opportunity for all stakeholders and partners, including through impact benefit agreements signed with Mattagami First Nation, Flying Post First Nation and the Métis Nation of Ontario. When fully operational, we expect the mine to generate more than $5 billion in wages and contribute $10 billion to Ontario’s GDP over an 18-year life span. Further, Côté is a mine for the future as it will be the first fully autonomous haulage open pit operation in Ontario, offering efficiencies and reduced environmental impacts over the life of the mine*,” said Daniella Dimitrov, President, CFO and interim-CEO of IAMGOLD.

Access to resources is a priority in today’s world as investors, customers and stakeholders increasingly demand ethically-sourced future-facing commodities, discovered and mined in an environmentally responsible manner.

Northeastern Ontario has developed a cluster of mines and mining expertise that is leading the world in underground electrification. In 2019, Newmont opened the all-electric Borden Mine, convinced that all-electric was the way to cleaner, quieter, safer and more profitable mines. The Macassa Mine, owned by Agnico Eagle Mines and is one of the oldest and highest-grade gold mines in Ontario, was an early adopter of the battery electric movement with electric scoops being deployed underground.

*“It’s been over ten years since we first deployed battery electric vehicles at Macassa. We were proud to deliver below industry benchmarks on emission intensity on greenhouse gases, as we aimed to reach net zero by 2050 by investing towards greenhouse gas reduction and innovation*,” said Natasha Vaz, Former Chief Operating Officer, Kirkland Lake Gold and Chair of the Ontario Mining Association Board.

In partnership with the Government of Ontario and its [Critical Minerals Strategy](https://www.ontario.ca/files/2022-03/ndmnrf-ontario-critical-minerals-strategy-2022-2027-en-2022-03-17.pdf)announcement, the OMA also released a [*Critical Mineral Analysis*](https://oma.on.ca/en/ontario-mining/2022_OMA_Mineral_Profiles.pdf)*,* to evaluate the critical minerals identified by the government of Ontario and analyze each mineral’s value chain, current production level, global trade patterns, price and demand outlooks, and the economic and strategic importance to the Ontario economy.

*“Ontario has enviable geology, including vast untapped critical mineral potential. However, good geology isn’t enough in a fiercely competitive global economy. We have an opportunity to strengthen Ontario’s competitiveness in supplying responsibly sourced critical minerals to domestic and international markets. The provincial government’s Critical Mineral Strategy will support these efforts to drive investment, talent and competitiveness in the Ontario mining industry. It starts with us, the responsible producers, and it starts in our backyard here in Ontario,”* added Hodgson.

Canada Nickel Company is advancing the new Crawford nickel-cobalt sulphide discovery with large scale potential located in the Timmins mining camp adjacent to major infrastructure, including zero-carbon hydroelectricity.

*“For generations, Ontario has been a global leader for mining,”* said Greg Rickford, Minister of Northern Development, Mines, Natural Resources and Forestry. *“As the world shifts to a greener, tech-driven economy, demand for made-in-Ontario minerals will grow exponentially. Ontario’s mining sector will continue to leverage our tremendous mineral wealth, mining expertise, environmental standards and robust Indigenous consultation practices to build more mines and create great jobs in Northwestern Ontario and across the province.”*

**Current economic contribution of the mining industry in Ontario**

The OMA report, [*State of the Ontario Mining Sector*](https://oma.on.ca/en/ontario-mining/2022_OMA_Economic_Research_Report.pdf)*,* examines 2019 - 2020 data from 41 active mining operations in the province that produce a diverse set of metals and minerals, including precious and base metals, and non-metallic minerals. The data demonstrate the current value of mining in Ontario and set benchmarks for areas of opportunity to futureproof the sector, solidify competitive advantages, and enhance the security and resilience of local supply chains.

In 2020, Ontario’s mining sector produced $10.7 billion worth of minerals, which accounted for 24% of Canada’s total production value:

* 56% was precious metals production and 42% base metals.
* 50% of the active mines in Ontario are gold mines, with gold production growing by nearly 50% from 2010 to 2019.
* Ontario is the largest gold-producing province in Canada, which accounted for 75,000 kilograms or 41% of the production value across the country in 2019.
* Ontario mines also accounted for 77% of platinum group metal value produced, 37% of nickel, 23% of copper and 15.5% of cobalt, minerals critical to a low carbon future.

As producers of minerals and metals that are key components in the clean energy transition, mining companies across the province also adhere to the highest environmental standards in energy conservation, carbon emission reduction, and adoption of clean technologies:

* As of 2018, Ontario’s mining industry accounted for 4% of total GHG emissions in the province.
* This share is significantly lower than that of some comparable industries, such as iron and steel production (43%), petroleum refining (11%), other manufacturing industries (16%), chemicals production (8%), construction (8%) and cement production (5%).

The majority of operating mines are connected to Ontario’s power grid, and nearly 95% of Ontario’s electricity is generated by zero-carbon sources such as hydroelectricity. The mines have adopted other environmental technologies to help meet and exceed stringent environmental targets, such as electrification of mining fleets and mobile equipment; low carbon technologies and energy efficiency ventilation on demand to reduce power consumption. To support further reduction of the industry’s carbon footprint:

* Over 75% of Ontario’s mining companies participate in carbon pricing programs that aim to lower GHG emissions and spur innovation.
* 82% of senior mining companies have established carbon emission reduction goals.
* Ontario mining companies adopted clean technologies at a rate of almost 14% above the Ontario industry average.

Mining companies across Ontario play an important role in the local communities where they operate and contribute to the economic and social wellbeing by prioritizing local hiring and procurement, supporting health and education initiatives, and engaging and partnering with Indigenous communities.

* In 2019, direct mining employment in Ontario totalled more than 19,000 workers.
* Average weekly wages were 70% higher than the average industrial wage in the province.
* 44% of supplies, materials and services were procured locally from companies across Ontario.
* The mining industry contributed a total of $373 million in taxes to all three levels of government.
* Of the total direct workforce in mining, approximately 9% identified as Indigenous, nearly double the percentage of the Canadian population that identifies as Indigenous according to the 2016 census data.
* As of 2020, there are 142 active agreements in place between Indigenous communities and mining companies in Ontario that formalize mutually beneficial relationships.

**The opportunity to unlock critical mineral production**

The OMA [*Critical Mineral Analysis*](https://oma.on.ca/en/ontario-mining/2022_OMA_Mineral_Profiles.pdf)*,* outlines on a global scale several competitive advantages of Ontario’s mining sector, including strong mineral endowment and exploration potential, and the ability to contribute to the transition to the green economy. The Ontario Mining Association believes that the province can leverage its endowment to become one of the leading global suppliers of certain critical materials to other jurisdictions whose advanced manufacturing sectors are reliant on imports.

Diverse mineral endowment is possibly Ontario’s strongest competitive advantage:

* Of the 30 minerals included on [Ontario’s critical minerals list](https://www.ontario.ca/page/critical-minerals), eight are currently produced and/or processed through 11 processing facilities in the province.
* Ontario is also home to a considerable proportion of critical mineral reserves in Canada, with over half the platinum group elements (PGE) reserves; more than a third of nickel reserves, and 13% of graphite reserves - two key minerals used in EV batteries.
* Ontario’s abundant geology provides various exploration opportunities for critical minerals, with current advanced mineral exploration projects in nickel, copper, cobalt, PGE, barite, chromite, graphite, lithium, magnesium, and niobium.
* With 31 critical mineral projects in Ontario currently at advanced stages, the exploration intensity in Ontario is on par with that of Quebec and is significantly higher than that of the US and Australia.

The policy and business climate in Ontario makes the province one of the few sustainable and politically stable critical minerals suppliers. Business costs, permitting times, cost to export/import and financial incentives provided by the government are more competitive than those in Australia.

Ontario’s critical mineral production and exploration pipeline is expected to support the development of renewable and advanced manufacturing technologies, providing opportunities for mining companies operating in Ontario to sell their products to growing global markets, including the US and the EU. It will also supply local needs from downstream industries and contribute to the growing domestic advanced manufacturing clusters, including automotive and mobility, as well as aerospace and defence. For instance, Ontario currently produces nickel, cobalt, and copper, which are key inputs to Li-Ion batteries and solid oxide fuel cells. Selenium and tellurium, used in solar photovoltaic cells to convert sunlight into electrical energy, are also produced in the province.

Combining trade analysis with Ontario’s critical mineral reserves and future project pipeline, five critical minerals with high market potentials are identified. Of those, nickel and chromite appear to have the highest potential given their strong and growing demand in key markets, as well as significant reserves and a robust project pipeline. In particular, as the exploration takes place in the “Ring of Fire,” Ontario is likely going to become the only North American source of chromite, which is a key input in the US steel industry.

**About the Ontario Mining Association**

Established in 1920, the [Ontario Mining Association](https://oma.on.ca/en/index.aspx) (OMA) represents the mining industry of the province and is one of the longest serving trade organizations in Canada. The OMA’s mission is to improve the competitiveness of Ontario's mining industry, while promoting safety, environmental stewardship and sustainability.