



## GDP CONTRIBUTION FROM MINING IN ONTARIO EXPECTED TO GROW 25% BY 2025

New studies find that creating a favourable investment climate for mining contributes to significant GDP gains, as opportunities for industry growth have never been greater

**TORONTO, MARCH 18, 2022:** A new report published by the Ontario Mining Association (OMA), in partnership with Ontario's Ministry of Northern Development, Mines, Natural Resources and Forestry, [\*State of the Ontario Mining Sector\*](#), forecasts that the GDP contribution from the mining industry in Ontario will grow 25% between 2020 and 2025, from an estimated total direct contribution of \$7.5 billion in 2019 to an expected \$9.3 billion by 2025. The value of minerals produced by major mines in Ontario is also expected to grow by 32% and the number of full-time equivalent jobs sustained directly, indirectly and induced by mining will grow by almost 7%.

*"The opportunities for the Ontario mining industry 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, Ontario 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. *"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."*

In partnership with the Government of Ontario and its Critical Mineral Framework announcement, the OMA also released a [\*Critical Mineral Analysis\*](#), 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.

*"We applaud the provincial government's Critical Mineral Framework for Ontario and its efforts to drive investment, talent and competitiveness in the Ontario mining industry, supporting the transition to a low carbon economy. It starts with us, the responsible producers, and it starts in our backyard here in Ontario,"* added Hodgson.

According to the Government of Ontario's [\*Critical Minerals Strategy\*](#), critical minerals are a subset of minerals that have specific industrial, technological and strategic applications for which there are few viable substitutions. These minerals are also at higher supply risk due to geopolitical considerations and market demand.

*"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 across the province."*

## Current economic contribution of the mining industry in Ontario

The OMA report, [\*State of the Ontario Mining Sector\*](#), 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](#), 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](#), 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](#) (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.

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