

## Ontario's Mineral Development Strategy

By Michael Hobart, LL.B.

The Ontario government recently published a Discussion Paper on Renewing Ontario's Mineral Development Strategy. The document is available on the Ministry of Northern Development and Mines website: <http://www.mndm.gov.on.ca/en/mines-and-minerals/mineral-development-strategy>

The Discussion Paper is described as a "first step in the development of a renewed mineral development strategy for Ontario." The Discussion Paper notes progress made since the launch of the government's 2006 mineral development strategy, particularly the enactment of an amended *Mining Act* in 2009, which recognized and affirmed existing Aboriginal and treaty rights in section 35 of the *Constitution Act, 1982*, including the duty to consult with Aboriginal communities and to minimize the impact of mining activities on public health and safety and the environment.

It is noted that the value of mineral production in Ontario in 2014 was \$11 billion, the leading jurisdiction in Canada. Ontario is home to 43 mines and 10 smelters and refineries which provided direct employment to more than 26,000 people. The mining industry is also a major employer of Aboriginal people. Ontario is home to approximately 300 exploration projects and accounted for 26% of Canada's total mineral production in 2014. Ontario's mining supply and services industry includes approximately 900 companies, generating 41,000 direct jobs and an estimated \$6.6 billion in direct total output value.

These positive statistics are off-set by the significant challenges currently facing the mining sector, including macroeconomic factors such as diminished demand globally for raw materials, slow global growth leading to lower commodity prices, reduced mineral exploration budgets and new mine development and capital expansion. Specific reference was made in the Discussion Paper to the difficulty of junior exploration companies to raise capital due to a decline in investments resulting from lower commodity prices. This was highlighted by the disturbing statistic that exploration spending in Ontario in 2014 declined almost 50% from 2012 (\$507 million in 2014 compared to \$962 in 2012).

The Discussion Paper sets out a proposed framework for action to renew Ontario's mineral development strategy. Proposed strategic objectives and priorities include attracting and expanding mineral investment in Ontario, providing a competitive regulatory and economic environment for mining and increasing economic opportunity for all people of Ontario through sustainable exploration and mining activities.

The Discussion Paper is seeking public input on questions such as ways to increase the flow of investment capital to junior exploration companies, potential solutions to address energy, transportation and infrastructure challenges and how such costs can be shared by benefitting parties and ways to enhance relationships with Ontario's Aboriginal peoples. Public comment (in writing) is open until May 8, 2015. It is expected that a renewed Mineral Development Strategy will be prepared in 2015.



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