

Critical Steps for Critical Minerals

Is Canada Ready for the Boom in Demand?



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By Alexander Whitehead Executive Search

In December 2022, the Canadian government released its Critical Minerals Strategy (CMS) position paper which outlined its commitment to invest \$3.8 billion over the next eight years to support domestic production. Pierre Gratton, CEO of the Mining Association of Canada, hailed the federal vision as “the most significant industrial strategy the country has seen in decades,” adding that Canada’s abundance of clean energy positions Canada well to support ESG-friendly mining.¹

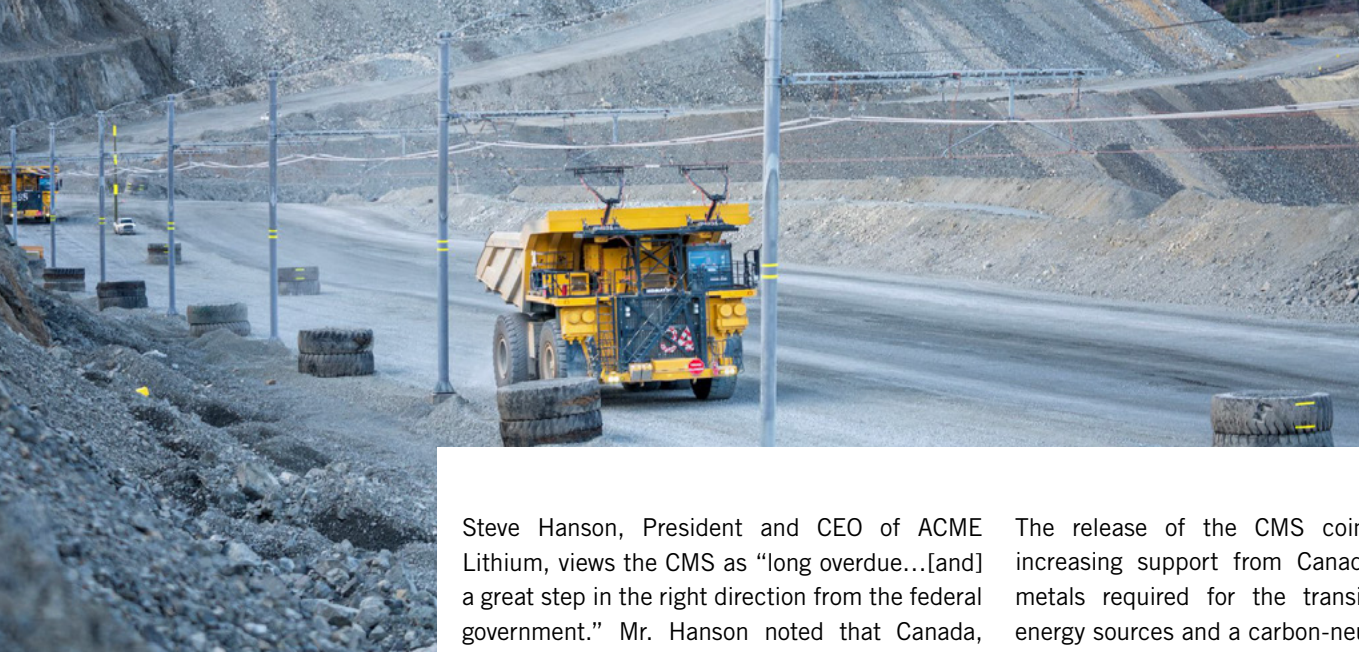
However, several national think tanks countered with criticism that the CMS lacked details on how Canada can emerge as a global leader in the exploration and development of mines producing key ingredients to a clean energy transition, minerals such as copper, nickel, lithium, graphite, and cobalt.

¹ Mining Association of Canada December 9, 2022 media release: [Click here](#)

What do industry leaders in Canada think? What do the federal government and their provincial counterparts need to do to accelerate Canada’s position as a producer of critical minerals and our transition to a net zero carbon society? Three executives of Vancouver-based companies support the intent of the CMS.

“The CMS is certainly a step in the right direction,” says Martin Turenne, President and CEO of FPX Nickel. Mr. Turenne and four other executives of critical mineral companies in Canada were invited to submit a discussion paper to Natural Resources Canada last summer that helped shape the CMS.





Steve Hanson, President and CEO of ACME Lithium, views the CMS as “long overdue...[and] a great step in the right direction from the federal government.” Mr. Hanson noted that Canada, Europe, and the United States are far behind in ensuring stable supplies of critical minerals. “The good news is that Canada recognizes we need to fast-track all stages of critical minerals development, from upstream to downstream.”

Copper is another critical mineral for the green energy transition, and Canada has an established industry producing the red metal. For Letitia Wong, Chief Financial Officer who also leads strategy and corporate development for Copper Mountain Mining, the CMS announcement was “absolutely in the right direction.”

She noted the breadth of the CMS. “It focuses on improving the country’s economy while also supporting net zero goals. It also engages the mining industry, which is important, and links the overall strategy with communities and First Nations engagement and protecting the environment. [The government] was thoughtful in their approach.”

“The good news is that Canada recognizes we need to fast-track all stages of critical minerals development.”

**STEVE HANSON, PRESIDENT & CEO
ACME LITHIUM**

The release of the CMS coincides with the increasing support from Canadians for mining metals required for the transition to greener energy sources and a carbon-neutral economy.

A 2022 public opinion survey conducted by Abacus Data² indicated that as more Canadians become aware of the domestic opportunities for mining minerals that are used in clean technologies, the greater the overall support for Canadian mining companies. The report concluded that “more people today than in the last several years say they would like to see more mining projects in Canada.”

Corporate leaders are already planning for the shifting priorities in Canadian mining. Direct investment strategies from companies like Tesla indicate the priority to secure supply. Teck Resources’ plan to de-couple from coal to focus on copper and other key minerals is a strong indication of the future driven by the growing influence of environment, social, and governance (ESG) concerns from governments and large institutional investors.

With the CMS in the public domain for discussion, and with increasing public support and corporate activity, what key next steps are required to advance critical minerals production in Canada, and to create sustainable home-grown supply chains for the long-term?



² Abacus Data surveyed 2,700 Canadian adults in March 2022. Details: Abacus Public Opinion Polling (2022) – The Mining Association of Canada.



“The CMS needs to clearly define the [regulatory and permitting] process.”

LETITIA WONG, CFO • COPPER MOUNTAIN MINING

Both Ms. Wong and Mr. Hanson point to the need to streamline the regulatory and permitting processes currently in place by the federal and provincial governments for exploration companies.

“I would like to see more detail and commitment on how the government will streamline the regulatory and permitting process,” offers Ms. Wong. “The CMS needs to clearly define the process including mandated timeframes, which will support a more efficient process. All while still supporting the need to ensure the necessary environmental and social protections are in place.”

Mr. Hanson has already observed some positive signs from government in support of a generational opportunity to build battery factories and processing facilities. ACME Lithium has assets in Manitoba and Saskatchewan, and he noted a positive step forward from the Ministry of Resources and Mines in Manitoba.

“We recently met with the Minister and he announced the Ministry had hired 19 new people in the permitting office to support project advancement. They previously had two people, so this is a very significant signal to our company and to industry that human capital investment in government is happening. This allows companies to put shovels in the ground sooner.”

Mr. Turenne also supports the need to streamline permitting, and he suggests the most realistic next step and the centrepiece of the CMS is to expand the eligibility of flow through tax credits for investors to include companies at development stage, allowing companies like FPX Nickel to raise more investment dollars.

“Expanding this program, which currently only incentivizes investors in exploration stage companies, will allow companies with advanced projects to attract more funding to offset costs of study phases, permitting, community and First Nations consultations—all key steps that are currently not financially supported via flow through shares. The structure [of the program] is already in place to allow development stage companies to access existing capital.”

As the global economy shifts more and more to clean energy solutions, Canada is well positioned to meet domestic and global demand for critical minerals required for the transition. The ability to do so requires ongoing consensus from government, industry, and the public that mining these minerals can be done in a responsible and sustainable manner. Canada can, and must, take the lead. ●



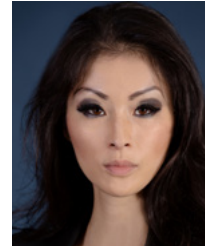
Alexander Whitehead thanks the following industry leaders
for contributing their insights to this article:



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