

Reducing Permitting Delays in Mining Exploration

Submitted by the Timmins Chamber of Commerce; co sponsored by the Greater Sudbury Chamber of Commerce, the North Bay and District Chamber of Commerce, and the Sault Ste. Marie Chamber of Commerce

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 \$11 billion annually, Ontario's mineral production is essential to its overall economic success.¹ It is the result of exploration activity by junior firms and major companies alike, and carries significant risk: the process of developing a single mine can often require 500-1,000 grassroots exploration projects.² Further, the success of any project is related to timely permit approvals – something which has lagged in Ontario in recent years.

Growing numbers of mining exploration firms have expressed their concerns that extended delays are potentially threatening the economic viability of their projects^{3 4}; it also punishes existing investors while providing less confidence to prospective investors.

This issue is not anecdotal: in 2016, the Fraser Institute issued *Permit Times for Mining Exploration: How Long Are They?*, which specifically identified Ontario as “a laggard” in the Canadian mining landscape. It indicated that exploration companies routinely experienced longer waiting times for exploration permits in Ontario than in competing provinces, and that Ontario “offered less transparency and certainty throughout the permitting process.”

This also impacts industry's perception of 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 some anticipating the process would take in excess of two years. Notably, 20 percent of 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 projects in Ontario. The most visible example has been within the so-called Ring of Fire, a multi-mineral deposit in the James Bay Lowlands: despite an estimated \$60 billion⁵ in value, progress has been very slow on numerous fronts for many exploration firms active in the region, due in part to the many ongoing delays in the environmental assessment process.⁶

¹ http://www.oma.on.ca/en/ontariomining/facts_figures.asp

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

³ “Ontario permitting delays irk Northern Graphite,” <http://www.miningmarkets.ca/news/ontario-permitting-delays-irk-northern-graphite/>

⁴ “Approval process going too slow for Gowest,” <http://www.timminspress.com/2016/04/07/approval-process-going-too-slow-for-gowest>

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

⁶ Sunny Freeman, “Arrested Development: Down, down, down? Ring of Fire still a burning question”; Financial Post, Dec. 13, 2016

Recommendations:

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

1. Dedicate sufficient resources to streamline 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 for mining exploration permitting, including environmental assessments.

Estimated Financial Impact to the Province

- Entail a small cost to government (less than \$10M)

OCC Policy Committee Position: The OCC Policy Committee supports this resolution.