

Evaluating the benefits and limitations of Canada's Critical Minerals Strategy

Federal and provincial policies, such as Canada's Critical Minerals Strategy, are helping to strengthen Canadian production of critical minerals. However, there are limitations of the strategy that must be addressed if Canada wishes to become a critical mineral hub, explains Torsys' Mining and Metals practice head [Mike Pickersgill](#) in an interview with [Lexpert](#).

"Canada's Critical Minerals Strategy has made some real progress and is still an opportunity and a well-intended strategy document," Mike says. He also points out that the 2024 federal budget extended mineral exploration tax credits and expanded clean energy incentives. "That's a real, positive, tangible step that can help miners from a financing perspective."

There are a number of challenges, though, that have prevented the strategy from having a meaningful impact, Mike explains.

Released December 2022, the federal government's Critical Minerals Strategy aims to achieve five objectives: support economic growth, boost climate action, strengthen Indigenous reconciliation, foster diverse communities and workplaces, and strengthen "global security and partnerships with allies." At the same time, the government has passed legislation to protect the Canadian critical mineral industry from foreign ownership, which can hinder investment needed to execute these objectives.

"Those are real challenges for the mining industry, and Canada's Critical Minerals Strategy has yet to unlock that," Mike says.

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Despite these realities, the Critical Minerals Strategy presents an opportunity to strengthen the production of raw materials used for renewable energy, which can result in cost-savings for miners and unlock government and stakeholder support.

"One of the things that we think is a fantastic opportunity, and that we are seeing miners embrace, is looking at renewable energy not only as an effective source of power for projects," Mike said.

For example, combining renewables with other energy sources enables miners to "balance the load", rather than having to obtain diesel fuel or other power transmission in remote, difficult-to-access locations. Using renewables also helps miners respond to stakeholders' questions regarding ESG issues.

"When done thoughtfully and with a view to load and costing, it's a fantastic opportunity to find a way to access government support and stakeholder support for your project," Mike says.

"We do see companies embracing that renewable story."

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