

BC MINING AND THE CARBON TAX

Helping the World Transition to a Low Carbon Economy



MABC

MINING ASSOCIATION
OF BRITISH COLUMBIA

mining.bc.ca

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BC MINING TODAY

For generations, mining operations across BC have provided high paying jobs and economic activity in every region of our province. Today, mining continues to be vital to our provincial economy and standard of living, while our minerals and metals – key ingredients in clean energy technologies – are helping the world transition to a cleaner, lower carbon economy.

Our mines and smelters support more than 35,000 workers across the province from Campbell River to Cranbrook, and from Victoria to Vanderhoof. We share a common commitment in embracing innovation and high technology to ensure our operations waste less, conserve more, optimize the responsible extraction of our resources and minimize our environmental footprint.

Mining in BC is largely a ‘home grown’ sector. Most of the major players operating in the province are either BC-based or Canadian companies. Over time, this has led to the Lower Mainland becoming a global mining centre, with one of the largest concentrations of industry-related professionals in the world. From engineering to geology, finance, legal, accounting, chemistry, environmental services, high technology and more, our expertise and services are in demand internationally.

We have built a global reputation as responsible operators from exploration, planning and permitting to development, production and reclamation. And we meet some of the world’s highest regulatory standards that safeguard our environment and the health and safety of our workforce.

While there’s more to be done, BC’s mining sector has taken a leadership role in advancing economic reconciliation with BC’s Indigenous nations through numerous agreements and partnerships that reflect the principles of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). Mining has become a significant partner with Indigenous businesses in BC and a large employer of Indigenous people.

As the World Bank has recently concluded, in order to meet the Paris Agreement targets, ambitious climate action will require a large-scale transition to clean energy which will drive significant demand for minerals and metals.

MINING BY THE NUMBERS
2019 DATA

14 operating mines

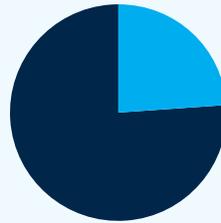
2 smelters

35,000 jobs across the province



\$123,700 average annual wage —
one of the highest in the province

\$1 billion+
in annual taxes
to government



24% of BC's
exports

\$7.4 billion
contribution
to BC's GDP

\$3 billion spend on
3,700 small, medium and
Indigenous businesses
in 215 BC communities

\$330,000,000 spend on exploration



IMPROVING THE MINING INDUSTRY'S ABILITY TO COMPETE AND SUCCEED

Today there are 14 major mines in operation in BC and two world class smelters. BC is Canada's number one producer of copper and steelmaking coal, number two producer of silver, and only producer of molybdenum. We're also a significant producer of aluminum, gold, lead, zinc – and produce 20% of the world supply of Germanium, a critical component in thermal scan thermometers, one of the key tools in the fight against COVID-19.

Mining is a global, commodity-based industry that is constantly evolving. BC's miners face a high degree of volatility in the price of their products, which is set by the market. We are constantly innovating, identifying efficiencies and reducing costs to stay competitive with producers in other jurisdictions.

In 2018, BC's mining community came together through the provincial government's Mining Jobs Task Force to develop a plan to create and sustain mining jobs for workers across the province. Escalating competition and fast paced demographic, social and technological changes were putting our industry and workers at risk.

The Task Force made 25 recommendations to government to strengthen the competitiveness of BC's exploration and mining sectors, while also identifying a collective, long-term vision for BC mining the industry rallied around.



THE NATIONAL CONTEXT

The **Canadian Mining and Minerals Plan (CMMP)** is an ambitious pan-Canadian initiative to drive a competitive, sustainable and responsible minerals and metals industry in Canada. With a strong focus on collaboration among governments, industry, Indigenous peoples and stakeholders, the CMMP urges the federal, provincial and territorial governments to harmonize or mutually recognize regulations and adjust tax policies and other fiscal instruments to support cost competitiveness and attract investment in the minerals and mining sector.

A VISION FOR BC'S MINING INDUSTRY

The Mining Jobs Task Force **envisioned a growing and sustainable mining sector**, one that British Columbians can be proud of, that forms the backbone of an **inclusive, progressive and low carbon economy**.

The collective vision for our industry that sprang from the Task Force still holds true today.

MINING JOBS DESERVE SUPPORT

Importantly, in their final report to government, the Task Force identified two critical challenges facing mining that require government action and policy change in order to fully realize the industry's vision:

- 1. The Task Force identified the carbon tax as the single greatest barrier to the competitiveness of BC mining.** Specifically, the Task Force highlighted the significant and increasing competitive disadvantage that energy-intensive, trade-exposed (EITE) sectors like mining face with BC's carbon tax compared to our Canadian and global competitors.¹
- 2. The Task Force recognized the need to improve the efficiency, transparency and predictability of the regulatory framework** governing BC mining to decrease investment risk, improve competitiveness and enhance environmental performance.

EITEs, or 'trade exposed' industries, are industries that are constrained in their ability to pass on carbon costs to their customers because the price of their products are set by the international market.

While our challenges may not be unique in a global economy, the Task Force was clear that if we fail to take urgent action, the industry would fall behind and contract – and along with it, the jobs and benefits that flow to British Columbians.

Overcoming these challenges is imperative. We need to encourage the development of new mines and expansions at existing operations.

- Within the next 20 years, nine BC mines are expected to reach the end of their production and close, leaving only five operating mines in 2040. That means the jobs, community benefits and revenues for public services will disappear along with them.

Twenty years may seem like a long time – it’s not. The process to undertake exploration and feasibility studies, environmental assessments, securing financing and permitting can take decades. Moreover, the process for mine expansions to move through permitting and into construction takes years.

“ Achieving this vision will take considerable work, but successful adoption of these actions will drive a progressive, inclusive and competitive sector that maintains its place as a leader in innovation and environmental best practices, supports job creation and ongoing socio-economic development, and meaningfully contributes to advancing reconciliation with Indigenous peoples. ”

–BC’S MINING JOBS TASK FORCE

THE MINING JOBS TASK FORCE

The Task Force included representatives from government, Indigenous nations, labour, municipal government, academia, industry, and environmental organizations. Members were united in their desire to produce consensus-based, realistic and achievable actions to support the long-term growth of mining jobs in BC.

The Task Force presented their final report to government in January 2019. The full **report** is available on the Ministry of Energy, Mines and Petroleum Resources website.

STRENGTHENING BC MINING

There is no guarantee BC mining will continue. How can we achieve our vision of a mining sector that British Columbians can be proud of? We cannot change the characteristics of our geology or our geography, which make BC a high cost jurisdiction compared to many of our competitors, but we can work together to address regulatory and fiscal challenges to ensure capital continues to flow in our province to build new mines and support mine expansions. Overcoming these challenges will protect and support BC workers and communities, promote economic reconciliation and grow revenue for government, while supporting the responsible production of minerals and metals the world needs to reduce our carbon footprint.

CHALLENGE 1:

Change the Carbon Tax so it protects BC's environment *and* jobs

Governments impose a price on carbon to discourage the use of fossil fuels and incent GHG emission reductions. They employ two main types of price signals: carbon taxes and emissions trading systems (ETS). A tax sets a price directly on carbon, while an ETS (or "cap-and-trade") caps the total volume of GHG emissions and divides it among industries using allowances.

In BC's mining sector, we have worked hard to reduce our GHG emissions. We are a model internationally for how to lower emissions. Along with the Mining Association of Canada, we've supported a price signal, like the **carbon tax**, to reduce emissions and fight climate change.



Currently, 46 national and 32 subnational jurisdictions price carbon. **At \$40/tonne of CO₂e, BC's carbon tax is the highest in North America and among the highest in the world.²**

Key mining and smelting operations in the U.S., Australia, Russia and the Middle East pay no price for carbon. Chilean miners only pay carbon tax on their electricity generation at \$5 per tonne CO₂e (USD).³ Clearly, this places BC's mining industry at a cost disadvantage with firms in these competing nations.

BC is the Only Jurisdiction that Does Not Meaningfully Support its Mining Industry and Workers

With the exception of BC, all jurisdictions with carbon pricing regimes – whether a tax or an ETS – provide support for their EITE industries to protect their firms and workers and prevent carbon leakage. This includes every other Canadian province, including the provinces of Ontario, Quebec and Alberta, where there is significant mining activity.⁴ To avoid job losses and carbon leakage, carbon tax supporters advocate for targeted, transparent and temporary support to EITE industries.⁵

CARBON LEAKAGE

Carbon leakage occurs when investment, industrial activity, and the associated emissions, shift or “leak” from one jurisdiction to another with less stringent carbon pricing. This impedes global emissions reductions and harms the jurisdiction’s economy, firms and workers.

As the Task Force identified, the lack of protection for mines and other EITE industries like pulp and paper or forestry under BC’s carbon tax, is the single greatest barrier to the competitiveness of BC’s mining industry. This is the key competitiveness concern of MABC’s members: we are not competing on a level playing field, even within Canada.

For industries that supply only a domestic market, a portion or all of the costs associated with a carbon tax may be passed onto buyers. For EITE industries like mining and smelting, however, this is not possible. They are price takers – the price for their products is set in international markets and cannot pass the increased cost to their buyers. They must absorb the carbon tax as a higher production cost. This reduces a firm’s margins, disincentivizes capital expenditures and mine expansion, while necessitating cost cutting elsewhere in the firm, while encouraging carbon leakage.

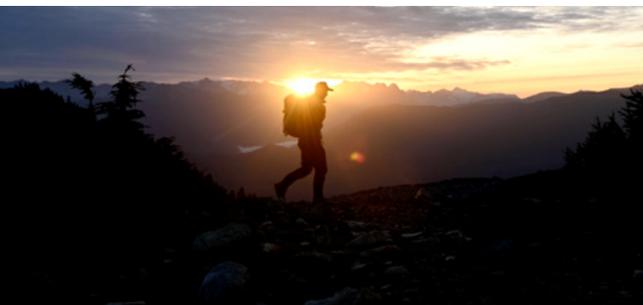
When BC launched the carbon tax in 2008, it was assumed many other nations and subnational jurisdictions would follow with their own. Most have not. Those that did have protected their trade exposed firms. In light of this, BC’s mines and smelters face a significant cost disadvantage because firms they compete with in other jurisdictions have no carbon pricing or significantly lower carbon pricing. Anecdotal evidence suggests the carbon tax is already contributing to a shift in capital investment and carbon leakage.

Supporting Mining and Workers in Canada and Abroad

The need to provide support for trade exposed industries has been recognized by all jurisdictions with emission trading systems, including California, Quebec, the eleven US states in the Regional Greenhouse Gas Initiative, South Korea, China and the European Union.⁶ Each protects their EITEs through the use and allocation of free or low-cost allowances.

- **Introduced in 2019, Canada’s federal carbon pricing system applies only to the provinces and territories without their own carbon pricing and is not applicable in BC.** It consists of both a price on fuel and a trading system for industry: the federal Output-Based Pricing System (OBPS). The OBPS is “designed to provide a financial incentive for industrial emitters that are energy-intensive and trade-exposed (EITE) to reduce their emissions while remaining competitive. Such a system helps to protect against carbon leakage...”⁷
- **In Canada, Alberta, Ontario, and New Brunswick use emissions performance standards like the OBPS.** Quebec’s ETS is linked with California and shares an allowance market. Like California, Quebec provides free allowances to at-risk industries, including aluminum smelting, steel mills, cement plants, and pulp and paper plants. Nova Scotia has a closed ETS, with allowance trading only within province.

“ It would be unhelpful to the global fight against climate change if low-carbon intensity B.C. operations are shut down, with the same production activities replaced elsewhere with higher GHG emissions. ” –BC BUDGET AND FISCAL PLAN, 2020, PG. 23



→ **MABC'S ASK: level the playing field for BC's mine workers and change the carbon tax so it protects our environment and jobs**

Research demonstrates that BC's mining sector has among the lowest GHG emissions profile in the world, primarily due to our province's hydroelectric assets. Yet, we pay among the world's highest carbon tax, without the support other governments in Canada provide to their trade exposed industries.

- BC's mining industry is calling for change to BC's carbon tax so that it protects the environment *and* jobs.
- MABC is seeking an equivalent level of support provided by other Canadian jurisdictions to level the playing field for BC's mining industry and workers with other Canadian firms, while maintaining a price signal to incent emission reductions.
- To do this, government can modify the existing Clean BC Industrial Incentive Program (CIIP) so it applies to the carbon tax paid by mines, smelters and other EITEs below the \$30/tonne CO₂e threshold. Currently, only the Incremental carbon tax paid by a mine or smelter above \$30/tonne CO₂e is eligible for the CIIP program, which essentially returns a portion of the tax above \$30/tonne CO₂e to the firm if its product's emissions intensity meets an established benchmark.⁸

Changing how the carbon tax is applied to mines, smelters and other trade exposed industries in BC does not put our ability to meet our provincial GHG targets at risk, nor will it necessarily lead to higher GHG emissions in the mining sector.

As it stands now, the amount of refundable carbon tax through the current CIIP above \$30 CO₂e is small relative to that available in other Canadian jurisdictions. In BC's mining sector, our operations will on average receive a payment of 65% of incremental carbon tax paid above \$30/tonne CO₂e. Despite the current CIIP, a significant competitiveness gap remains.

CARBON TAX COMPARISON

Under the federal OBPS, a mine in Ontario pays less carbon tax than a mine in BC. Take for example, an open pit copper mine emitting 100,000 tonnes of CO₂e. Both mines must meet a GHG benchmark. In BC, if the mine does not meet its current CIIP benchmark the carbon tax remittance would be a maximum of \$4 million (or \$40 per tonne CO₂e if production created 100,000 tonnes of emissions). If it reached its benchmark, its carbon tax remittance would be \$3.35 million. If the same mine operated in Ontario under the federal carbon tax and OBPS it would pay \$30/tonne of CO₂e on 20% of its total emissions, or \$600,000.

CHALLENGE 2:

Improve the regulatory framework for mining in BC

Mines require large upfront capital expenditures and require long-lead times to move through permitting and into production before they generate cash flow. The regulatory process can help or hinder mine development; it can also effect industry's investment intentions.

BC's regulatory framework for mining exists to protect the environment, and worker health and safety. BC miners must meet some of the most stringent regulatory standards in the world. The three primary mining authorizations include: the BC Environmental Assessment Act and the Reviewable Projects Regulation; the BC Mines Act and associated Regulations and the Health Safety and Reclamation Code; and the BC Environmental Management Act and associated Waste Discharge Regulations.

The Mining Jobs Task Force identified the need to improve the clarity and predictability of BC's regulatory framework. In doing so, British Columbia can have a world-leading regulatory regime that fosters innovation and environmental protection and encourages investment in mine expansions and new mines, with corresponding job growth and community sustainability.

In the 2019 provincial budget, government acted on the Task Force's recommendations and provided \$20 million to separate the permitting and compliance functions within the Ministry of Energy, Mines and Petroleum Resources' (EMPR) to broaden permitting requirements, reduce complexity and increase public, Indigenous and industry confidence in the regulatory process. We support this action taken by government. More recently, the provincial government began a regulatory efficiency initiative to expedite mine permitting and accelerate reconciliation in the mining sector.

➔ **MABC'S ASK: deliver regulatory excellence in mining**

Government has made progress on this file. But it is time to take the next step forward to achieve the Task Force's vision for BC's mining industry. We are calling for further changes to the regulatory framework and process governing our industry, with the goal of regulatory excellence, including:

- Dedicated resources to implement the Declaration within EMPR and other ministries to improve certainty and accelerate reconciliation
- Increased cross-ministry collaboration on permitting to increase transparency, certainty and timeliness
- A commitment to implement the regulatory efficiency initiative that is currently underway

“ A more efficient, predictable, and effective regulatory framework with dedicated resources to implement UNDRIP within the regulatory system will improve clarity and certainty for all stakeholders. ” – BC MINING JOBS TASK FORCE



TAKE A DEEPER LOOK AT BC MINING

British Columbians continue to struggle as we seek to rebuild our economy in the face of COVID-19. Overcoming the two primary challenges to our industry's ability to compete and succeed in global markets will enable BC mining to make a meaningful contribution to our economic recovery.

Mining helped build our province. It remains a bedrock industry that brings significant economic potential to British Columbians during a time of economic crisis. It is incumbent on all policy makers to embrace the Task Force's vision and take action to improve our competitive position and realize a more inclusive, progressive and low carbon economy.

Taking a deeper look at how we work in BC mining reveals the positive attributes our industry is delivering to British Columbians, with potential for much more.

Low Carbon Minerals and Metals

British Columbia has some of the lowest GHG-intensive mines and smelting operations in the world. The amount of avoided emissions through the production and export of BC minerals and metals is substantial, thanks in large part to our clean hydroelectric assets. In fact, BC mining has been an early adopter in the use of hydroelectricity, whether to power the Sullivan mine in Kimberly or the Cominco smelter in Trail, well over a century ago.

- In 2018, GHG emissions from BC mining and smelting accounted for approximately 5.3 percent of BC's total emissions, which was a decrease from 2007 when mining and smelting accounted for roughly 6.2 percent of BC's total emissions.

The Low Carbon Industrial Strategy found that BC's copper, aluminum and steelmaking coal resulted in between 6 million and 8.5 million fewer tonnes of CO₂e than had the same products been supplied by competitors. To put this in context, this is equivalent to avoiding the GHG emissions of 1.3 million to 1.9 million passenger vehicles. There were 3.85 million passenger vehicles on BC's roads in 2018.

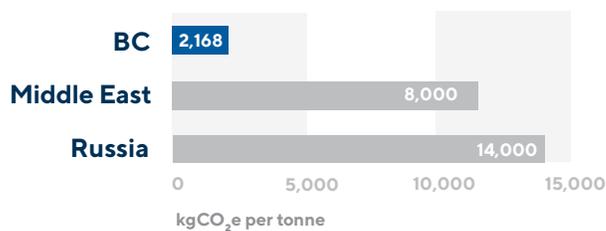
- BC steelmaking coal is estimated to result in 50% fewer emissions than Australia's
- The production and transportation of a tonne of BC copper results in 23% fewer GHG emissions than a tonne of copper from Chile
- The production and transportation of aluminum from BC results in 85% fewer GHG emissions than aluminum from Russia, and 73 percent fewer GHG emissions than aluminum from the United Arab Emirates

LOW CARBON INDUSTRIAL STRATEGY

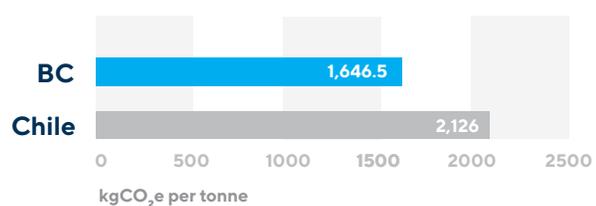
In 2019, the Business Council of BC and the provincial government collaborated on the Low Carbon Industrial Strategy (LCIS) that compared the GHG intensity of BC mining products with those from competing jurisdictions while also assessing how our competitiveness stacked up with those jurisdictions.

Independent technical experts compared the amount of GHGs produced by BC natural resource industries against competitor jurisdictions. In mining, the study examined GHG emissions from BC steelmaking coal, copper, and aluminum. More information on the LCIS and BCBC's Low Carbon Advantage plan may be found at: <http://www.lowcarbonadvantage.ca/>

Aluminum GHG Emissions per Tonne

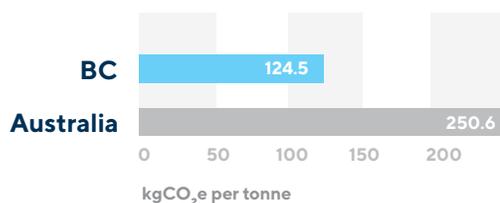


Copper GHG Emissions per Tonne



Steelmaking Coal

GHG Emissions per Tonne



BC mining companies are continuing to lead the way:

- Copper Mountain mine is planning to trial a trolley assist system to connect haul trucks to an electricity supply to replace diesel fuel with electricity to reduce GHG emissions
- Teck Resources is committed to further reduce the carbon intensity of its operations by 33% by 2030, and be a carbon neutral operator by 2050

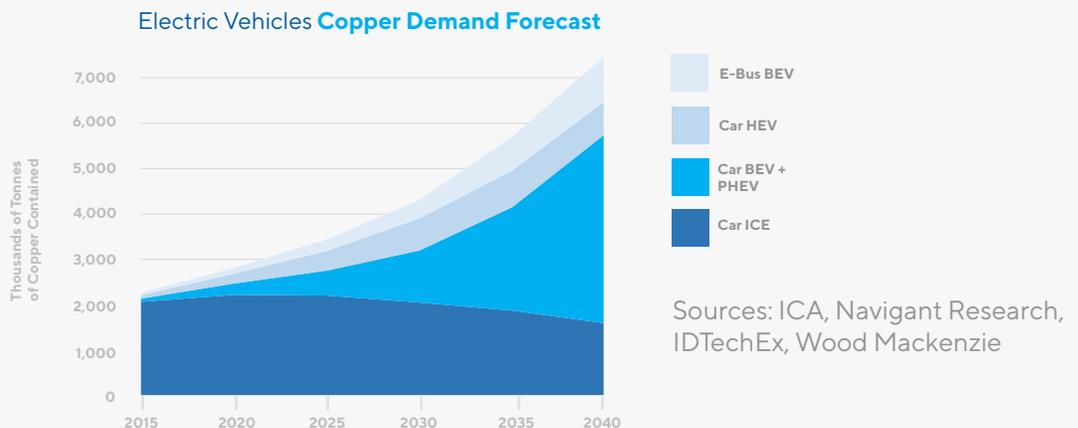
Building the Foundations of the Low Carbon Economy

BC's mines and smelters, and our responsibly produced low carbon minerals and metals, are essential to build the low carbon economy and tackle global climate change.

Increased demand for electric vehicles, renewable energy and consumer technologies like smart phones and smart houses means more minerals and metals will be needed. Increasing production from BC mines, over those in other jurisdictions where emissions are higher, will mean lower overall global GHGs. Meeting this growing demand is a tremendous opportunity for British Columbians and our economy.



Electric vehicles require up to **five times the amount of copper** as a traditional combustion engine.



The average wind turbine requires about **260 tonnes of steel** – made with **170 tonnes of steelmaking coal**.



Copper is critical in the production of N-95 masks, ventilators, medical instruments, devices and hospital beds.



BC provides 20% of the world's supply of germanium, a critical component in thermal scan thermometers.

Advancing Economic Reconciliation

BC's mining industry has taken a leadership role in advancing economic reconciliation with Indigenous people. Our industry is optimistic that with proper implementation, BC's adoption of the UN Declaration on the Rights of Indigenous Peoples in legislation will bring renewed confidence to BC's economic future.

- Indigenous communities share in the benefits of mining through numerous Impact Benefit Agreements that reflect UNDRIP principles
- Indigenous nations also share directly in mineral tax revenue from mines operating within their traditional territories, a policy that started in BC. Forty-six nations have received a total of \$98 million in payments to date
- BC mining is a major partner with Indigenous businesses, purchasing \$265 million in goods and services from 120 Indigenous-affiliated suppliers in 2018

Today, more Indigenous people work in mining than in any other heavy industry in Canada. At the Bruce Jack and Red Chris mines in Northern BC, **more than 30% of each mine's work force is Indigenous.**

While their employment numbers in mining are significant, Indigenous people are underrepresented in our industry. We expect to lose 25% of our current workforce in mining to retirement in the next five to 10 years. We need to support the potential of young Indigenous British Columbians and provide new opportunities for training and employment. Following the Mining Jobs Task Force, the province contracted a study, which is currently being developed, to examine Indigenous mine training programs and make recommendations for a new program.



Mining Responsibly

BC miners have developed a reputation as responsible operators the world over, while our industry is recognized as a leader in health and safety practices and the safest heavy industry in Canada.

British Columbia's mining companies continue to find new and innovative ways to mitigate the impacts of their operations and minimize their environmental footprint over the life of their projects. This progress is initiated by individual companies, reviewed publicly in our member's sustainability reporting and guided by continuously evolving industry standards and best practices.

- MABC's members have voluntarily surrendered, deferred or restored 63% of their coal license reserves, equaling almost 400,000 hectares, to support habitat conservation in an imperiled caribou herd area in northeast BC. They have committed over \$6 million toward research and Indigenous partnerships that directly support caribou recovery and habitat restoration.
- In 2019, Rio Tinto's BC Works in Kitimat was certified by the Aluminum Stewardship Initiative (ASI) for producing aluminum to the highest internationally recognized standard for responsible environmental, social and governance practices.
- Taseko received the prestigious Jake McDonald award for Metal Mine Reclamation in 2020 for their ongoing reclamation work at the Gibraltar mine. In the last six years, 107 hectares of land has been progressively reclaimed through tree-planting and ground cover replacement, in cooperation with the Xat'sull First Nation.



Building on a Strong Environmental, Social and Governance (ESG) Foundation

Miners in British Columbia have long worked to build social acceptance with stakeholders and Indigenous communities. By focusing on improving our environmental and social performance, our industry is moving beyond simple regulatory compliance to demonstrate more transparency and good governance to build trust with Indigenous and local communities.

Communities, particularly those in BC, have high expectations for engagement. BC's mining industry has made great strides in meeting or exceeding those expectations and is committed to live up to the values of the communities where we operate.

However, while community expectations increase, so too have those of investors and consumers. They are increasingly demanding increased transparency in their supply chain to verify the products they purchase meet high ESG standards.

- There is growing awareness and demand around the world for environmentally and socially responsible metals and minerals and the products they create. Manufacturers like Apple, Microsoft and BMW are looking to incorporate low carbon metals and minerals into their production.

“ Our members' ESG practices are the foundation of an emerging BC brand of responsibly produced minerals and metals. ” – MICHAEL GOEHRING, PRESIDENT & CEO, MABC

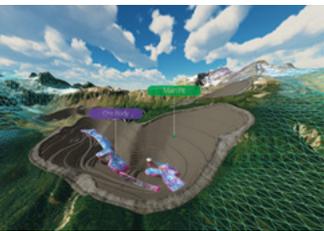
BC's mining sector is well positioned to be a responsible supplier of choice in global metals markets given our low carbon footprint, high environmental standards, community engagement practices and leadership in advancing economic reconciliation with Indigenous nations.

- Teck Resources has been named to the Dow Jones Sustainability World Index (DJSI) for 10 straight years, indicating that Teck's sustainability practices are in the top 10 percent of the 2,500 largest companies in the S&P Global Broad Market Index. Teck was the top-ranked mining company based on an in-depth analysis of the company's economic, social and environmental performance.

Made-in-BC Mining Innovation

In BC mining, innovation and the adoption advanced technologies are necessary to remain competitive. We are continuously improving our operations' performance to stay ahead. This innovative spirit runs deep in our industry. For example, the development of the differential flotation process, groundbreaking technology to separate complex ores into two or more mineral components used the world over, was developed in Trail BC in the early 1900s.

Today, collaboration with BC's tech and clean tech sectors is helping transform our operations and environmental practices. State-of-the-art solutions like artificial intelligence, big data and electrification enable us to conserve more, waste less, and reduce our environmental footprint. The province is also home to many companies who are developing new innovations to support more sustainable mining operations domestically and around the world.



LlamaZOO Interactive

Creates 3D communications and digital twinning software solutions with a focus on the future of mining. They've created MineLife VR, a software platform that fuses geospatial and mine planning data into a 1:1 scale virtual reality replica of both the current and future states of a mine site.



MineSense

A pioneer in digital mining solutions headquartered in Vancouver, with clients around the world, MineSense improves the profitability and sustainability of mining by radically improving ore body visibility at the face and create superior ore/waste routing decisions.

Saltworks Technologies

Based in Richmond, Saltworks is a leading provider of industrial wastewater treatment solutions. They supply innovative technologies for brine management, zero liquid discharge, and other advanced treatment applications. Saltworks also offers design and engineering services, comprehensive pilot testing, full-scale plant delivery, and custom engineered systems.



MABC's forthcoming *Mining Innovation Roadmap*, and the proposed creation of a Mining Innovation Hub, in partnership with industry, the provincial and federal governments and academia, will accelerate innovation and enhance competitiveness across a range of areas including water management, clean tech, emissions reduction and environmental protection.

Supporting Communities' Economic Recovery

At a time of great global uncertainty, we need to take every step we can to keep people working. We have seen how COVID-19 has disproportionately impacted women and young people. Mining can be part of the solution, making products that help lower our impact on the planet and support our economic recovery here in BC.

- BC's mines and smelters **support over 35,000 direct and indirect jobs** in every region of the province. Every direct job in a mine or smelter supports two other jobs supplying goods and services to the industry.
- Mining jobs are high-paying and family-supporting jobs, **with an average annual compensation of \$123,700 in 2018, one of the highest in BC.**
- Mining helps pay for the public services we all rely on. The industry contributed **\$1.1 billion in direct payments to government in 2019**, an increase of \$173 million or 20% above 2017. These payments do not include personal or corporate income taxes generated by the industry, which would increase the total by "hundreds of millions of dollars."⁹

“ A report by EY estimated that adding one additional steelmaking coal mine in BC would create an estimated 639 new jobs and have a \$691 million impact on economic activity. ” – BC MINING JOBS TASK FORCE



Every BC Community is a Mining Community

The notion that mining matters only to rural communities is far from the truth. Mining supports every community in the province, even those in Metro Vancouver.

- The mining industry's 2018 spend on goods and services injected almost **\$3 billion into more than 3,700 small and medium sized businesses in 215 BC communities.**¹⁰
- More than **1,250 of BC's mining supply firms** are in Metro Vancouver, generating almost \$1 billion annually for the region.
- Surrey's **190 mining suppliers generated \$111 million** in revenue in 2018, while Burnaby's 140 mine suppliers generated \$202 million in revenue from the mining sector.
- On Vancouver Island, **270 suppliers sold \$15 million worth of goods** and services to BC's mines and smelters in 2018.



CONCLUSION

COVID's impact has left our province struggling to kick start our economy to generate growth, jobs and government revenues to pay for public services. With the right policies in place BC mining offers British Columbians a significant opportunity to help our economy grow. Recovery will come from the creation of new jobs and economic opportunities from the production of the metals and minerals the world needs to transition to a cleaner, low carbon economy.

The reality, however, is that we remain the only province in Canada, and the only jurisdiction in the world, with a comprehensive carbon tax, that has not taken meaningful action to protect mines and smelters. Removing this barrier to our competitiveness so we can protect the environment and jobs is critical to the mining sector, our workers, Indigenous partners, communities and stakeholders. Improving BC's regulatory framework is also of critical importance.

If policy makers fail to take urgent action, our industry runs the risk of falling behind and contracting – and along with it, the jobs and benefits that flow to British Columbians.

During a time of economic crisis, if policy makers take action to improve our industry's competitive position and create a more sustainable and growing mining sector, BC mining can continue to build our province, like it did 150 years ago.

The mining community and all who depend on it have high expectations. So do British Columbians.

ABOUT MABC

The Mining Association of BC is the voice of British Columbia's steelmaking coal, metal and mineral producers, smelters and advanced development companies. Our industry benefits all British Columbians and supports more than 35,000 jobs and over 3,700 small, medium and indigenous affiliated businesses in every corner of the province through an annual spend of nearly \$3 billion on goods and services. Our members' products have among the lowest carbon footprints globally and are helping the world transition to a cleaner, low-carbon future; safely, responsibly, and sustainably.

MABC MINING ASSOCIATION
OF BRITISH COLUMBIA

Endnotes

- ¹ Energy-intensive and trade-exposed industries (EITEs), or simply trade exposed industries, are defined as industries that are constrained in their ability to pass through carbon costs due to international competition.
- ² Mansfield Consulting Inc., BC Mining and Carbon Pricing, 2020: page 20.
- ³ Mansfield Consulting Inc., BC Mining and Carbon Pricing, 2020: page 20.
- ⁴ Mansfield Consulting Inc., BC Mining and Carbon Pricing, 2020: page 21.
- ⁵ <https://ecofiscal.ca/wp-content/uploads/2015/11/Ecofiscal-Commission-Carbon-Pricing-Competitiveness-Report-November-2015.pdf>.
- ⁶ Mansfield Consulting Inc., BC Mining and Carbon Pricing, 2020: page 22.
- ⁷ https://www.pbo-dpb.gc.ca/web/default/files/Documents/Reports/RP-2021-019-S/RP-2021-019-S_en.pdf
- ⁸ <https://www2.gov.bc.ca/gov/content/environment/climate-change/industry/cleanbc-industrial-incentive-program>.
- ⁹ PwC, ESG: Resilience and Opportunity in Uncertain Times. The Mining Industry in BC in 2019, 2020: Page 7.
- ¹⁰ Mining Association of BC, One Province One Economy: <https://www.mining.bc.ca/one-province-one-economy-0>