Ontario Mining: A partner in prosperity building

Lake Superior Binational Program
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Peter McBride
Ontario Mining Association
The Ontario Mining Association

- Mission - to improve the competitiveness of mining in Ontario while striving for a safe and environmentally sustainable industry

- Since 1920 have worked with government and communities of interest

- Currently 58 members representing operating mines in Ontario, contractors, suppliers, consultants and others associated with the industry
Mining in Ontario

- Province Wide: 44 mine sites
  - nickel, gold, copper, zinc, platinum
  - salt, talc, calcium carbonate, gypsum
  - Ontario’s first diamond mine opened in 2008

- Benefits all geographic areas of the province
Economic impact

- There are lots of figures with dollar signs that illustrate the economic impact of mining.
- However, the real impact of mining is its role in developing people and communities.
- Mining provides a broad scope of employment and entrepreneurial opportunities.
- Training in many fields and skills development.
- Community building.
- Infrastructure enhancement.
• Ontario is the safest mining jurisdiction in the world

• Mining is one of the safest industries in Ontario
  • lost time injury - 46% improvement since 1999
  • total medical aid injuries - 36% improvement since 1999
  • third safest sector in Ontario

• Companies invest almost $2,500 / employee annually on health and safety training
Ontario a Leader

- Value of mineral production $10.7 billion in 2007
  - non-fuel mineral production was 28% of Canada’s total
  - produced 31% of Canada’s metallic minerals and 22% of nonmetallic

- Ontario has led Canada in exploration since 2000
  - 2007 a record year with $502 M in exploration and deposit appraisal expenditures
Ontario a Leader

- Mining trade surplus of $3.3 billion annually
- 80% of mineral products exported
- 94% inputs are Canadian
- Tax revenues generated >$600 million annually
- Industry payroll $1.2 billion
- Investment $2.7 billion annually in R&D, exploration, construction and equipment
Ontario a Leader

• Mine workers generate more than $70.50 per hour to the Gross Domestic Product
  • Ontario's mining industry has increased productivity 66% since 1999

• TSX is mine financing capital of the world
  • Raised 35% of total world equity capital for mining in 2007
  • Home to 57% of world’s listed mining companies
• More than 1,000 mining supply and service companies

• Mines in Ontario purchase more than $835 million, or 43% of their total procurement of goods and services, from local suppliers
  • Local in this case means within a one hour drive of the mine
A Partner in Prosperity Building

• Study conducted by University of Toronto to measure the contribution of a representative mine including the direct impacts, indirect impacts of industries up the production chain and the induced impact of the spending of workers

• Representative was defined as a
  • nickel/copper mine
  • roughly the average size of Ontario’s existing base metal mines
  • includes on-site milling
  • located in a serviced area of the province
Representative Mine Study

- A single representative mine in Ontario annually provides:

  - Provincial Benefit
    - $278 M GDP
    - $84 M government revenues

  - Local Benefit
    - $220 M GDP

- Construction phase additional
Representative Mine Study

- A single representative mine in Ontario annually provides:

**Provincial Benefit**
- 480 direct mine jobs, 2,280 positions in total

**Local Benefit**
- 1,500 jobs or $115 M in labour compensation

- Construction phase additional
High Tech, High Skilled, High Paying Jobs

• Average employment compensation annually
  • Direct Jobs $145,000
  • Indirect Jobs $47,500
  • Induced Jobs $44,000

• Mining can assist to keep young people in the north and often represents the best opportunity for Aboriginals

• Aboriginal employment in the mining industry accounted for 5.3% of the total mining labour force making mining the largest industrial employer of Aboriginal peoples in Canada  
  (Stats Can 2001)
Future Outlook

- Mining companies are global and only invest where they are welcome.
- Ontario no longer dominates on the geological and policy scale, competing with an increasing number of jurisdictions.
- Last 12 months have seen Ontario sectors like auto, forestry and manufacturing decline - current global economic downturn begun to affect mining as well.
Future Outlook

• Foundations of the entire global economy are shifting
  • Can we count on strong demand from growing nations?
  • Global urbanisation had been projected to increase 10% over the next two decades

• Ontario’s commodities projected to remain in demand for years to come -- if price is right
Future Outlook

• Challenges & Opportunities
  • Energy
  • Permitting
  • Rule of Law
  • Revised Ontario Mining Act
  • Far North land use planning
Ontario Mining Association
520-5775 Yonge St.
Toronto, ON
M2M 4J1

416-364-9301

pmcbride@oma.on.ca

www.oma.on.ca