

April 2nd, 2020

The Hon. Blaine Pedersen
Minister of Agriculture and Resource Development
Government of Manitoba
450 Broadway
Winnipeg, Manitoba
R3C 0V8

Re: **Manitoba's exploration, mining and mineral processing sectors during COVID-19 pandemic**

Dear Minister Pedersen:

We appreciate the role the Manitoba government has played in encouraging social distancing and minimizing as much as possible the spread of COVID-19 in the province. This is a critical time for the health of people and businesses in the province, and how we navigate the situation now will dictate how we emerge on the other side.

Manitoba's exploration, mining and mineral processing sectors (the minerals sector) and their extensive supply chains are facing an unprecedented challenge during the COVID-19 pandemic. Once the situation is stabilized, it is essential that these sectors are able to return to normal and position themselves for renewed growth as quickly as possible.

Our Manitoba Liaison Committee on Mining and Exploration has set out some urgent proposals for your consideration. Our recommendations primarily concern permitting, consultation, access to sites, assessment work credits and public health.

Permitting

The minerals sector depends upon timely permitting not only from your department but from others, most critically, permits from the Department of Conservation and Climate. This includes work permits for Crown Land, Parks, and other surface rights access.

RECOMMENDATION: We recommend that you work with your cabinet colleagues, particularly the Minister of Conservation and Climate, to ensure that permits for minerals sector companies in good standing be automatically renewed without the need for a new application, where there is no material change to the nature or scale of activities under an existing permit, or where new activities were already contemplated as the next ordinary step in a project under an existing permit.

Consultation

With the implementation of physical distancing measures, carrying out consultations with First Nations and Northern Communities will become very difficult for the foreseeable future. We acknowledge that the traditional way of participating in consultation has become a challenge during the current COVID-19 Pandemic. We do not want to jeopardize the health and safety of the indigenous peoples and recognize the need to temporarily halt in-person meetings.

RECOMMENDATION: We recommend that the Government of Manitoba communicate with industry how they will perform Consultation during the COVID-19 Pandemic. This should be prioritized given the upcoming field season that is critical to the mineral exploration and mining industry.

We also recommend that any consultation requirements for projects that cannot be fulfilled due to the current environment, be deferred until the pandemic situation stabilizes without any prejudice or penalty to projects during that interim period. We recognize that this would not be a waiver of consultation requirements for projects or project phases requiring consultation.

Access to sites

The mineral exploration sector already operates in many cases under conditions that involve physical distancing across vast, wide-open spaces, particularly the work done by field geologists. It is essential that companies and prospectors in the minerals sector continue to have access to facilities, work and exploration camps.

Proposals to ban persons from outside the local communities from accessing facilities or camps or going into local communities will ultimately cause long-term harm to both the minerals industry and the continued economic viability of local communities. It may also create dangerous conditions where access by personnel is needed to maintain the safety or condition of a site.

It should be considered as a working assumption that by some point later in the year, a single person or very small groups could be designated as being permitted to go into town in rural or remote locations at any one time subject to various conditions in order to address any expressed concerns of local communities. Clearly, this will have to be reassessed as circumstances evolve.

RECOMMENDATION: We recommend that the Government of Manitoba work with public health officials in Manitoba to develop a quick guide for resource companies and prospectors as to the health precautions they should take at camps and facilities and when personnel travel to rural or remote communities. The guide should include defined health procedures and a resource within the Government of Manitoba that the mining industry can connect with.

Provided that the minerals sector companies strictly comply with directives and recommended practices from provincial public health authorities, it is recommended that the government should also provide assurances and take whatever steps are necessary to support minerals sector companies and prospectors and encourage continued access to facilities, work and exploration camps should they encounter opposition from local governments or groups.

Assessment work credits

For many holders of mineral dispositions economically impacted by the current pandemic situation, completing work in the field may become near impossible for the foreseeable future. At the same time, there is also an opportunity to facilitate innovation and other important long-term investments by enhancing work assessment credits for any qualifying work that is actually done during this uncertain time and by expanding the categories of activities that can qualify for work assessment credits.

RECOMMENDATION: We recommend that work requirements for holders of mineral dispositions be exempt for a period of twelve months retroactive to April 1st, 2020, with a possible extension of this period to be considered around ten weeks before work requirements are to be reinstated (work requirements would not accrue or accumulate during this time).

We recommend that any assessment work credits for any qualifying work done during the aforementioned period (and any extensions) be doubled.

We recommend that the following activities qualify for work assessment credits (with no time limit for this expanded eligibility), subject to appropriate caps for each category (perhaps of \$1.5M per year per company):

- (1) “smart mining” (new investments in advanced data analytics, compilations and desktop geoscientific studies advanced during this period, artificial intelligence, machine learning, blockchain applications, remotely operated equipment and automation, remotely piloted aircraft systems, software procurement or development, monies paid to acquire technology licences or to protect the mineral company’s own intellectual property, or joint ventures with Manitoba technology companies, where any of the foregoing are directly relevant to exploration, mining or mineral processing in Manitoba by the company);
- (2) progressive site rehabilitation or environmental expenditures at project site(s) in Manitoba or irrevocable financial contributions to a Qualifying Environmental Trust (QET) for mine closure and rehabilitation, as defined under the federal *Income Tax Act*, for project(s) in Manitoba; and
- (3) expenditures on consultations and engagement with First Nations and local communities.

Public health

The Committee believes that a number of minerals found in abundance in Manitoba have a contribution to make to public health, now and in the future. For example, copper and silver are known to have antimicrobial properties.

RECOMMENDATION: Manitoba should consider the potential role of the Manitoba minerals sector in addressing the public health crises of present and future. This would include studying the possibility of putting more copper products into hospitals and other frequently used public and private buildings.

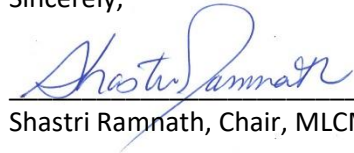
We recognize that the above recommendations are not without a cost to the Government of Manitoba but will hugely benefit the future of the mineral exploration and mining economy. In addition to the emergency recommendations we have outlined above, rapid implementation of our Committee's recommendations will be crucial to rapid recovery and renewed growth of the sector.

As a Committee, we are available to you and your cabinet colleagues to provide further insight and perspectives on options the government implements in response to the current pandemic. Our mandate is to support the growth of the mineral industry, but we also recognize the importance of being a resource to the Government of Manitoba in their efforts of stimulating and rebuilding the Manitoba mining economy.

I am available to discuss the recommendations with you.

On behalf of the Manitoba Liaison Committee on Mining and Exploration, thank you for your consideration.

Sincerely,



Shastri Ramnath, Chair, MLCME

MLCME Industry Committee Members

Andrew MacSkimming
Julia Singh
John Roosendaal
Neil Richardson
Linda Murphy
Hamid Mumin
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MLCME Government Committee Advisors

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cc Premier Brian Pallister, *Premier of Manitoba*

Phillip Houde, *CEO of the Economic Development Office for Manitoba*

Jamie Wilson, *Vice-President of Corporate Development for the Arctic Gateway Group*

Chuck Davidson, *President and CEO of Manitoba Chamber of Commerce*

Charlie Spiring, *Chairman of Wellington-Altus Holdings Inc.*

Denys Volkov, *Executive Director of the Association of Manitoba Municipalities*

Becky Cianflone, *Executive Director of Community Futures Greenstone*

Dayna Spiring, *President & CEO Economic Development Winnipeg*

Doug Lauvstad, *President and Chancellor of the University College of the North*

Colleen Smook, *Mayor of the City of Thompson*

Oswald Sawh, *CEO of the Communities Economic Development Fund*

Tom Lewis, *President of Manitoba Prospectors and Developers Association*

Richard Trudeau, *President of Mining Association of Mining*

Stephen Masson, *President of Manitoba Saskatchewan Prospectors and Developers Association*