

Explore Our Economy

How Mineral Exploration Contributes to Society
and the Economy in British Columbia



Explore Our Economy

The mineral exploration and development industry in British Columbia delivers significant economic and social benefit to the province.

Members of the Association for Mineral Exploration (AME) discover new projects that develop into the operating mines, producing **minerals and metals needed for everyday life.**

These materials are critical to achieving our **low carbon future** and ensuring a **strong and vibrant provincial economy** for generations to come.

The *Explore Our Economy (EOE)* study quantified the economic and social impact of the mineral exploration supply chain in BC in 2020.

The mineral exploration industry supports the provincial economy through employment, taxes and investment in cities, towns and remote communities across the province.

There are approximately **1,100 mineral exploration companies** publicly listed in BC.



The mineral exploration industry is **essential** to **thousands of businesses and people** in all corners of the province, helping to ensure a **strong** and **vibrant** provincial economy for generations.



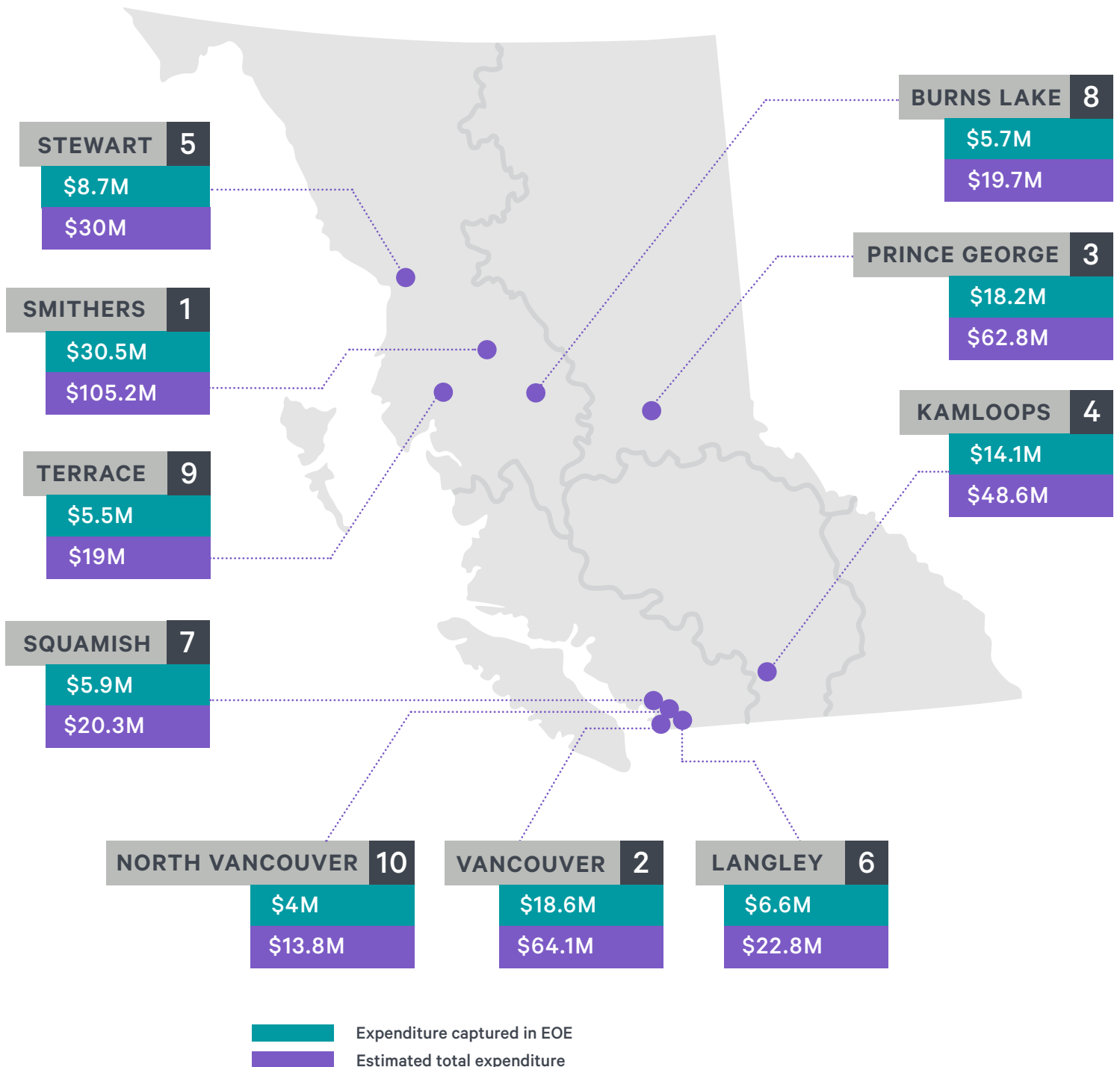
In 2020, mineral exploration companies spent **\$513.5M in BC**, according to Natural Resources Canada.

EOE received and analyzed detailed spending data for **\$148M** of the total spend in the province, accounting for approximately **29% of the total BC exploration expenditure in 2020**.

EOE examined expenditures on goods, materials and services from more than **445 vendors** located in **110 municipalities and Indigenous Nations** across the province.

Top 10 municipalities for exploration expenditures in 2020

41% OF MINERAL EXPLORATION
EXPENDITURE STAYS IN THE REGION



ECONOMIC IMPACTS OF THE MINERAL EXPLORATION INDUSTRY IN BC



The average expenditure reported by a single mineral exploration project is **\$1.2M.**



The average annual spend on drilling per project is **\$2.9M.**



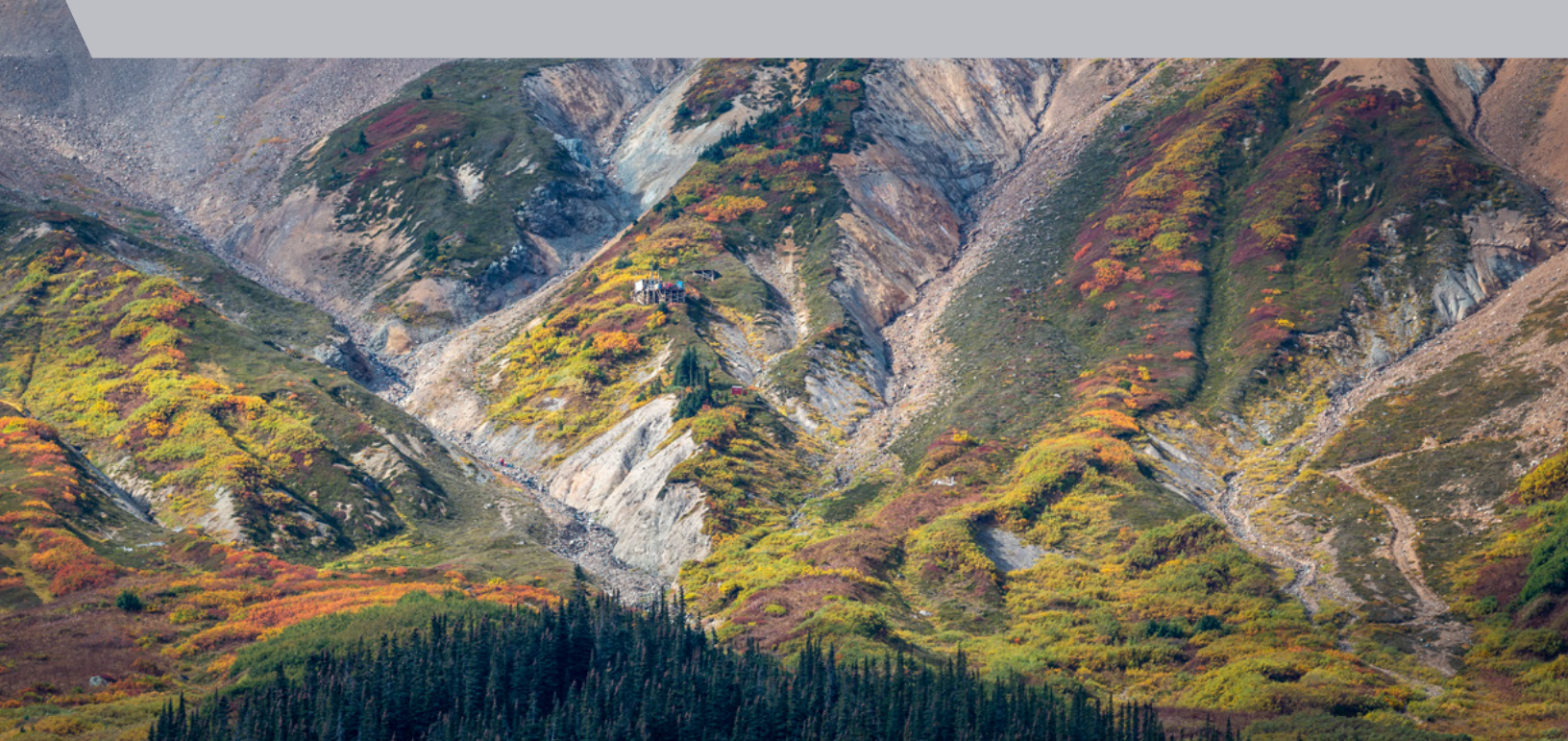
The potential economic impact of a five-year permit is **\$11M.**

93% of mineral exploration expenditures stay in BC. Mineral exploration projects spend between **\$61K and \$66M annually** and contribute **\$35.9M** in PST.

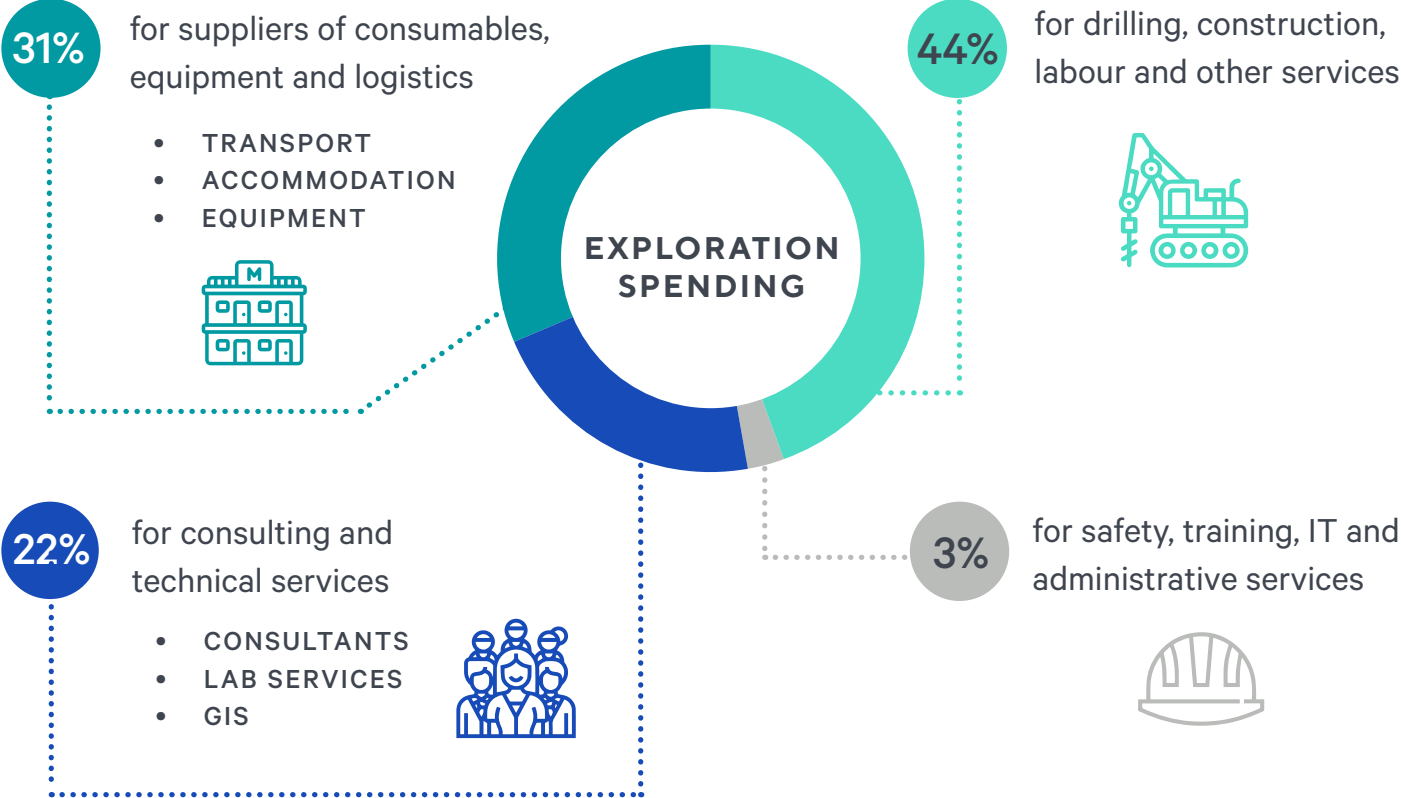


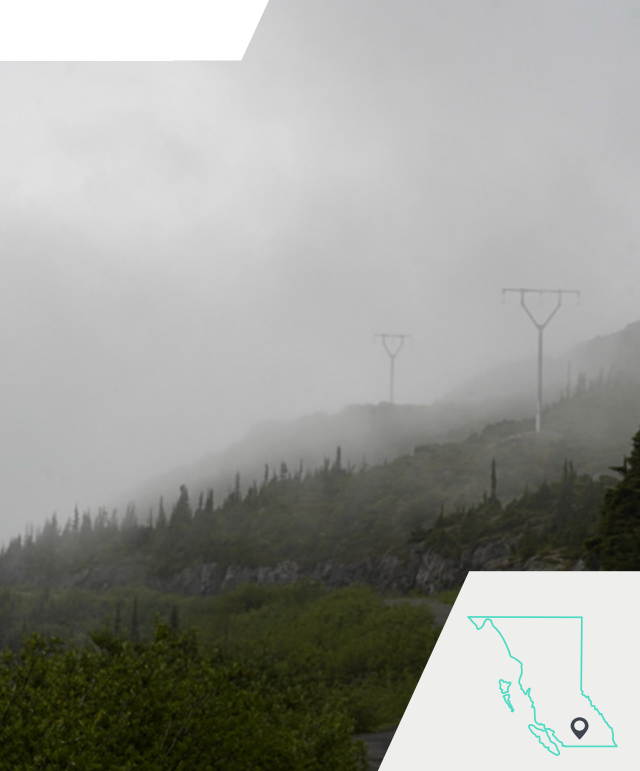
NORTHISLE COPPER AND GOLD'S NORTH ISLAND PROJECT FUELS ECONOMIC RECOVERY

Northisle Copper and Gold is breathing new life into the economy of northern Vancouver Island, developing a modern, low-carbon copper mine in an area where historical logging and mining activity has left a legacy of roads, power and ports, and a ready workforce. The company is committed to generating employment and business opportunities for the people of northern Vancouver Island while safeguarding the land for future generations.



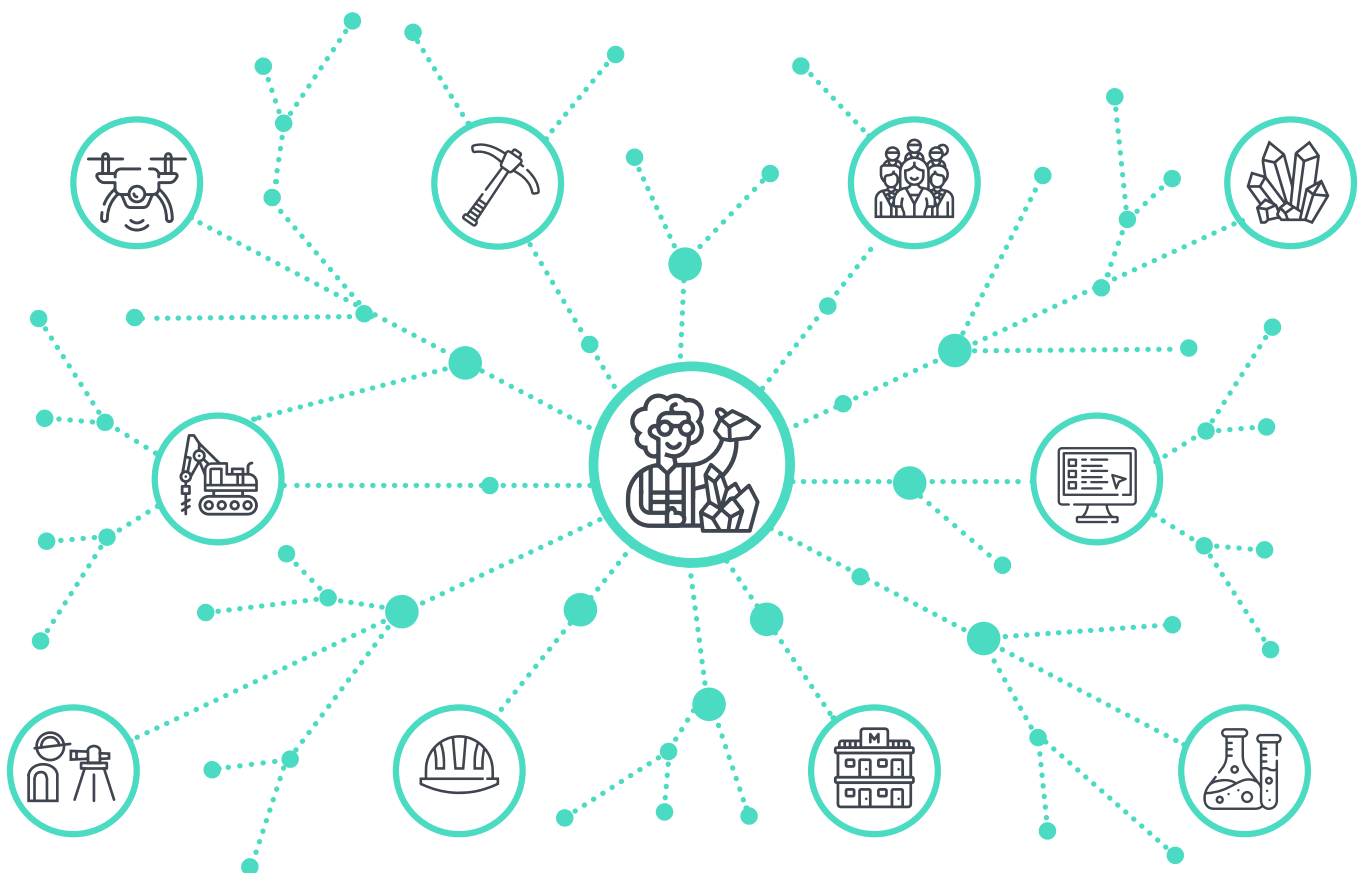
SPENDING BY MINERAL EXPLORATION SUPPLIER TYPE





MINERAL EXPLORERS: THE START-UPS OF THE MINING INDUSTRY

Typical of early-stage exploration, Troubadour Resources Inc. has two active projects in south-central BC. The company has mineral claims covering several thousand hectares and permits to conduct early stage exploration. In a typical field season, it will work with many vendors, including drilling and labour contractors, logistics companies, consultants, laboratories, safety, IT and legal services.



Each exploration company working in BC contracts **at least 10 vendors** per project.

INDIGENOUS PARTICIPATION IS CENTRAL TO SUCCESSFUL MINERAL EXPLORATION

Mineral exploration projects bring value to Indigenous communities through employment, direct investments, building capacity, and supporting Indigenous-affiliated businesses and local initiatives. Indigenous affiliated businesses are essential partners and vendors in the mineral exploration supply chain.

In BC, 21% of mineral exploration spending went to Indigenous-affiliated vendors. In comparison, federal agencies are striving for Indigenous vendors to hold 5% of public contracts by 2024.

Indigenous-affiliated vendors offered goods, materials or services in **8 of the 12 categories** reported in *EOE*.

Drilling is an essential tool for mineral explorers to discover and define mineral resources.

Average drill spend per project is **\$2.9M** for a total projected spend of **\$190M**.

With **991,000 metres** of drilling in 2020, the average drill cost was **\$191/m**.





TAHLTECH DRILLING: CREATING VALUE BY BUILDING CAPACITY

In 2016, the Tahltan Nation Development Corporation (TNDC) partnered with Geotech Drilling to create Tahltech Drilling Services Ltd. Tahltech provides training and employment opportunities in the drilling industry for Tahltan people on Tahltan Territory and beyond.

Of the 445 vendors reported in *EOE*, there were **more than 35 Indigenous-affiliated businesses** associated with **19 Nations**. These are essential partners and vendors in the mineral exploration supply chain.



Approximately 40% of the total drilling expenditure went to Indigenous-affiliated drilling companies.

Contributions to the Low Carbon Economy

Demand for the minerals and metals we need to build a low carbon economy is growing. Huge volumes of metals including copper, gold and nickel, together with critical minerals, are required for electric vehicles, renewable energy generation, energy storage and transmission, medical technology and more.

We are already exploring for these naturally occurring critical minerals in BC, using the highest environmental, social and governance (ESG) standards.

AME members discover new projects that develop into operating mines, producing minerals and metals needed for everyday life.



CLIMATE ACTION

EOE respondents are taking climate action by using alternative transportation and fuel efficient vehicles, improving electricity and processing options, and tracking and reporting greenhouse gas emissions.

INNOVATION LIVES HERE

BC is a **centre of excellence** for mineral exploration. Mineral explorers are the research and development arm of the global mining industry. Major producers **invest** in our mineral exploration projects to access the reserves and resources to feed the **global supply chain** and unlock the potential lying beneath the ground.



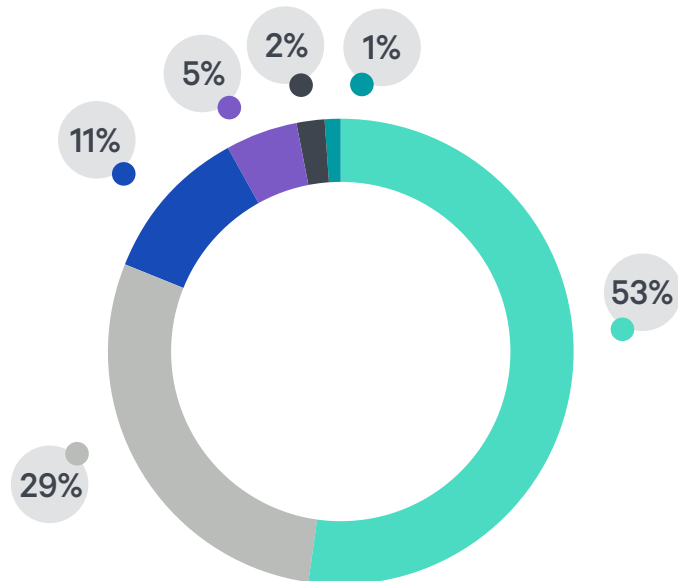
FPX DEVELOPING CANADA'S FIRST CARBON-NEUTRAL MINE

In central BC, FPX Nickel is developing the large-scale Decar Nickel District. The company is proposing low-intensity mining methods for production of a material in high demand for stainless steel and EV batteries. The project is also testing an innovative method to sequester CO₂ in mine tailings.

2020 EXPENDITURE BY COMMODITY

Percentage of Total Exploration Expenditure

**From EY's British Columbia Mineral and Coal Exploration Survey 2020*



Wind Turbines

Copper; Zinc; Molybdenum



Solar Panels

Copper; Silver



Electric Vehicles

Copper; Silver; Nickel



Grid Infrastructure

Steelmaking Coal



AME

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AME partnered with iTOTEM Analytics to launch the *Explore Our Economy* economic impact study in September 2021 and announced the results at AME Roundup in January 2022. AME and iTOTEM approached mineral exploration companies and their service and suppliers to collect supply chain, employment, low carbon economy, and community investment data.

This is a summary document. To read the full report and methodology, visit: amebc.ca

