

One Province,
One Economy

Benefits of British Columbia's Mining Supply Chain 2022



MABC

MINING ASSOCIATION
OF BRITISH COLUMBIA

CRITICAL MINERALS
OPPORTUNITY RIGHT
UNDER OUR FEET



Mining is British Columbia

The mining sector is vital to British Columbia, and is at the core of communities throughout the province. Not only does it provide well-paying, family-supporting jobs that have sustained generations of British Columbians, it is a cornerstone of community development. Mining creates opportunities in urban and regional centres, as well as in local towns and communities across the province, often in partnership with First Nations.

BC's mineral explorers, mines, smelters, and the local businesses supporting them are at the forefront of the province's economy, driving future economic growth. Importantly, the minerals and metals the sector provides are essential to the energy transition, and efforts to reach net-zero emissions by 2050.

BC's mining sector is also at the forefront of economic reconciliation with First Nations through partnerships, benefits agreements, mineral tax revenue sharing, and actively procuring goods and services from First Nations-affiliated businesses.

In essence, the mining sector is not just an economic sector — it's a catalyst for progress, helping shape and drive BC's future.

In 2022, mining generated:



\$18 billion in economic activity, a **40% increase** from 2021



28% of the province's goods exports



35,000+ direct and indirect jobs



An annual average salary of over **\$139,000**



\$3 billion in revenue to all levels of government

Looking forward, the mining sector is poised for expansion. Two mines are set to open in the near future: Ascot's Premier Gold Mine, near Stewart, and Artemis Gold's Blackwater Mine near Vanderhoof, bringing the total of operating mines to 19 in BC, along with two world class smelters. Further, Osisko Development Corp. has received an environmental certificate for its planned Cariboo Gold mine, east of Quesnel. Other future opportunities are on the horizon as BC is well positioned to supply many of the critical minerals vital for clean technologies and tackling climate change.

Mining: A Pillar of BC's Economy

British Columbia's mining sector plays a key economic role in communities around the province. In 2022, BC's mines and smelters spent **\$3.7 billion** purchasing materials, goods and services from close to **4,000 businesses** located in **200** municipalities, towns and First Nations communities.

BC'S MINING AND SMELTING SUPPLY CHAIN

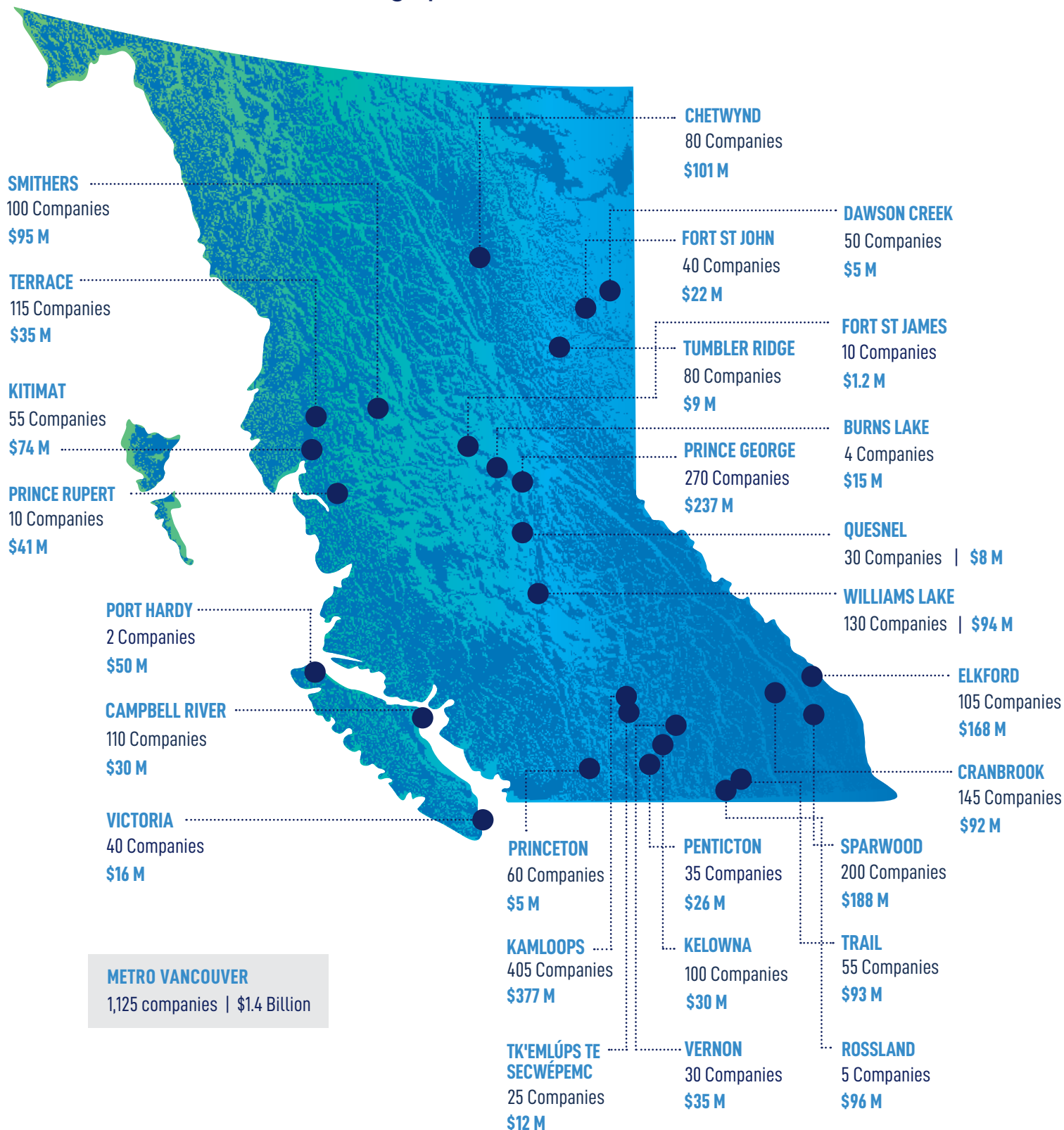


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Each direct job at a mine or smelter in BC **supports at least two jobs** in supply or services — many of these jobs are located in Metro Vancouver.

One Province One Economy

Over **3,890 BC Suppliers** across the province provide **\$3.7 Billion** worth of goods and services to **BC mining operations over 2022**.



One Province, One Economy: Bringing Together Urban, Rural and First Nations Communities

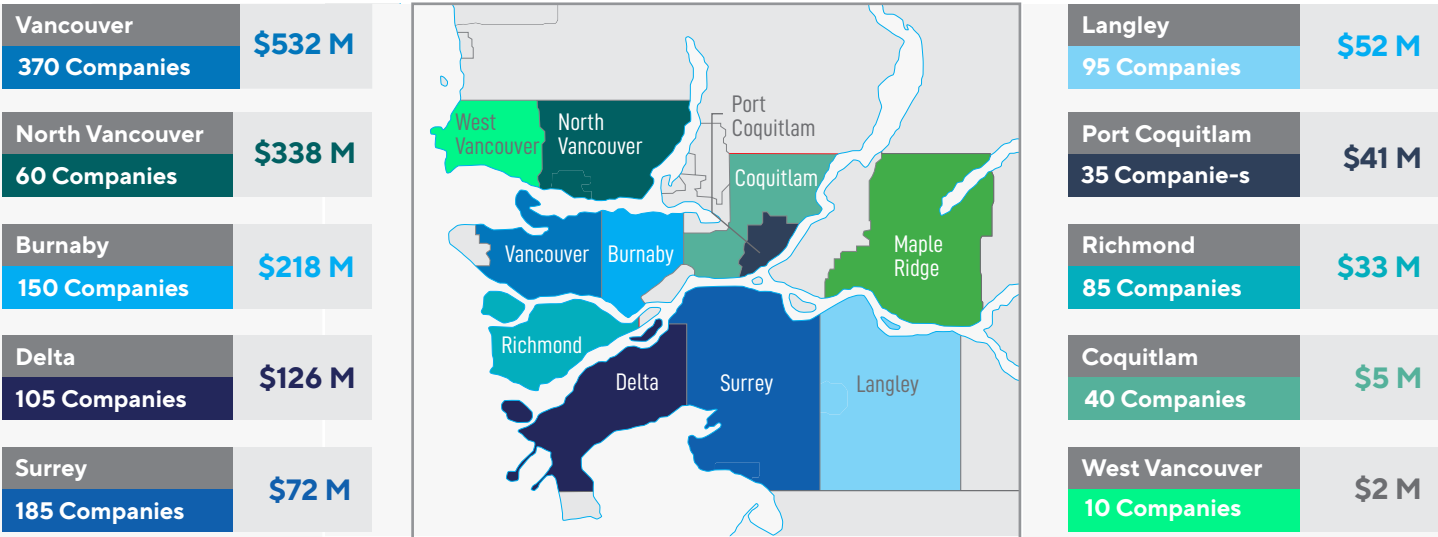
Mining and smelting benefits communities around British Columbia, including large urban centres, regional hubs and rural and First Nations communities.

The top five supply chain spending municipalities in 2022 were:

1. Vancouver 2. Kamloops 3. North Vancouver 4. Prince George 5. Burnaby

In Metro Vancouver alone, **18 communities** received economic benefits of **\$1.4 billion in 2022** by supplying goods and services to the mining sector.

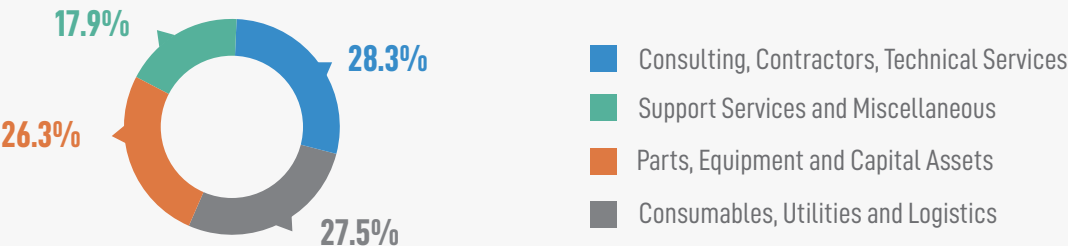
METRO VANCOUVER 1,125 companies | \$1.4 Billion



Metro Vancouver’s Mining Supply Chain

Beyond the mine sites and smelters, there is a large BC-based supply chain that is thriving, involving thousands of businesses, small, medium, large, and Indigenous-affiliated. These businesses create jobs and wealth across the province.

In Metro Vancouver, BC’s mining sector is serviced by a diverse supply chain and world class pool of talent. Mining supply companies in the region fall into four categories:



Top 25 British Columbia Municipalities with the greatest number of suppliers and spend in BC

The mining supply chain has a major impact on businesses across various sectors and 200 communities from Vancouver to Smithers in the Northwest to Prince George in central BC, to Port Hardy on Vancouver Island and Trail in the West Kootenays, along with many others.

| MUNICIPALITY | Spend |
|-----------------|---------|
| Vancouver | \$532 M |
| Kamloops | \$377 M |
| North Vancouver | \$338 M |
| Prince George | \$237 M |
| Burnaby | \$218 M |
| Sparwood | \$188 M |
| Elkford | \$168 M |
| Delta | \$126 M |
| Chetwynd | \$101 M |
| Rossland | \$96 M |
| Smithers | \$95 M |
| Williams Lake | \$94 M |
| Trail | \$93 M |
| Cranbrook | \$92 M |
| Kitimat | \$74 M |
| Surrey | \$72 M |
| Langley | \$52 M |
| Port Hardy | \$50 M |
| Prince Rupert | \$41 M |
| Port Coquitlam | \$41 M |
| Vernon | \$35 M |
| Terrace | \$35 M |
| Richmond | \$33 M |
| Campbell River | \$30 M |
| Kelowna | \$30 M |

| MUNICIPALITY | Count of Suppliers |
|-----------------|--------------------|
| Kamloops | 405 |
| Vancouver | 370 |
| Prince George | 270 |
| Sparwood | 200 |
| Surrey | 185 |
| Fernie | 170 |
| Burnaby | 150 |
| Cranbrook | 145 |
| Williams Lake | 130 |
| Terrace | 115 |
| Campbell River | 110 |
| Elkford | 105 |
| Delta | 105 |
| Kelowna | 100 |
| Smithers | 100 |
| Langley | 95 |
| Richmond | 85 |
| Chetwynd | 80 |
| Tumbler Ridge | 80 |
| North Vancouver | 60 |
| Princeton | 60 |
| Kitimat | 55 |
| Trail | 55 |
| Dawson Creek | 50 |
| Fort St John | 40 |

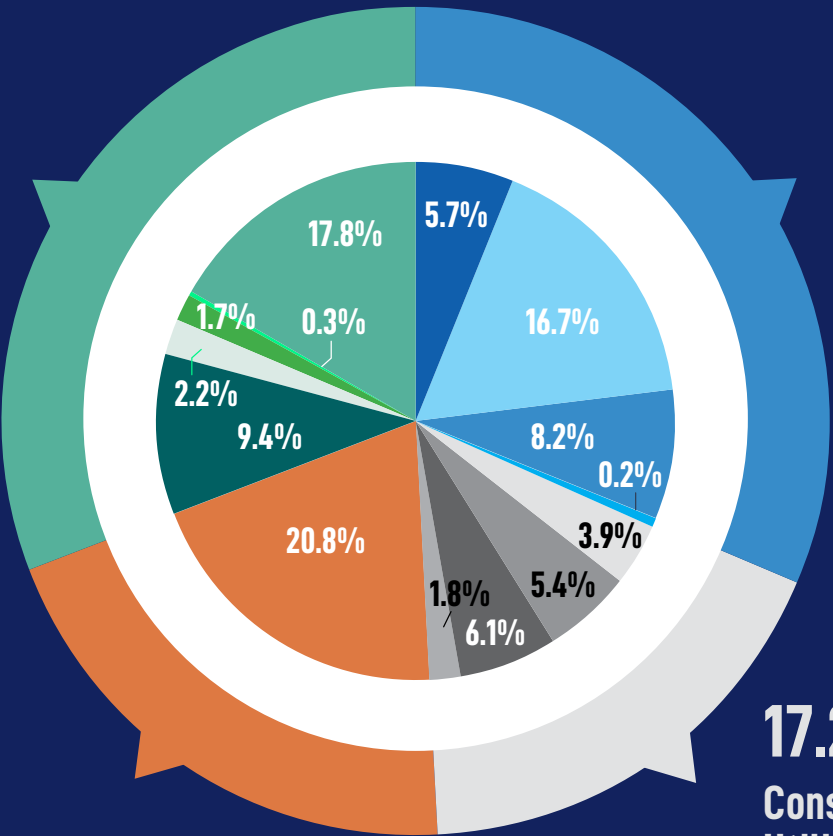
Distribution by Category of **Material, Goods and Services** in BC



30.8%
**Consulting,
Contractors
& Technical
Services**



17.2%
**Consumables,
Utilities & Logistics**



31.3%
**Support Services
& Miscellaneous**

20.8%
**Parts, Equipment
& Capital Assets**



Support Services & Miscellaneous

- Other
- Health, Safety & Training
- Administrative Services
- IT & Telecommunication Services
- Monitors, Safety & Training

Parts, Equipment & Capital Assets

- Equipment Supply, Services & Rentals

Consulting, Contractors, Technical Services

- Construction & Labour
- Drilling & Mining Operations
- Consultants & Engineering Services
- GIS & Exploration Services

Consumables, Utilities and Logistics

- Accommodations & Camp Supplies
- Consumables, Chemicals & Materials
- Logistics
- Utilities & Energy

Advancing Economic Reconciliation through partnerships with First Nations

British Columbia's mining sector partners with First Nations businesses throughout the province. In 2022, **150 First Nations-affiliated businesses** — associated with 20 First Nations or First Nations development corporations — sold **\$520 million in goods and services** to BC's mines and smelters, accounting for over 14 per cent of the BC supply chain spend. This represents **an increase of \$65 million from 2021**, when \$455 million worth of goods and services were provided by First Nations-affiliated businesses. Over a two-year period in 2021 and 2022, First Nations-affiliated businesses provided approximately \$975 million in goods and services to BC's mining sector.

The 'Drilling and Mining Operations' category had the highest participation among First Nations-affiliated businesses in spend and 'Consultants and Engineering Services' category had the highest numbers of vendors.

First Nations-affiliated businesses operating in the mining and smelting sector provided goods, materials and services in each of the 14 supply chain categories.

The highest count of First Nations-affiliated businesses reported was in Kamloops, with 25 businesses being engaged by MABC members.

First Nations employment in BC's mining sector is substantial. For example, at the Red Chris and Brucejack mines, more than 30 per cent of each mine's workforce is First Nations, while the Gibraltar mine near Williams Lake has more than 90 First Nations employees. There's also a growing presence of First Nations professionals at site and at head office.



Critical Minerals: Building the Low-Carbon Future

The world has recognized the importance of minerals and metals to the energy transition and **achieving net-zero emissions by 2050**. Governments worldwide, including Canada, have officially called certain minerals "critical" because they play an indispensable role in climate action, economic or technological development, and national security.

BC has many of these important minerals. In fact, **16 out of the 31 critical minerals on Canada's critical minerals list are found or produced in BC**, including aluminum, cadmium, copper, molybdenum, zinc, and others.

Critical minerals are the building blocks of a cleaner low carbon future – essential to solar panels, wind turbines, batteries, and electric vehicles, positioning British Columbia's mining sector for future growth.

According to a study commissioned by MABC, there are 16 proposed critical mineral mines in BC in advanced stages of development that represent \$36 billion in near-term investment, 300,000 person-years of employment and \$11 billion in tax revenue. The long-term economic impact of operating these mines could reach \$800 billion over several decades.

However, these benefits will only be realized if BC has the competitive fiscal and regulatory policies that will attract the investment needed to grow and sustain the sector.



Enriching **Communities**

In 2022, British Columbia's mining industry demonstrated its commitment to the well-being of communities by investing approximately **\$5.7 million** in more than **260 organizations in municipalities and First Nations communities** around the province. This effort extended support to various sectors, with the greatest number of investments channeled into:

- **First Nations Community Investment**
- **Recreation and Land-Base Users**
- **Education Support, Literacy and Libraries**

In this way, BC's mining constituencies actively contribute to the betterment of communities, addressing diverse needs and forging strong partnerships with local organizations and initiatives.

Community Investment Recipients:



First Nations Community Investment: **25 partners** benefitted from **\$2.5 million in investment**



Recreation and Land-Base Users: **20 partners** benefitted from **\$1.1 million in investment**



Health Services: **30 partners** benefitted from **\$330,000 in investment**



Educational Support, Literacy and Libraries: **25 partners** benefitted from **\$413,000 in investment**



Business Improvement and Labour Organizations: **20 partners** benefitted from **\$289,000 in investment**



Community Athletics and Sports: **15 partners** benefitted from **\$47,000 in investment**



Child and Youth Support Programs: **4 partners** benefitted from **\$89,000 in investment**

Methodology

The Mining Association of BC (MABC) and the Mining Suppliers Association of BC (MSABC) commissioned iTotem Analytics to study BC's mining supply chain to provide a clear picture of the economic and societal benefits of BC's mining sector at the community level.

The study quantifies the amount spent by 17 operating mines and two smelters on materials, goods and services within British Columbia. iTotem's data set included the cumulative, self-reported procurement spend from British Columbia's mines, smelters, and two mines in development in the 2022 calendar year. The final data set was checked and verified by the operations. All numbers are approximate.



Participating BC Mines & Smelters

Mines

| | |
|------------------|--|
| CENTERRA | Mount Milligan |
| CONUMA | Brule, Willow Creek, Wolverine |
| HUDBAY | Copper Mountain |
| NEWMONT | Brucejack, Red Chris |
| NEW GOLD | New Afton |
| RIO TINTO | BC Works |
| SEABRIDGE GOLD | Kerr-Sulphurets-Mitchell |
| SKEENA RESOURCES | Eskay Creek |
| TASEKO | Gibraltar |
| TECK | Highland Valley Copper, Elkview, Fording River, Greenhills, Line Creek |
| TRAFIGURA | Myra Falls |

Mines in Development

| | |
|------------------|--------------------------|
| SEABRIDGE GOLD | Kerr-Sulphurets-Mitchell |
| SKEENA RESOURCES | Eskay Creek |

Smelters

| | |
|-----------|--------------------------------|
| RIO TINTO | BC Works |
| TECK | Trail Metallurgical Operations |



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