

February 23, 2021

Canadian Critical Materials & Materials Alliance (C2M2A) appeared before Canada's House of Commons Committee

Canadian Critical Materials & Materials Alliance (C2M2A) was invited to appear before the House of Commons of Canada on Friday, February 19th, 2021.

Ian London, C2M2A's Executive Director, opened the session with a 5 minute opening statement and then joined a discussion panel on Canada's role as the world renews its push towards low carbon technologies.

The Standing Parliamentary Committee on Natural Resources is undertaking a study of no less than six meetings on positioning Canada as a responsible source in critical minerals and battery value chains in support of renewable energy and clean technology in the post-COVID-19 economy. The Committee will be hearing from witnesses, including Natural Resource Canada, mining sector firms and electric-vehicle battery producers.

At this session, the Committee's first in a series, C2M2A appeared with representatives from Natural Resources Canada, Canadian Institute of Mining, Metallurgy & Petroleum, Mining Association of Canada and the Prospectors Development Association of Canada.

In Ian London's opening remarks, C2M2A stressed three key themes:

- 'Demand Pull' strategies provide stronger results than those built upon 'Supply Push'. Increasing Canadian demand for electrified transportation, battery supply chain, advanced materials and associated manufacturing are key to expedite to fulfil its clean energy aspirations and ensure Canada is competitive in an increasingly competitive global market.
- Clarity of Supply: Canadian resources and value-adding materials producers must continue to strive to meet or exceed ESG standards – essentially certifying our offerings – the demand for which are of significant interest to consumers. Critically important, though, is the necessity to build the full value chain local to the demand pull.
- Technology Advantage to Gain Leadership: Canada must also be prepared to deliver materials for energy storage technologies and be prepared for rapid changes in those technologies. In addition, materials research in Canada has direct implications on local supply chains in an electrified auto sector – materials for vehicle light-weighting of body structures traction motors and permanent magnet, with reliable production closer to home.

Ian London's opening remarks are found below:

Remarks to the House of Commons' Standing Committee on Natural Resources -- Study of Critical Minerals and Associated Value Chains in Canada

Friday, February 19th, 2021. 1:00 p.m. – 3:00 p.m.

Mr. Chair, Members of the Committee,

Thank you for the invitation to appear today.

The world is undergoing an economic transformation with innovative clean technologies driving the pace of change. The IEA and World Bank, in reports last year, both stress the significant role of minerals and metals, especially non-traditional materials like lithium, graphite, rare earths, scandium, and others -- for a low-carbon future. China controls many of the full value chains around these critical minerals. Governments and industrials around the world have expressed major concerns around security of supply and value creation.

Despite Canada's vast resource wealth, our critical materials remain largely undeveloped and not strategically leveraged, primarily because of the lack of understanding of their significant climate, national security, and economic benefits.

Critical mineral development and mid and downstream processing feed major value-creating hi-tech businesses and jobs. Utilizing these materials' unique properties are fundamentally important to clean energy production, electric vehicles, communications, medical and aerospace applications. The Industry Strategy Council, a forum of experienced business leaders assembled by ISED have created a blueprint for implementation – a roadmap for how Canada can enable critical materials value chain development.

Recent geopolitical developments have also demonstrated that well coordinated industry, government, finance and academic consortia and innovation hubs focus efforts and deliver results. To meet the competition of China Inc, Japan or Korea, we strongly encourage stakeholders across the country to align priorities, collaborate and focus investment and efforts.

C2M2A has proposed a suite of recommendations around policy, investment, R&D, secondary sources, education, and trade over the past year.

With limited time today, I will just touch on three important themes, and one specific recommendation:

First... Consumer Demand attracts production, attracts valued-adding processing, attracts raw material supply. 'Demand Pull' strategies provide stronger results than those built upon 'Supply Push' -- the traditional classic approach historically taken. Increasing demand for electrified transportation, battery supply chain, advanced materials and associated manufacturing are key measures the government needs to expedite to fulfil its clean energy aspirations and ensure Canada is competitive in an increasingly competitive global theatre. With clarity of Canadian-branded supply, auto and parts manufacturers could be encouraged to establish some of their current out-of-Canada supply sources to set up shop in Canada. This demand would facilitate reliable Canadian certified or branded mineral development and value creation where Canada sets the benchmark standards.

Second... Clarity of Supply: Canadians have made progress in reducing the capital and operating costs of GHG-reducing mineral production. Canadian resources and materials producers must continue to strive to meet or exceed ESG standards – essentially certifying our offerings – the demand for which are of significant interest to consumers. Critically important, though, is the necessity to build the full value chain local to the demand pull – to feed components to the factories located beside assembly plants.

Third... Technology Advantage to Gain Leadership: I am aware of materials research in Canada that has direct implications on local supply chains in an electrified auto sector. Materials for vehicle light-weighting of body structures traction motors and permanent magnet with reliable production closer to home have are being called for. Canada must also be prepared to deliver materials for energy storage technologies and be prepared for rapid changes in those technologies. Advanced materials and processing development capabilities are within reach at Canada's commercial and national labs.

The question before us all is: How best to spearhead and champion this critical material campaign?

Canada should establish a Critical Materials Office, led by an internationally respected business leader and effectively 'staffed' with economic development, technical, investment and policy experts from industry, government multidisciplinary academia. This Office should be mandated to pull together, and create where necessary, enhanced critical material value chains and work with provincial authorities to ensure regulatory alignment. They should also be prepared to see that the most promising material production and manufacturing pilot and demonstration projects move toward operations. Leadership from ISED and NRCan, in partnership with industry are key to our collective success. This is not a government exercise alone. The opportunities before us call for unprecedented Canadian ingenuity and innovation.

Canada's mineral resources, mining and metallurgical reputation are held in high esteem internationally. Canada can capture fuller value creation from its natural resources and rebuild its industrial capacities. We should not encourage domestic raw materials to be processed elsewhere only to be purchased as value-added finished products. Time is sadly of the essence.

Thank you,

Ian M London PEng MBA