



## Goldcorp's Submission to the Pre-Budget Consultations for Budget 2019

**Recommendation 1:** Ensure greater regulatory certainty through the creation of a Centre of Excellence for Regulatory Success and a regulatory system that recognizes good actors and is adaptive to differing projects.

**Recommendation 2:** Support strong Indigenous communities through better assistance to scale Indigenous businesses and robust skills and training programs, with a strong foundation at K-12.

**Recommendation 3:** Ensure significant financial incentives to facilitate the accelerated scale and adoption of innovative and clean technologies. Support an organization with a role to enhance collaboration and deployment of innovative and clean technology across the mining sector.



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Headquartered in Vancouver, Goldcorp is one of the world's leading gold producers, employing more than 15,000 people globally. Focusing on responsible mining practices with safe, low-cost production facilities throughout the Americas, Goldcorp is committed to creating social and economic benefits for all of our stakeholders, at every phase of the mining lifecycle.

Our domestic and international operations have been recognized for their sustainable mining practices, their collaborative approach with local Indigenous communities and their commitment to strong corporate citizenship in the small, usually remote communities in which we are located. In Canada, our operations extend across the country with ventures in Quebec, Ontario, and the Yukon.

Goldcorp is also committed to playing a leading role in the deployment of low carbon and clean technologies in mining. Goldcorp has also been a proud member of the government's Resources of the Future Economic Strategy Table.

As an example of our leadership, Goldcorp's Borden Gold Project will be the first underground mine in Canada to replace all diesel mobile equipment with battery electric vehicles. This ambitious project will significantly improve the health and safety at the mine and reduce its environmental footprint through dramatic GHG reductions. The benefits of an all-electric site will serve as an example that Goldcorp believes will soon be adopted by other mining companies. When Goldcorp made the decision to build an all-electric mine, much of the required equipment did not exist in battery form. By working with vendors and committing to certain purchase levels, the Borden project allowed the chosen suppliers to make the necessary investment to convert traditional diesel equipment to battery power for use by Goldcorp and by other mining companies now looking at this technology.

Goldcorp believes that a strong mining sector – one that contributed \$87 billion to Canada's GDP in 2016 - is vital to the future success and competitiveness of the Canadian economy. While Canada is still one of the world's largest producers of metals and minerals, the number of major mining projects planned in Canada is steadily declining and Canada's leadership position is increasingly threatened.<sup>1</sup> Thankfully, Canada's federal, provincial and territorial Ministers responsible for mining have recognized this challenge and have called for the development of a Canadian Minerals and Metals Plan.

It has never been more important to introduce new ideas and disruptive innovation to this crucial sector if we hope to maintain Canada's global leadership in mining. Goldcorp believes that there are three areas of focus that are key to a strong future for mining in Canada.

### **Regulatory Certainty**

Regulatory certainty is critical to ensuring that firms have the necessary confidence to invest in Canadian operations. As noted in the final report of the Advisory Council on Economic Growth, Canada's regulatory environment must evolve to better support innovation and change, while also ensuring that regulation is

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<sup>1</sup> Canadian Minerals and Metals Plan Discussion Paper, [https://www.minescanada.ca/sites/default/files/cmmp\\_discussion-paper\\_march-7-2018-final-eng.pdf](https://www.minescanada.ca/sites/default/files/cmmp_discussion-paper_march-7-2018-final-eng.pdf)



“predictable, efficient, and consistent, so it is not a barrier to business investment, innovation, and ultimately, economic growth.”<sup>2</sup>

In order to facilitate this, Goldcorp supports the creation of a Centre of Excellence for Regulatory Success. The Centre would have a mandate to oversee an agile, outcomes-driven and stringent regulatory system that aims to reduce project approval timelines, reduce duplication and improve overall efficiency.

Goldcorp also believes that Canada’s regulatory system should recognize the individuality of companies and projects and allow that regulations adapt accordingly. For example, a project to expand or modify a brownfield development with existing and strong agreements in place with local First Nations and a demonstrated record of sustainability best practice should be treated differently than a greenfield development on completely undisturbed land, with an unproven proponent.

### **Strong Indigenous Communities**

Mining is one of the largest employers of Indigenous peoples in Canada and ensuring that Indigenous communities are set up for success is critical to the potential of the Canadian mining sector. Indigenous businesses are often important suppliers to mine sites but there is significant potential for growth in this area. The scale up of Indigenous businesses should be facilitated through increased federal Indigenous business procurement with incentives and programs to support their integration into mainstream supply chains. The best practices of resource sector relationships with Indigenous businesses could be further leveraged for further growth. Increased support should also be available through direct contracts with third-party certified Indigenous firms. The fiscal tools available to support equity partnerships with Indigenous businesses should be also be further leveraged.

The Indigenous talent pool must also be supported. Effective and responsive skills training that meets the needs of both Indigenous workers and those looking to hire them should be supported. Robust skills and training programs that promote apprenticeships and on-the-job learning will improve policy outcomes and create sustainable jobs. But effective skills training needs a proper foundation. Federal support must ensure that K-12 education in Indigenous communities is at par with Canadian public schools. Universal broadband access across Canada is also important to facilitating remote learning and upskilling opportunities in Indigenous communities.

### **Clean Technology and Innovation**

Finally, robust support for clean technology and innovation is essential to ensuring a sustainable mining future, but industry has largely been unsuccessful in generating momentum on its own.

Goldcorp’s leadership in this area is clear with the development of the all-electric Borden mine discussed above. But while electrification was possible with the equipment used at the mine itself, one piece remains missing – a non-diesel 50 ton freight truck capable of moving ore the 190 km from Borden to Goldcorp’s Porcupine Mine in Timmins for processing. Goldcorp has continued to look for options to fill this gap and, along with Canadian based potential suppliers at Ballard Power, Next Hydrogen and FVT Research, is currently examining the feasibility of piloting a hydrogen fuel cell freight truck fleet to service this route, along with the construction hydrogen production facility to fuel the vehicles.

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<sup>2</sup> Investing in a Resilient Canadian Economy, Advisory Council on Economic Growth, <https://www.budget.gc.ca/aceg-ccce/pdf/investing-in-a-resilient-canadian-economy-eng.pdf>



The demonstration project would be first commercial on-road application in Canada in its size and class. It would result in an 84% GHG savings, the elimination of carcinogenic diesel emissions, the creation of highly skilled jobs in Northern Ontario, and help spur Canada's leadership in hydrogen technology. Beyond the gains for the mine, the project also has the potential to help drive the wider freight sector towards adoption of new zero emission technology. Freight trucking remains one of the largest sources of GHG emissions, with projections showing little change in the medium term. A successful project could be an important catalyst for transformation in the transportation sector. However, while the potential of the project is exciting, it would require an important financial investment in a new technology with higher risks. Without significant financial support from government, it is difficult to build a business case to move forward.

Being the first to implement truly innovative new solutions comes with considerable risk and cost. For many companies making investment decisions, financial considerations and the uncertainty of new technology outweigh potential benefits. To truly spur the change that is needed, government must be prepared to support first movers who are willing to take chances with transformational investments in innovative technology that can be leveraged across sectors.

The federal government should ensure major financial incentives to facilitate the accelerated scale and adoption of innovative technologies. This can include: 100% first year capital cost allowance for all new investments in innovation; tax incentives for first adoptions and companies investing in innovative startups; matching government grants to innovations that have secured support from resource companies, venture capital firms, banks and pension funds; a modernized SHRED to enable scale up and deployment with a focus on results. Incentives could be further maximized through the selection of the top 25 Canadian innovators to create an agile, competitive and fail-fast culture of innovation.

Goldcorp also supports the concept of a government-backed single point of contact organization with a mandate to enhance collaboration and advance the deployment of innovation and clean technology in the mining supply chain through industry partnership with innovators, universities and polytechnics. The centre would play a critical role in ensuring that innovation that reduces water consumption, GHG emissions and waste be deployed broadly across industry so that mining maintains its social license to operate and continues to create value for Canadians.

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