



Critical Mineral *Roundtables*



COMMISSIONED BY:

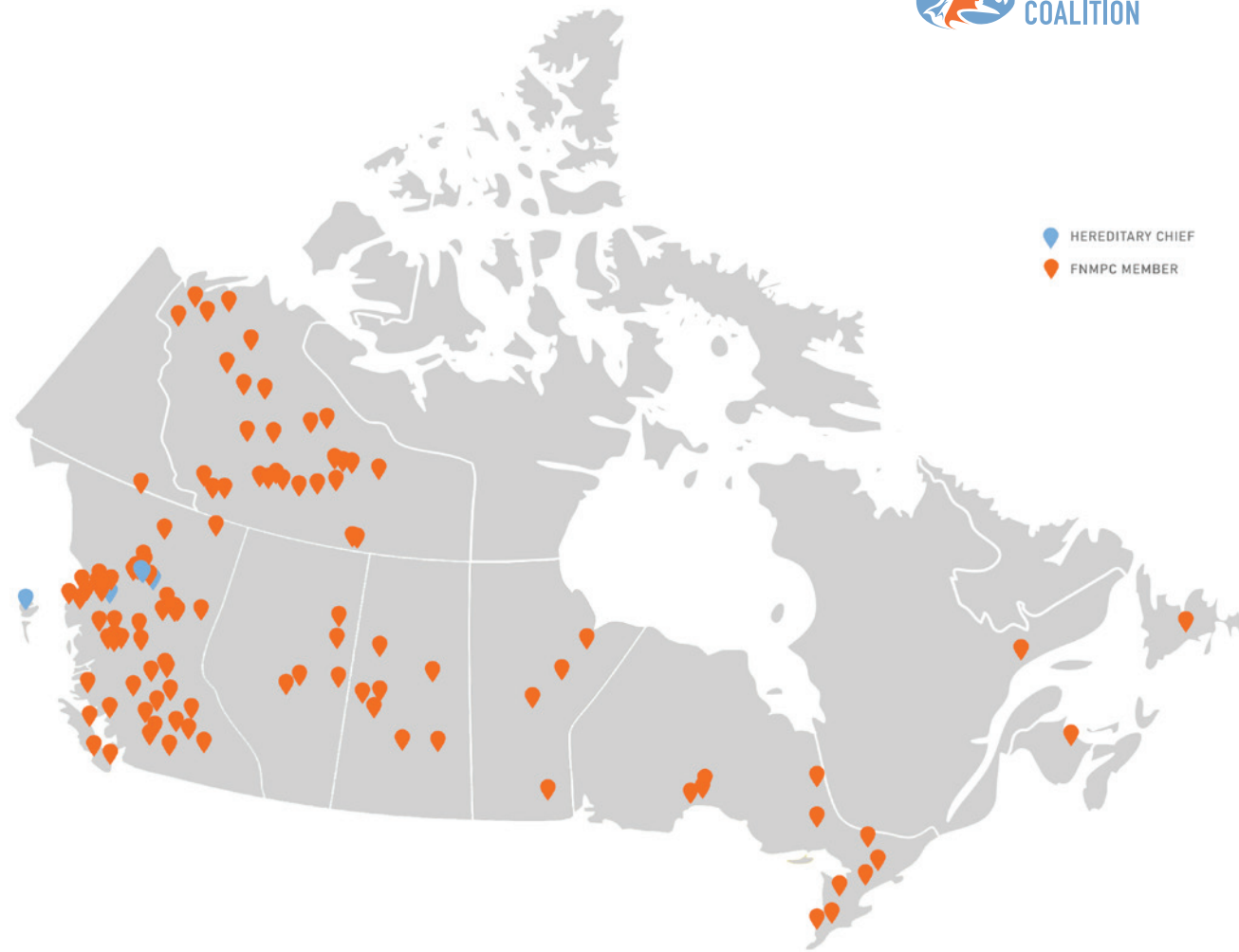
The First Nations Major Project Coalition

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The FNMPC is grateful for the knowledge contributions made to the discussion at the roundtables by Dr. Robert Johnston, Executive Director, Columbia Centre for Global Energy Policy, Columbia University.

About FNMPC



The First Nations Major Project Coalition (Canada) is a national 140+ Indigenous nation collective working towards the enhancement of the economic well-being of its members, understanding that a strong economy is reliant upon a healthy environment supported by vibrant cultures, languages, and expressions of traditional laws, and in particular to support members to:

- » Safeguard air, land, water and medicine sources from the impacts of resource development by asserting its members' influence and traditional laws on environmental, regulatory and negotiation processes;
- » Receive a fair share of benefits from projects undertaken in the traditional territories of its members, and;
- » Explore ownership opportunities of projects proposed in the traditional territories of its members.

FNMPC is currently providing business capacity support to its members on nine major projects located across Canada, each with a First Nations equity investment component, and a portfolio exceeding a combined total capital cost of over CAD\$40 billion. FNMPC's business capacity support includes tools that help First Nations inform their decisions on both the economic and environmental considerations associated with major project development.

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Executive Summary

The First Nations Major Project Coalition held two Critical Mineral Roundtables, the first in Vancouver (October 25, 2022) and the second in Toronto (February 7, 2023). For these two roundtables, the (FNMPC) convened experts from First Nations, the private sector, and the public sector to discuss and demonstrate how inclusion of First Nations partnerships and values in critical battery mineral supply will be the key to Canada's participation in the net zero transition.

Substantive prioritization of Indigenous values in projects -- including corporate governance, equity ownership, and environmental protection led and directed by Indigenous people -- are key to the success of major critical mineral projects getting approved and built. Projects in Canada that include Indigenous values are already being approved, attracting capital, and moving toward completion.

Issues previously experienced or observed by FNMPC members that have instigated these roundtables include access to capital as Indigenous partners, permitting and regulatory risk, deal structures, lack of early engagement with First Nations governments and members, lack of industry and government understanding of First Nations' values and rights, the need for better Indigenous commercial governance/opportunities for equity ownership, variability in circumstances and capacity across Canada, risk (e.g., stranded assets, commodity prices, environmental), inclusion in the net zero energy transition, and shared/overlapping Indigenous territory.

These two roundtables are a part of addressing the issues and challenges identified in the build out of critical mineral supply in Canada, and to support First Nations, industry, and governments creating a constructive path toward successful critical mineral supply and value chains and getting at the main question of: how do all parties identify, define, and respectfully centre Indigenous values in a critical mineral project?

The main emergent concepts and insights provided by attendees outlined in this document are:

Part 1: Critical Mineral Supply in Canada

- » The importance of critical mineral supply to the Canadian economy.
- » The importance of battery mineral supply to achieving net zero targets.
- » The strategic and competitive advantages that Canada has in critical mineral supply.
- » The current barriers to building out critical mineral supply in Canada.
- » The current policy caps in critical mineral supply in Canada.

Part 2: First Nations at the Centre of Building Canada's Critical Mineral Supply

- » The importance of UNDRIP and FPIC in building out critical mineral supply in Canada.
- » Variability in the provincial and territorial contexts for UNDRIP and FPIC.
- » Learning from mining mistakes and legacies in Canada.
- » Aligning environmental and climate priorities with First Nations' values.

Part 3: Meeting both First Nations' Goals and Canada's Goals

- » First Nations interest in participation in extraction, processing, infrastructure, and procurement.
- » De-risking critical mineral projects for First Nations.
- » De-risking critical mineral projects for proponents.
- » Capacity and training support for First Nations participation in critical mineral projects.
- » Strengths, weaknesses, opportunities, and challenges in building out critical mineral supply in Canada and on First Nations lands.

FNMPC Critical Mineral Roundtables

The First Nations Major Project Coalition (FNMPC) hosted two Critical Mineral Roundtables that convened expert participants from Indigenous, private, and public sectors on October 25th, 2022 (Vancouver, BC) and February 7th, 2023 (Toronto, ON). The two roundtables hosted 69 participants (45% Indigenous, 28% industry, 27% government) for closed-door discussions where content, but not attribution, could be used and reported out on by all participants. This summary constitutes the FNMPC's reporting out on these two roundtables. Please see Appendix A for the agenda and questions posed at the roundtables.

Both events were funded by Natural Resources Canada and had the purpose of convening experts on the topic of critical minerals to provide some direction to government and industry on what the key issues are facing Indigenous nations and nation members are. The goal is that those issues identified can be advanced through FNMPC, as well as in Indigenous, government and industry spheres.

These sectors each hold knowledge and insights to help include First Nations throughout the mining sequence, from First Nations engagement, legislative and regulatory impediments, investment risks, market forces and capital market issues and more.

To advance battery mineral supply in Canada, centre the interests of First Nations

For Canada and countries around the world to limit the impacts of accelerating climate change, a shift in our economies needs to occur in the way we source, measure, and utilize our energy resources. To meet 2035 legislated net zero targets (e.g., the Canadian Net-Zero Emissions Accountability Act) for transportation alone, the world will require up to 14x more nickel, copper, iron ore, lithium, and other critical minerals.¹

These critical minerals are the essential components in many clean energy technologies such as electric vehicle batteries and solar voltaic cells. Canada is rich in nearly every mineral that the world needs to avert a climate catastrophe. The market potential of this shift is staggering, with some estimates as high as USD\$100 trillion by 2050.

All these minerals will come from Indigenous lands. FNMPC experience has demonstrated that prioritization of Indigenous values in projects - including Indigenous representation within corporate leadership, Indigenous equity ownership, involvement in supply and value chains, and environmental protection led and directed by Indigenous people - are key to the success of major critical mineral projects getting approved and built.

The complexity that surrounds resource extraction is immense – but something that needs to be addressed now and across Canada if we are to move forward in the time that is needed to not only meet net-zero timelines but ensure a healthy environment and world for the next seven generations.

Yet questions remain: How do all parties identify, define, and respectfully centre Indigenous values and partnership in a critical mineral project? Issues such as capital access, permitting and regulatory risk, deal structures, Indigenous commercial governance, and shared traditional territory, tend to delay projects. This report outlines the opinions and input on these and similar questions at the two FNMPC Critical Mineral Roundtables.²

¹ S&P Global. 22 September 2020. "Trillion dollar opportunity in battery metals demand, analyst says" www.spglobal.com/marketintelligence/en/newsinsights/latest-news-headlines/trillion-dollar-opportunity-in-battery-metals-demand-analyst-says-60440983.

² Please note that information in this document came from notetaking at the two roundtables, are paraphrased in some cases, have been reported as accurately as possible, but may contain errors.



Part 1 Critical Mineral Supply in Canada

"[Critical minerals are] a very different picture than oil and gas. When you look at oil and gas investment today, there's a lot of mixed opinions over demand. Some people think demand has already peaked... But that's not the case with [critical minerals] ... there's going to be a long 20/30/40-year demand growth for a lot of new supply for this mineral contribution."

Importance of Critical Mineral Supply to the Canadian Economy

"Canada has a great [competitive advantage]. Its very hard to imagine Mexico or Canada would cut off trade with the US. Not true with China, not true necessarily with Russia, especially now. Not true of a lot of countries."

Many of the roundtable participants emphasized the importance of critical minerals to the Canadian economy, largely related to:

- » Securing economic growth.
- » Creating a competitive economic advantage for Canada.
- » Supporting Indigenous economic growth and self-determination.
- » Reducing reliance on today's critical mineral exporters.
- » Meeting Canada's net zero targets and energy security via the supply of critical battery minerals for zero emission vehicles.
- » Benefiting from the net zero targets of other countries and their need for critical battery minerals.

WHICH MINERALS ARE CRITICAL?

The minerals deemed critical minerals by:



The United States³

Aluminium	Magnesium
Antimony	Manganese
Arsenic	Neodymium
Barite	Nickel
Beryllium	Niobium
Bismuth	Palladium
Cerium	Platinum
Cesium	Praseodymium
Chromium	Rhodium
Cobalt	Rubidium
Dysprosium	Ruthenium
Erbium	Samarium
Europium	Scandium
Fluorspar	Tantalum
Gadolinium	Tellurium
Gallium	Terbium
Germanium	Thulium
Graphite	Tin
Hafnium	Titanium
Holmium	Tungsten
Indium	Vanadium
Iridium	Ytterbium
Lanthanum	Yttrium
Lithium	Zinc
Lutetium	Zirconium



Canada⁴

Aluminium	Manganese
Antimony	Molybdenum
Bismuth	Nickel
Cesium	Niobium
Chromium	PGM
Cobalt	Potash
Copper	Rare earth elements group
Fluorspar	Tantalum
Gallium	Tellurium
Germanium	Tin
Graphite	Titanium
Helium	Tungsten
Indium	Uranium
Lithium	Vanadium
Magnesium	Zinc

Understanding the importance to the Canadian economy includes understanding the definition of a critical mineral. **Canada's definition of a critical mineral** is that they: (1) have few or no substitutes, (2) are strategic and somewhat limited commodities, or (3) are increasingly concentrated in terms of extraction and, even more, in terms of processing location. Under US law, there are three components to the **US definition of a critical mineral**, and all of them highlight that critical minerals and national security go very closely together, particularly in the US, and by extension for Canada:⁵

³ Source: International Energy Agency, 3 February 2023. Final List of Critical Minerals 2022. <https://www.iea.org/policies/15271-final-list-of-critical-minerals-2022>

⁴ Source: International Energy Agency, 27 October 2022. Critical Minerals List 2021. <https://www.iea.org/policies/15698-critical-minerals-list-2021>

⁵ International Energy Agency, 3 February 2023. Final List of Critical Minerals 2022. <https://www.iea.org/policies/15271-final-list-of-critical-minerals-2022>

- Criterion One:** A critical mineral must be a mineral where the US has a net import reliance, meaning it's coming from somewhere else (e.g., Canada, Australia, Argentina, etc.)
- Criterion Two:** A critical mineral must have concentrated production meaning that say 80% of the minerals themselves are supplied by only two or three countries. This means there's potential vulnerability from the concentration of supply. Two thirds of the supply of cobalt, for example, a key component for electric vehicle batteries, comes from the Democratic Republic of Congo in Africa.
- Criterion Three:** This criterion pertains to the fact that the US government weights each commodity based on the willingness of the supplier to supply the US to weigh the risks related to reliability of supply.

Why these three criteria - import reliance, concentration of production, and willingness to supply the US – are relevant to Canada is that the US wants to secure new, preferably domestic, sources of critical minerals. (Please see previous page for the full list of critical minerals). This interest in locating new sources is being catalyzed by strategic competition with China and the Russia-Ukraine war.

The Honourable Johnathan Wilkinson, Canadian Minister of Natural Resources Canada, punctuated this importance to Canada in his recorded input provided to the roundtables:

“I think we can all realize that there is no energy transition without critical minerals. Minerals that provide the raw energy but electricity flows from copper, wind turbines, manganese platinum and their power and requires great electric vehicles require battery minerals including, lithium, cobalt, nickel and magnets – and the elements are integral to solar panel manufacturing and that is why forecast and 500% increase in demand for these elements by 2050. Production minerals like graphite, cobalt, just to be in clean energy transition to batteries. It is in this context of the exploration, mining, processing advanced manufacturing and recycling of critical minerals represents a generational opportunity for our country.”

Roundtable participants emphasized that for Canada to efficiently ramp up critical mineral production, First Nation participation is the only way forward since all critical mineral supply in Canada would happen on Indigenous lands. Further, domestic critical mineral production can help support development in other areas of the domestic battery/EV supply chains. As one Indigenous participant put it, “our First Nations don't want to participate. First Nations want partnerships. And to be a primary proponent in extraction, processing, and related infrastructure.” Another participant pointed out that “despite increase in commodity prices, projects are not advancing accordingly. Permits not being issued fast enough.”

Another Indigenous participant pointed to the ambiguities and existence of barriers to the participation of Indigenous nations in Canada's critical mineral supply:

“Do these things meet Canada goals? I have no idea what Canada wants or expects from our agreements with industry. Most of the time, we're dealing with material regulations and laws and so I'm not sure whether we're meeting Canada's goals it would be interesting to know if we are.”

Importance of Battery Mineral Supply to Net Zero

Many of the roundtable participants discussed the impacts climate change, Canada's commitment to net zero emissions targets, and the drivers behind the potential supply of critical battery minerals:

“We have two major drivers for the demand for these critical minerals. One is the energy transition, and the demand that it applies for switching from fossil fuels to things like solar panels, lithium-ion batteries, and electrolyzers and things that are very mineral intensive. The other major driver is the idea of electrification by moving towards using wind and solar to provide electrification in sectors like residential heating and public transportation, instead of natural gas.”

One Indigenous participant contextualized the relevance of net zero to critical mineral supply from the perspective of potential for Indigenous nations in Canada:

“The key takeaway for us as Indigenous people is that the drive to net zero will result, and has already started, an increase in demand for critical minerals up to 14 times current volumes for everything from copper iron ore, nickel, lithium, a whole list of metals. But we need those, the world needs those, by 2035, which is 12 years away. Imagine all the mining that's going on right now in our [Indigenous] territories and other places in the world 14 times more in the next 12 years. All of those from Canada are going to come from Indigenous territories in some form. So, the challenge is that we as Indigenous people, and we as a country for our economy, have to have a discussion about how are we going to participate. The amount of capital that is flowing right now is in the trillions of dollars for people looking for those resources. Do we as a country want to participate? And if we do, what's the role of Indigenous people in ensuring this is done environmentally well, and everything around environment, the social and the governance questions ESG which is what the markets are looking for?”

Roundtable participants spoke about the opportunities in Canada related to net zero and critical mineral supply to the in connection to supporting the role of Indigenous nations:

“We don't want to go too fast when we miss certain steps and then it becomes a much longer and a much more complex process. It needs to be fast, but it also needs to be efficient and needs to be thoughtful, it needs to be meaningful.”

“We need a coordinated policy from government. Maybe there's a First Nation Critical Mineral Strategy that comes next. But again, we also talked about that's a huge challenge with getting buy in from communities that have that capacity, but also that do not have that capacity. Every community is different.”

“The participation of First Nations in addition to project developments is public policy and advocacy. With the energy transition and the drive to net zero that is happening globally, critical minerals are playing a big part of that.”



“Canada has the opportunity to be a leader in this space. And that window of opportunity is slowly closing. So how do we work with Indigenous nations to ensure that that is a common priority that we all see but also, again, we do it in a meaningful way?”

Strategic and Competitive Advantages

Participants spoke about two aspects of strategic/competitive advantages – one being Canada’s potential for critical mineral supply in relation to the rest of the world, and the other, strategic/competitive advantages related to Indigenous nations. Thought separated out here for clarity, these two advantages are one in the same: Indigenous involvement is our collective competitive advantage and a crucial leg-up in Canada’s competitive advantage.

Roundtable participants outlined **Canada’s strategic and competitive advantages** as being related to:

- 1. Fragile critical mineral markets globally:** “To give you an example of how fragile these markets are, when Russia invaded Ukraine on February 27th, the London metals exchange, which is the biggest metals trading market outside of China, where producers and consumers buy and sell, the nickel price went up so high that day that the market shut down. And there’s still to this day litigation over contracts being defaulted because prices quadrupled within 24 hours and the market didn’t have enough reserves and liquidity to really get through that. The Russians are being sanctioned and that they [hold up the market] that disrupted the whole thing. That shows how fragile these supply chains are.”
- 2. Importance of national security:** “...in the context of being national security issues, the US government and its allies like Canada are doing unprecedented levels of industrial policy and intervention in the economy to help create and bolster the supply chains. So we think the US is free market, Canada has a free market, European Union has a free market, but when the national security conversation comes in, then the government’s going to put the power of public policy of the budget of national security behind.”
- 3. The US Defence Production Act:** “Both the *Defense Production Act* and the US Department of Energy’s Loan Program Office have made capital available to Canadian markets. The Loan Program Office used to be the only given loan guarantees for companies like Tesla, the actual manufacturer of the end product. This year they changed it so they can give loan guarantees to the entire supply chain up to the mine. That unlocks a huge pool of capital and tens of billions of dollars of funding for projects in the US and Canada and free trade partners of the US.”
- 4. The US Inflation Reduction Act/domestic subsidies create a unique demand for Canadian resources:** “The *Inflation Reduction Act* included [the allocation of] several hundred billion dollars in investments in clean energy. But in that case, subsidies for example for electric vehicles are tied to the manufacturers more yet the subsidies that they’re using minerals that are either from the US or from the US free trade partners [e.g., Canada].”
- 5. Existence of Key Mineral Plays in Canada:** “As you add wind and solar capacity you need more transmission that’s very copper intensive. And then we think about industry, think about lithium. That’s really those two key minerals [which are present in Canada] that stand out above everything else that the hardest to substitute for, and where the US should be looking for a lot more supply.”

First Nations leadership gives First Nations, and ultimately Canada, a competitive advantage in the critical mineral supply chain. Arguably Canada’s best potential strategic and competitive advantages, as pointed to by participants, are the ways in which **Indigenous nations are uniquely situated to meet opportunities in battery mineral supply strategically:**

- 1. Indigenous nations partnerships putting Canada ahead on the global stage:** “If you’re competing with very large state-owned projects in China, we need some way to offset that, which is probably to have some public sector support in Canada, either in some technology or something to make sure that the output will be priced compared to what you’re getting out of China. That’s what investors would ask... this gets the question the green premium, right which is will the Teslas of the world and the General Motors of the world pay a little bit more? For a cathode for example, that comes from Canada that has First Nations partners, that’s net zero, all the things I mentioned. They will pay a little bit more, but it’s not going to be a lot. So there’s a little bit of room to run a higher cost space, but it can’t be completely out of line with what you’re trying to compete with.”
- 2. Indigenous nations’ determine whether a project goes ahead:** “We’ve heard about market forces which have a role to play, but it’s got to be done right. First Nations in the room today really hold that internal competitive advantage of deciding whether or not a battery mineral project or mine goes ahead.”
- 3. The emergence of various Indigenous partnerships on projects:** “The idea that that First Nations can be involved in discharging sort of new equity model, joint ventures, different partnerships, so in any of these scenarios they’re actually part of the of the reporting process.”
- 4. Indigenous procurement:** “... a number of these things would sort of be contained in the Impact Benefit Agreement and then in processes for training, jobs, contracting opportunities, financial support, ... having the First Nation built right into the business processes of the project [is an] an opportunity.”









Barriers to Building Critical Mineral Supply in Canada

“Why is it so hard invest in critical minerals? You’ve got national security considerations; you’ve got strong demand. So, what’s the problem? ...the problem is these are very capital-intensive projects and they do come with some financial risk. ... So, you may have a strong demand picture. You may have this national security imperative, but the basic question around permitting and creating social license for mining it’s where the struggle has been in the past.”

Roundtable participants were asked to identify the barriers to building critical mineral supply in Canada. Because of their expertise in this area, many participants suggested ways of overcoming these barriers:

Table 1. Barriers and Solutions to Building Critical Mineral Supply in Canada

BARRIER IDENTIFIED	SOLUTION SUGGESTED
 Financial risk and large producers’ cautions about managing supply.	Create a social license for mining through the support of Indigenous partnerships on projects.
 Mines take a long time to permit and finance.	Create social license for mining through the support of Indigenous partnerships on projects.
 Indigenous access to capital and collateralizing assets on reserve.	Implement a Canadian Indigenous loan guarantee program.
 Technical capacity in mineral processing across Canada.	Develop value chains across the supply chain to ensure First Nation participation at each step.
 Vastly different priorities, circumstances, capacity, and resources for each Indigenous nation in Canada.	Use models from other First Nations as a touchstone, understanding that each Nation will have different priorities and baselines.
 Socio-economic circumstances in First Nations.	If you don’t have clean water, accessible health care or quality education it is hard to successfully partner on mineral projects.





“There are all kinds of barriers in critical minerals in Canada, but I think through good negotiation, good dialogue with industry partners, you get you get to the end. We’ve done it over on major projects, we’ve done negotiation in a minimum amount of time, that’s three months, but also up to five to six years and everywhere in between. That’s how long it takes and that’s when you get over the barriers. Take the time to invest in discuss and be prepared sometimes to be there for a while. It all comes back to building one on one relationships with each individual community to figure out how we all address this together.”

Current Policy Gaps

“What gaps policy wise are needed, especially from Indigenous perspective on how you make this happen? Government is not always...we don’t actually, as Indigenous people, want the government to define what those policy gaps are. It has to be done in concert. So we have an opportunity as Indigenous people to promote our interests like we’ve never had before in a commercial sense.”

Roundtable participants identified several explicit policy gaps that exist in Canada today in the realm of critical mineral supply (Table 2).

Table 2. Policy Gaps in Canada Related to Critical Mineral Supply

POLICY GAP IDENTIFIED	CONTEXT
 Domestic policy supporting international trade coalitions among countries.	“How do we get a coalition of likeminded countries with shared values, their democracies that value human rights, that support action on climate, to support free trade and get them to work together to create a more concentrated and reliable supply chain for minerals? It sounds great. The problem is there’s not really a policy behind that yet. There’s an opportunity to take that minerals security partnership idea and align it with other arrangements on trade, security, and climate actions so that we can get an economic bloc that reflects shared values and democracies, and that can support minerals development and supply chains that are sustainable and have the right social considerations.”
 Canadian industrial policy .	“There are no coherent industrial policies in this Canada. This country is letting the industry and First Nations figure it out willy nilly. When you look at other countries in the world, other countries who have the processing facilities for and refineries. They have an economic policy where they have made a decision of where they want to get to. In Canada, we don’t have that and First Nations want to be part of forming one. For us to compete on the world stage and for countries who want to trade with Canada, we need to be able to tell them where we’re going.”
 Policy to ensure value add from critical mineral supply.	“Quebec is building very good public policy to ensure that population captures the value add from the minerals. So, how can First Nations participation in extraction processing and related infrastructure and procurement meet those First Nation goals? What we want as First Nations in that supply chain to become more involved and to ensure more benefit stays in our communities.”
 Variability among provincial, territorial, and federal policies.	“We need to build a model to try and understand how to de-risk including governance and how to collectively look at traditional territories. It is a challenge because it’s different across the country in different provinces, and different federal agencies all deal with traditional territories differently. That creates certain uncertainties for investors, for companies, and for First Nations.”

Many of the other outcomes from these roundtables, and as summarized in this document, contain implicit gaps, barriers, and delays that could be addressed by better policy and/or regulation.

Part 2 First Nations at the Centre of Building Canada's Critical Mineral Supply

“From 2016 to 2020 there's been at least \$1.67 trillion in resources exported out of Canada in that period of time, so just over 300 million a year. That's not counting what's the process here in Canada. So that's exporting but still, the First Nations that control the land that those minerals came from, they're still in poverty for the most part, there's something wrong with that picture. And that really needs to change.”

The Role of UNDRIP and FPIC in Building Critical Mineral Supply on First Nations Lands

“The five things for success, getting permitted quickly and attracting investors are:

1. *FPIC – Very few of the large publicly traded companies will move ahead without FPIC.*
2. *Shared benefits – area, zone, community, need to have meaningful, shared benefits.*
3. *Projects have to be net zero GHG emissions where the remainder is sequestered or offset.*
4. *Water and biodiversity land protection.*
5. *Net positive land impact – for every acre disrupted something is set aside elsewhere.”*

Given that all new battery mineral supply and mines in Canada are and will be on Indigenous lands, a great deal of emphasis by roundtable participants was placed on (1) the importance of the *United Nations Declaration on the Rights of Indigenous Peoples* (UNDRIP), particularly as it relates to free, prior, and informed consent (FPIC), and (2) how these can consistently and meaningfully be implemented in the build-out of battery mineral supply in Canada.

Regarding FPIC, roundtable participants discussed four factors that must be in place for free, prior, and informed consent to be meaningfully present in decision making surrounding critical mineral supply in Canada, for example:

F	Free	A robust build-out and resourcing Indigenous nations and community capacity, including tools, technical support and financing, are crucial for First Nations to be able to provide free , prior, and informed consent.
P	Prior	Despite the push for rapid build out of critical minerals the most efficient way for allowing adequate time for First Nations decision making and community engagement is the most efficient way for First Nations to be able to provide free, prior , and informed consent.
I	Informed	Well-resourced technical support for cost-benefit analyses and other analyses are crucial for First Nations to be able to provide free, prior, and informed consent.
C	Consent	The importance of the ability to say yes or no to a project and including First Nations representatives on corporate boards to influence industry governance, are examples of First Nations being in a position to be clear on whether the First Nation is, or is not, giving free, prior, and informed consent .

The importance of the ability to say yes or no to a project and including First Nations representatives on corporate boards to influence industry governance, are examples of First Nations being in a position to be clear on whether the Nation is, or is not, giving free, prior, and informed consent.

The main points and topics that surfaced in the roundtable conversations that touched on both FPIC and UNDRIP in the context of critical mineral build-out in Canada included:

- » Multiple participants noted that **overlapping Indigenous territories** are a concern and complication for how decision and benefits are allocated/distributed, and what does it look like for First Nations to be resourced adequately to work these matters out amongst themselves.
- » The importance of considering how FPIC and UNDRIP is operationalized in both Treaty and non-Treaty contexts across Canada.
- » The potential benefit in First Nations choosing to separate the Indigenous leadership and technical aspects of processes related to assessing and deciding on critical mineral projects.
- » The need for First Nations to engage on and clearly define where staking, exploration and mining activities take place and where they will not on Indigenous lands including traditional territories.
- » There is a need, both broadly and for each First Nation, to determine what activities are the trigger to engagement and FPIC.
- » A mechanism such as a Centre of Excellence could to be created and deployed on a project basis to bring together geo-science and traditional knowledge since as it stands, dualling sciences (Western science and Indigenous knowledge systems) often do not work.
- » First Nations need to see themselves as and to become direct benefactors to critical mineral supply development.
- » Permitting procedures at all levels need to clearly define the role of FPIC.
- » Governments need to be clear on UNDRIP and FPIC, because currently in Canada it is not clear for project proponents or for First Nations.
- » In terms of UNDRIP/FPIC, we need to think about industry and government as two different tracks – both need to advance simultaneously. Investors are having to step in when government is not active on the problem, and where the best path is where both industry and government are advancing FPIC at same time.

“ That raw material in this country comes from Indigenous territories. So, there's a conversation to be had around understanding as to how and when this happens, that it can be inclusive of Indigenous interests, that Indigenous nations have the ability to express free, prior, and informed consent and make decisions that align with community values. And for those projects that proceed, have meaningful benefits from participating in them.”

Various Provincial and Territorial Contexts for FPIC and UNDRIP

Roundtable participants provided some geographically specific nuances to implementing UNDRIP and FPIC in the critical mineral supply industry in Canada:



BC: “Participation in the governance of projects, and I’ve seen in here in BC, is First Nations being on the board of directors is an important part for the FPIC part if UNDRIP to be implemented. A better understanding of the full spectrum of equity participation in nature, I thought it was good point. You know, there’s liability risk in projects. And there’s, you know, there’s governance participation and responsibilities and fiduciary obligations that go with that in project decision making, revenue sharing and revenue loss, and so a lot of cases apply a lot of projects, places aren’t thinking what the last part of the liabilities are. So, understanding sort of the full spectrum, and I’ll provide you that that one right. But the full spectrum of what equity or what participation means the project means is an important part of getting to FPIC.”



NWT: “We talked a lot about FPIC and focused on basically a two-pronged approach. One being, you know, releasing the principle at play, and that’s that relates to the broader investor community that they want to see FPIC in practice, including all the way up to the biggest banks. For them, it’s about de-risking projects. If that principle is followed, and then the other prong is on the government side needing legislation regulation and policies to implement FPIC formally within different jurisdictions, and we have seen in the Northwest Territories that both simultaneously need to be advanced in the critical minerals and Indigenous participation space.”



SK: “In Saskatchewan, we I find us in a very unique position when it comes to UNDRIP and FPIC. And, unfortunately, a premier had put out a white paper a couple of weeks back, it’s called really not, not including any assertion for First Nations or Indigenous people in the province. So, as we look at FPIC and UNDRIP, an important conversation to have, looking at implementing FPIC or UNDRIP nationally, on the other side we have a province that’s [holding up and controlling] the natural resource transfer agreement in terms of provincial autonomy. With this barrier, how are we going to navigate FPIC and UNRIP from a First Nations or Indigenous lens? I think that’s a critical conversation to have because First Nations don’t want to be standing by ourselves. Fighting to assert our rights while there’s an overarching piece of legislation and providing autonomous jurisdiction over resources.”



PQ: “In Quebec, the government, the provincial government, is getting behind and supporting that the development of mines and other opportunities and but they’re requiring as part of that investment and support that First Nations also benefit from it. An approach like Quebec is doing could be done in other provinces as well, including barriers to financing – the ‘free’ part of FPIC. Government decision making can be a big barrier. So, government can sometimes have programs to support investment, diversification, and other types of programs out there, but they just take too long, and so business can’t wait that long for those decisions to be made.”



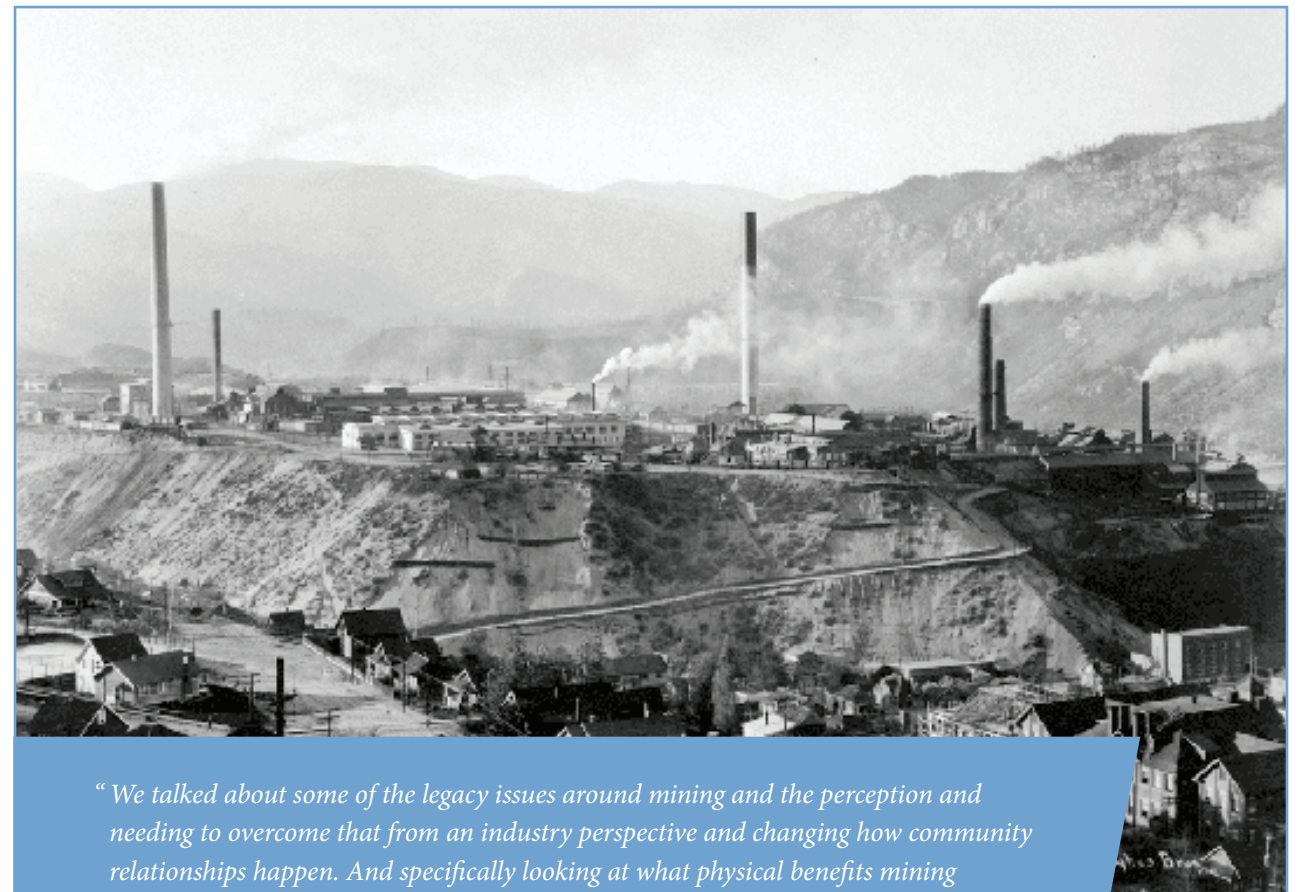
ON: “Our First Nations in Ontario don’t want to participate, they want partnership, including in some cases as the primary proponent in extraction, processing, and related infrastructure. Right now, we oftentimes have a lack of industry knowledge, or the industry lacks the knowledge of First Nations’ values and interests. We know that they don’t really understand why they have to work with Indigenous people. And they, haven’t been trained on that and they don’t understand FPIC or UNDRIP.”

“ Whether it’s government or First Nations, or industry, we all need to be on the same page about what FPIC means in order to implement a process that has some reliability in it.”

Learning from Mining Mistakes and Legacies

“ Our First Nation has lived with and is still dealing with the outcomes from a mine in our territory from 100 years ago, including arsenic in our waters.”

First Nations in Canada are not new to the mining industry. While there are some with modern partnerships and impact benefit agreements with mining operations in their territories, there are far more who have been deleteriously impacted by mining over the last half century or more while seeing few to none of the benefits. Roundtable participants spoke about these legacies, including how to overcome and learn from the mining mistakes made in Canada:

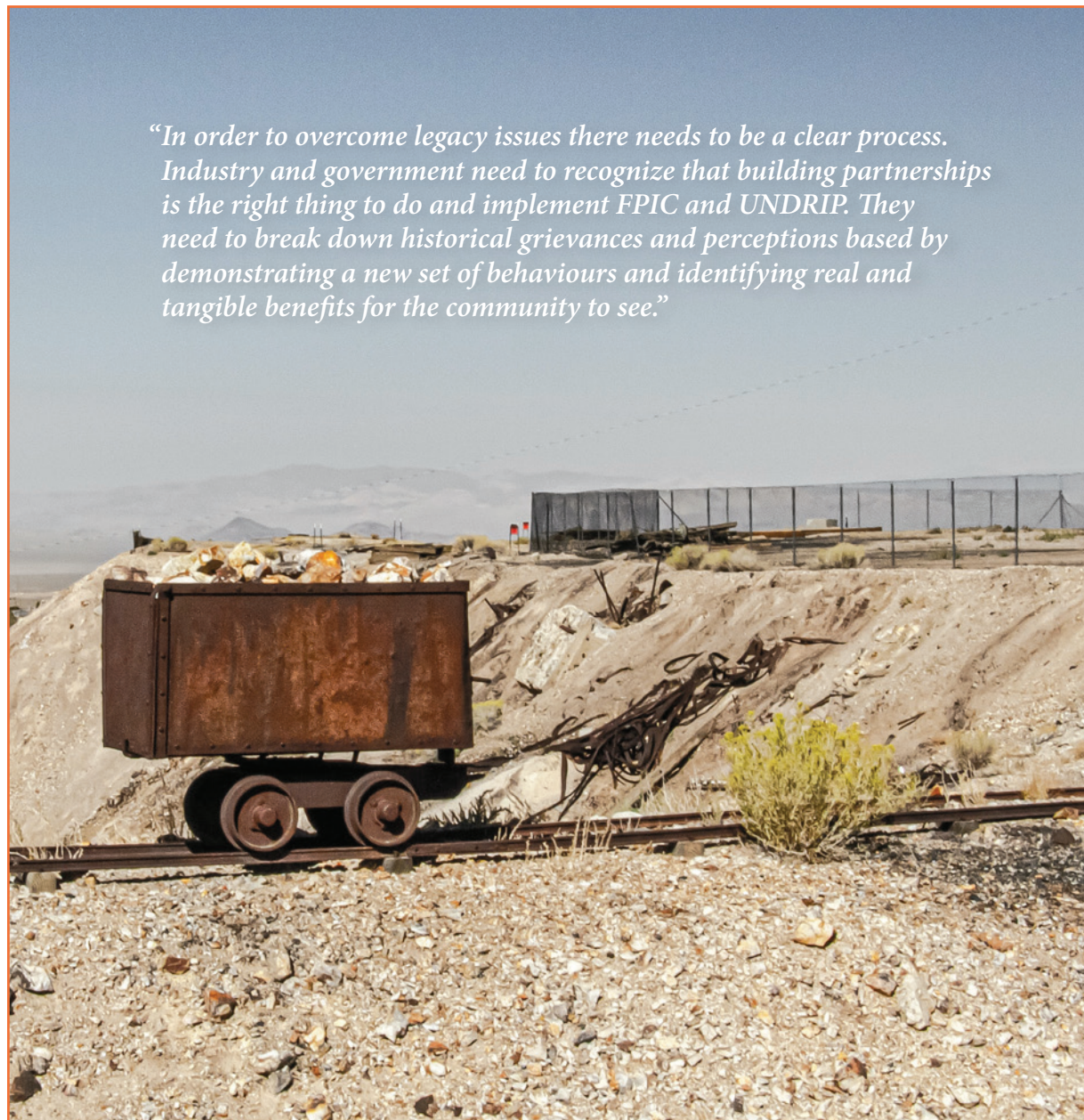


“ We talked about some of the legacy issues around mining and the perception and needing to overcome that from an industry perspective and changing how community relationships happen. And specifically looking at what physical benefits mining activities bring to communities and highlighting what is important in terms of overcoming issues.”

“It’s really important that we change our mindset, a mindset within the marginalized efforts from government and industry on how to engage First Nations. They don’t change their mindset. You’re not going to be able to get what you want at the end of the day. So, find the [right] proponent - not the ones that are looking to grow their business and make money and leave a legacy behind - but search until you until there’s a proponent that has that commitment to working with the communities.”

“We all know about the legacies in mining, and ultimately addressing those comes down to community relationships.”








“There needs to be physical benefits to community. In order to overcome legacy issues, there need to be clearly defined Indigenous nation needs and process to meet those there.”



Aligning Environmental and Climate Priorities with First Nations’ Values

Stemming directly from the environmental legacies experienced by many First Nations across Canada with mining in their territories is what needs to be done better for critical mineral supply to be ramped up in Canada in a way that supports climate priorities, clean water and lands, and the environmental values and Indigenous knowledge systems of each impacted First Nation. Roundtable participants pointed to several factors needed to improve environmental outcomes in the realm critical mineral supply planning in Canada (Table 3):

Table 3. Environmental Considerations in Building Out Canada’s Critical Mineral Supply

ENVIRONMENTAL CONSIDERATION	CONTEXT
 Cumulative Impacts	<p>“Not only does the timing of projects and need to align in terms of projects moving forward, but also there needs to be a comprehensive understanding of cumulative impacts moving forward. First Nations people think seven generations ahead.”</p>
 Net Zero Critical Mineral Projects	<p>“Projects have to be net zero GHG emissions where the remainder is sequestered or offset.”</p>
 Whole Watershed Considerations	<p>“What are those impacts and how do you move back to mitigate impacts? From a watershed perspective, such as open pit versus underground mining, is an important consideration in looking at the whole watershed, not just that one patch of ground.”</p>
 No-Go Zones	<p>“We need to define no-go zones on mining project as well as the economics of the project. They need to be designed right, and from the beginning, not after the federal provincial governments have met with the mining companies beforehand, in order to understand the development, and where no-go zones should be.”</p>
 Ownership of Data	<p>“We need to make sure that we have First Nations ownership of the data of inventories of what minerals exist in our territories. We need to have that information and ownership of it so that we can work alongside the companies including having our guardians or our own land stewards involved in surveying those lands.”</p>
 Mining Lifecycle	<p>“First Nations must be able to discuss fully and understand the various concerns in terms of the lifecycle of the mining there, because First Nations will be there long after the mining is done.”</p>
 First Nations Expertise	<p>“We need to build environmental and regulatory expertise.”</p>
 Seven Generations Approach	<p>“We have to look after Mother Earth for generations. Indigenous nations have not only the right, but the responsibility to look after our lands and waters for future generations.”</p>

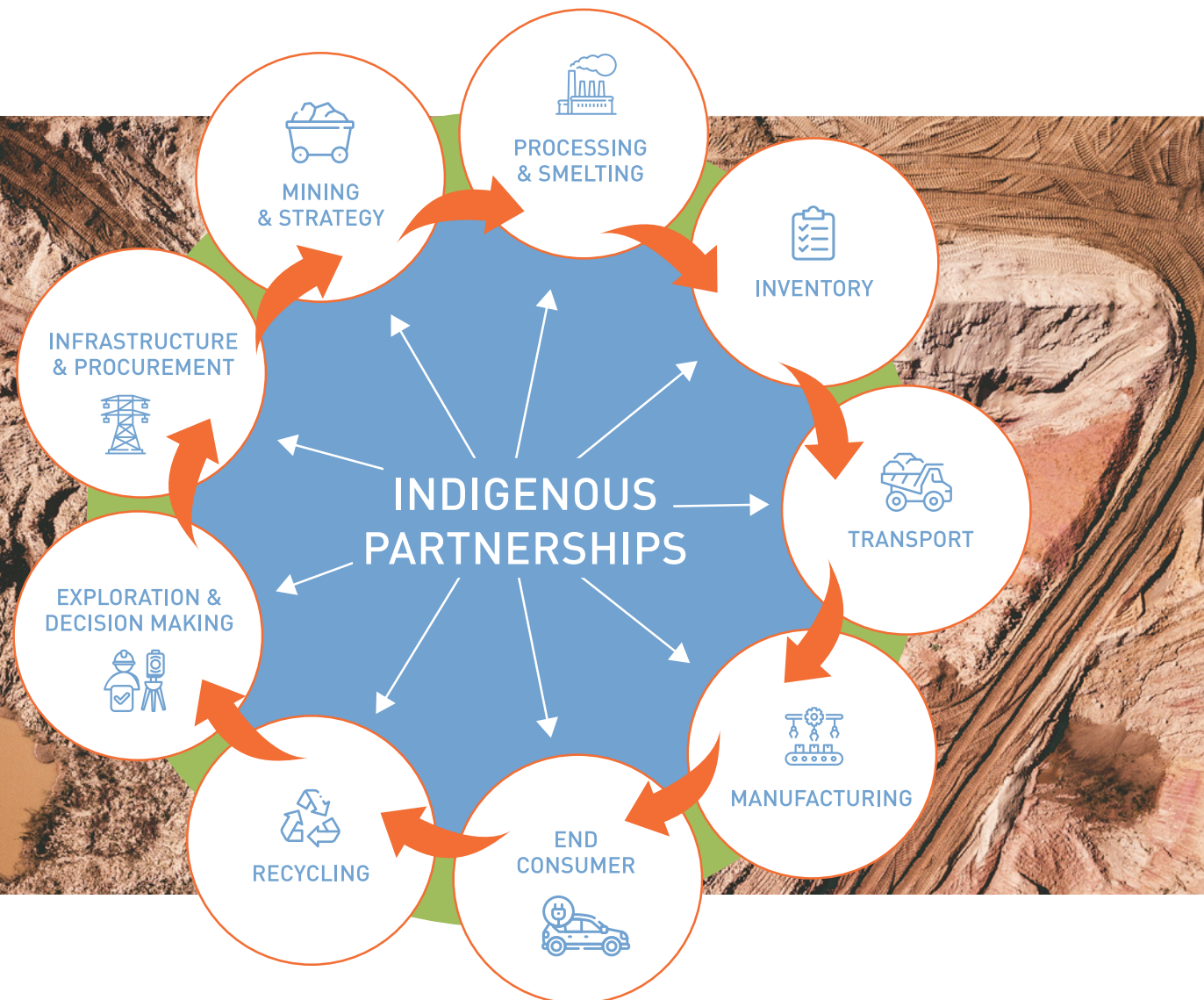
Part 3 Meeting both First Nations' Goals and Canada's Goals

First Nations Participation in Extraction, Processing, Infrastructure and Procurement

“What is the value add? Is it enough just to dig it out of the ground or get it out of the earth and then pass it off to someone else to process it into batteries or into car parts or different things. A lot of the value in this supply chain is not just the extraction, it's the value add. Similar would be like logging and just sending raw logs overseas. But should we be making furniture should we do things with it?”

Roundtable participants were unanimously in agreement that Indigenous nations whose lands, waters, and traditional territories are impacted by critical mineral extraction should be involved as partners in all elements of the supply and value chains (Figure 1).

Figure 1. Opportunities for First Nations Participation All Along the Critical Mineral Supply and Value Chains.



Historically, the participation of First Nations in mining has been confined to the mining/extraction phase of mineral supply. In many cases, the negative impacts on First Nations of the mining/extraction have been high, while the benefits and revenues have been disproportionately small compared to the overall profits reaped from royalties and profits the overall value chain.

For Canada to meet its climate targets while fostering economic reconciliation with First Nations, the ramp up of critical mineral supply must include and resource First Nations' partnerships at all stages of the critical supply and value chains. Roundtable participants pointed to extraction, processing, infrastructure, and procurement as opportunities for First Nations partnerships.

Extraction

Roundtable participants were mostly already aware that mining and raw mineral extraction itself present partnership opportunities, particularly considering the global ramp up of critical mineral demand. Given this, most of the focus of the conversation was on Indigenous partnerships on the remainder of the value chain. Comments on extraction/mining included:

“Mineral extraction needs to advance of the role of Indigenous governments and the incorporation of Indigenous knowledge. Going forward we need to figure out how these fit into the process.”

“First Nations have a responsibility as well. So, it's taking a look at ourselves as First Nations and we have responsibility that we can extract minerals. For industry and our government to do it all we need to step up and be clear on what we want and what we don't want and why we're doing it. But with sort of, I guess the caveat to that is that capacity is just not there and [in many of these Indigenous] nations.”

“We need to step up and sort of bring that capacity to mining projects, but it's not that simple. We talked a little bit of going outside professional advisors that have done that and then you run into almost predatory advisors out there that aren't necessarily giving you advice that is independent and sometimes in some cases, self-interested.”



“There is an increased awareness and knowledge among First Nations of the process from mine to the end of the mineral value chain consider.”

Processing

Roundtable participants focused mostly on the opportunities in the critical mineral value chain that were beyond simply pulling raw materials out of the ground on Indigenous lands, but rather partnering and participating in minerals processing. Discussions of minerals processing included aspects of the supply and value chains including refinement, smelting, reclamation, conversion, recycling, and other processing:

“The nub of this question is the is the supply chain, the value chain and everything that goes on in critical minerals, right to the final product. We need to be domestically focussed throughout the supply chain: what can we do in Canada. We need to look at mining supply chain and need to determine where First Nations focus, expertise, credibility to contract on these areas.”

“95% of value is in downstream / mineral processing.”

“Some of our First Nations have talent in some parts of the value chain and not others.”

“Some First Nations are sophisticated with economic development corporations, partnerships and capacity and are better equipped to take on new projects.”

“It’s not just about a hole in the ground value chains and the processing the value that’s created returning the raw material into a finished product.”

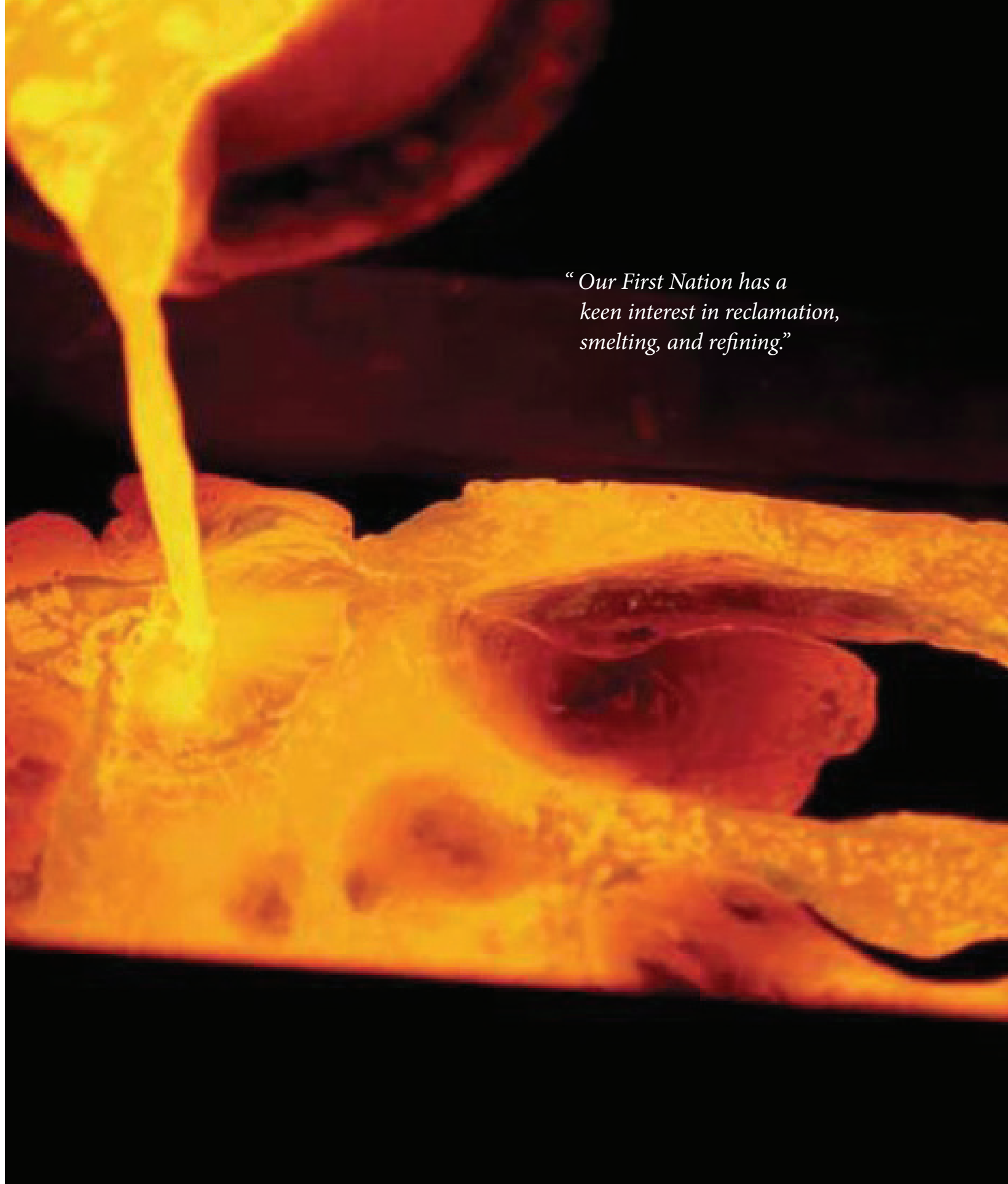
“The Government of Canada needs to ensure First Nations’ participation at each step critical mineral chains development.”

“For First Nations, there’s an opportunity to build a group of trusted advisors: there are so many sub-sectors and industries and people financial, legal communication, all these different types of services that nations and across the lifecycle of the project, so recognizing us and trusted advisors of ours, would be very beneficial.”

“First Nation communities have a relationship or an understanding of companies in terms of the battery supply chain, the value chain, it’s a different stakeholder. International companies like LG and many of them don’t have the same understanding of First Nations issues. So that’s something that we discussed quite a lot. But how do you build that understanding by some of those foreign investors of the First Nations what are who are controlling a lot of that supply chain and doing some of those activities in areas actually quite far away.”

“I think communities can and should talk to the end users of the minerals about coming into your own territories and using them and creating end product and then use so all of those things tend to be done and in partnership with, with industry.”

“There’s interest of First Nations partnerships along the value chain. However, First Nations partnerships on reclamation, refining, smelting, some of those are getting lost. One of the barriers to participation in the value chain is the capacity in communities on training and education. Historically is mostly talent and capacity in extraction, but not necessarily the rest of the value chain.”



“Our First Nation has a keen interest in reclamation, smelting, and refining.”

Infrastructure

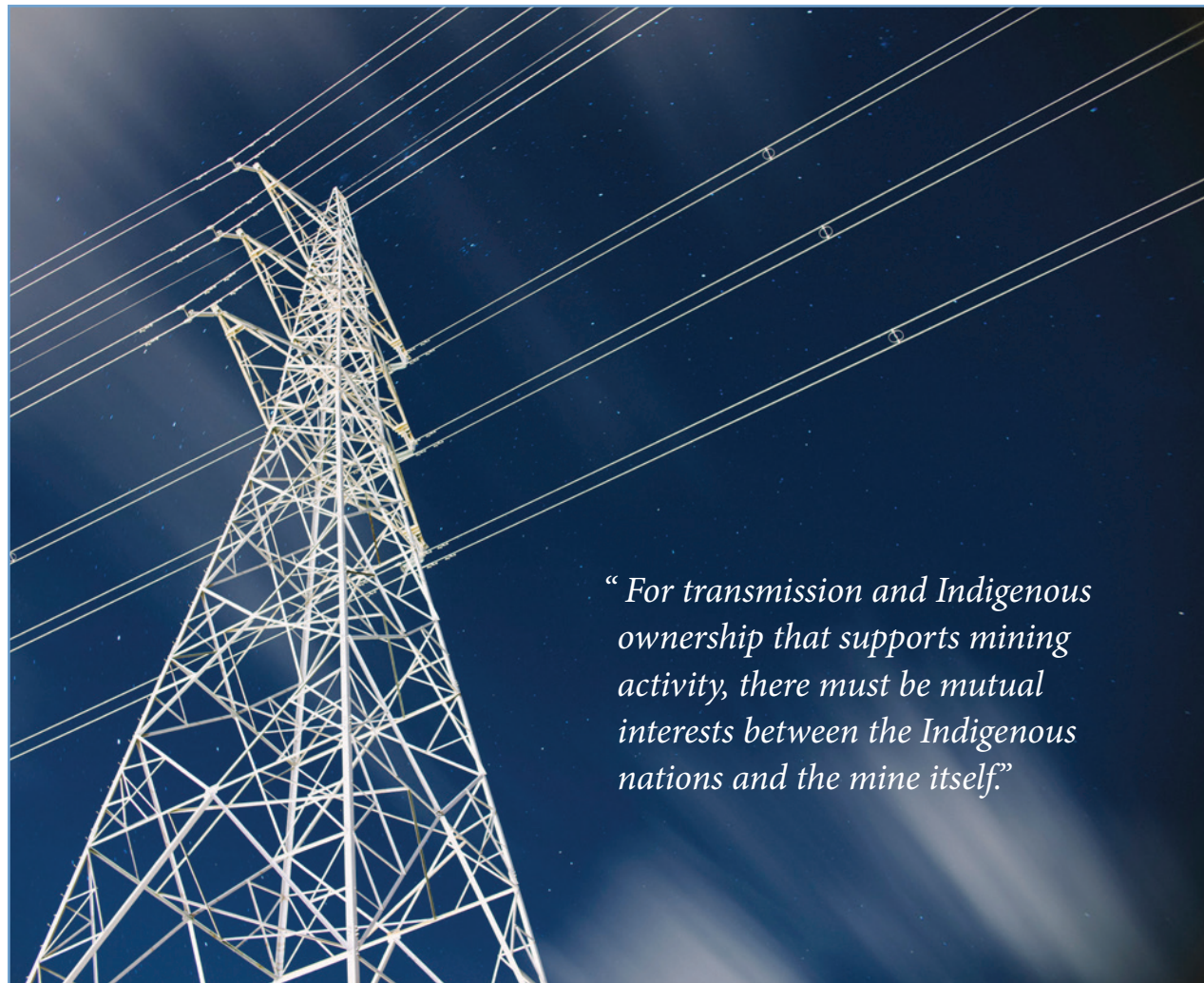
The acceleration of critical mineral supply will require accompanying infrastructure such as electrical generation and transmission, roads, and utilities. This infrastructure presents not only an opportunity to participate in or own the accompanying infrastructure, but to also benefit directly from it. For example, a transmission line, fibre optic cable and new road built to service a mine may also connect remote Indigenous nations to a cleaner grid, broadband, and ground travel. Comments by roundtable participants on this element of the critical mineral value chain included:

“We know we need to include First Nations in the identification of mining infrastructure development and determine synergies such as transmission lines.”

“As First Nations we need to articulate our interest in mine itself and/or supporting infrastructure.”

“Each First Nation needs to figure out if there is room for First Nations to own the refining infrastructure.”

“In BC and probably in the other provinces as well, it is important to understand the BC Hydro’s role in critical mineral development and the power they have in the mines. Anything that First Nations provide in infrastructure can help to de-risk mining projects, and [that First Nation] also receives benefits by building roads providing roads, human resource support, clean energy, and broadband.”



Procurement

As with mining/raw mineral extraction, many First Nations are familiar with the procurement opportunities that sometimes come from projects built in their territories. In a time of concerted efforts toward economic reconciliation, roundtable participants pointed to the concept that First Nations partnerships in procurement should include prioritization of Indigenous businesses in the impacted territory, First Nations leadership in contract terms and negotiation, mid- and upper-level positions in procurement employment for First Nation members, and the consideration of First Nations procurement opportunities right across the supply chain. Comments from roundtable participants included:

“First Nations need to do what we can and we do participate in the procurement of goods and services to mining companies, mostly through our impact benefit agreements that demand that companies and obligate companies do certain businesses and advantage advantages to First Nations. And does it cost the industry a little bit more? It sure does!”

“It helps for First Nations to understand the mining cycle. Mines take ten years to get up and running, and throughout that cycle there are First Nations opportunities for procurement.”

“Consider procurement over the lifecycle of the project: carve outs, mandates, and direct-buys.”

“Our First Nations are not equipped to compete on a global stage against mature businesses, multinational corporations. So, the little things that we do, like procurement are one of the things that we do extremely well, at least in our communities. In critical mineral supply chains, we absolutely expect that industry makes room for that.”

“There needs to be a focus on integrating foreign direct investment opportunities with more localized procurement opportunities. That can build capacity across the value chain within First Nations that are going to be engaged and involved in this project. So how do you get multinational firms to work locally to build up procurement opportunities and build out firms locally?”



De-risking Critical Mineral Projects for First Nations

“One of the biggest threats is the geopolitical and the ability for international actors to manipulate markets, which causes a lot of risks on where they are, what their interests are. And that can be a risk for both the industry as well as the First Nations who want to be partners in a project.”

While First Nations participation can help to de-risk project development, participation/production often carries unique risks for First Nations. Participating in mining projects and hosting any critical mineral projects on First Nations’ territories carries risks for First Nations. Those risks include but are not limited to environmental, financial, stranded assets, legacy issues, commodity prices, geopolitical changes, regulatory uncertainty, and the impacts of changes in government.

“Each risk to First Nations needs to be de-risked individually.”

Roundtable participants identified both risks to First Nations in critical mineral supply as well as solutions for de-risking to support First Nations partnerships in this sector.

Risk: Capital, Financial and Business

De-Risking Strategies Identified:

- ✓ First Nations need to both de-risk involvement in supply chains and to create room to grow based on capacity and services, and for partnerships to develop, including an exit (retreat) strategy.
- ✓ Loan guarantees and Indigenous access to capital will assist First Nations in de-risking assessments of projects, also maybe subsidies are needed to support the development of the critical minerals in Canada as there’s a lot of risk involved in that in that new exploration development phase and governments need to step up.
- ✓ Government needs to support First Nations’ infrastructure and investments.
- ✓ Government subsidies for critical minerals exploration and development.
- ✓ First Nations should decide what IBA model works for them – it could be like mutual funds in terms of sliding risk level.

Risk: Liability

De-Risking Strategies Identified:

- ✓ Capital is high risk i.e., end of mine infrastructure is a liability to First Nations.
- ✓ We need to build a group of trusted advisors across the lifecycle of the project.
- ✓ Models developed by other First Nations could help in reducing liability.
- ✓ Collaborating/partnering with other First Nations or organizations such as the FNMPC could mitigate Indigenous liability.

Differentiating Risks

Capital risk is the possibility that an entity will lose money from an investment of capital.

Business risk refers to whether an entity can generate the revenue needed to cover operating costs.

Financial risk refers to whether an entity can manage its financial leverage and debt.

Risk: Environmental Impacts

De-Risking Strategies Identified:

- ✓ All projects should have built-in Indigenous oversight and monitoring of environmental performance and checks and balances.
- ✓ Consider co-management models (land and water boards; advisory and monitoring committees) for environmental oversight.
- ✓ First Nations need to be included in all aspects of environmental oversight, monitoring, and that means building-out environmental capacity.

Risk: Social License by Nation Members

De-Risking Strategies Identified:

- ✓ Recognizing the right of First Nations to say no to a project right away and to respect that and go elsewhere.
- ✓ First Nations-led impact assessments.
- ✓ There needs to be a role for all members within Indigenous nations – such as elders and knowledge keepers - to help secure community support for projects.
- ✓ Communication and transparency across membership is key to success.
- ✓ Capacity building is needed for nations to support the separating of politics from technical decisions where appropriate.
- ✓ Communication is very key: nation members want to know what’s happening, and leadership needs to be transparent with all members of the community.

Risk: Timelines

De-Risking Strategies Identified:

- ✓ Timelines between industry and nations are not necessarily aligned, and industry needs to ensure nation leadership has sufficient time to work with community.
- ✓ The timing of a First Nation’s investment means you can make an investment during the construction phase, but that is a high-risk phase of the project. There are very high premiums for investment financing for that phase, and First Nations often aren’t able to achieve construction and financing in that short timeline. So, enabling a First Nation to invest at the operational phase once the project is up and running provides First Nations a reasonable timeline as well as financing options.
- ✓ To the First Nation as a whole, it is important to recognize our spiritual ties and kinship, and that timelines between industry are going to be not necessarily aligned. There needs to be sufficient time to work with that and with nations leaders.

Risk: Mine Construction Phase

De-Risking Strategies Identified:

- ✓ Equity ownership is different things to different people: if for some it is stock for others it's equity ownership. What risk is the community prepared to take on or not take on?
- ✓ There needs to be an identification of best practices in decision making. In the construction phase, First Nations are sometimes not able to invest at the operation phase.
- ✓ Some First Nations may avoid the construction phase and instead provide infrastructure and get benefits from labour, clean energy, broadband, and roads.

Risk: Safety for Indigenous Women and Girls

De-Risking Strategies Identified:

- ✓ We need to make sure all elements of the critical mineral supply chain are a safe environment for Indigenous women and girls, and for Indigenous employees who are already participating to stay within the industry and to continue to share their skills and knowledge and grow with the company and with the partnership.

De-risking Critical Mineral Project for Proponents

“We as First Nations are not leaving. We are not a flight risk; unlike as examples government policy towards tech companies who then build a certain size and move it. We're not going anywhere nor the resources. So, get to know the people in the room and get to get to know the people in the First Nation because they will be your biggest allies in this.”

What the risks may be to non-Indigenous critical mineral project proponents is complex and varies widely across circumstances, geography, and location on the supply chain. The focus by roundtable participants was on the “risk” that many proponents see in the potential for lack of First Nations’ support of some new critical mineral projects. This discussion included the fact that there are First Nations interested in mining in their territories, and those opposed, and that both should be respected by industry and all levels of government.

Given the legacy, environmental, and lack of consultation and consent that are the history of many of the mines in Canada today, the focus of the roundtable discussion was on moving forward in a better way, one where First Nations are partners in projects from the earliest possible stages of project concept through the value and supply chains. Considerations of how to partner with First Nations on critical mineral projects included four essential steps:

“First Nations are conceived as a risk factor for investment for and that's just coming in, but we're also a business opportunity. If we as First Nations want to be involved in these supply chains, we have to recognize that that we are a risk. How, for those First Nations who want to do these projects, do we de-risk the involvement of First Nations in these projects?”





Relationships with First Nations

- » Proponents and project managers need to build good relations with First Nations.
- » Companies need to ensure early engagement with First Nations.
- » “You’ve got get to know the person next you and understand the past is in order to coordinate with First Nations.”
- » “Don’t start by negotiating IBAs, rather focus, on negotiating partnerships.”
- » Industry needs to look at how they can integrate Indigenous partnerships into their engagement and involvement with purchasing.
- » “It’s really important to have time to work with First Nations to find a social license to operate.”
- » First Nations should be on corporate boards of the project proponent company.



Corporate FPIC Policy

- » Project proponents need to be transparent and explicit about their support for FPIC.
- » Proponent websites and communication should explicitly support FPIC.
- » Industry must meaningfully integrate FPIC into all activities.



Government FPIC Policy

- » First Nations’ participation and FPIC should be built into government regulatory processes that will help reduce risk.
- » “Government decision making is often mired in conflict and disagreement. In terms of de-risking, how is the risk resolved? Are there structures in place or processes in place that help to resolve that conflict or disagreement?”



Investing in First Nations

- » “For industry to de-risk investments and support First Nations participation in projects they need to directly address the general capacity challenges. That starts with education that starts with training, potentially offering opportunities for young people, that five year or three-year timeline of them gaining that technical skill to fully participate is a challenge.”
- » “Industry needs to put a definition behind what investment in terms of First Nations are and how you want to grow it with your business or your product at the end of the day, have to invest in First Nations, that’s the most important thing in order to invest in.”

“It’s about the community relationship, how the First Nations can see themselves reflected back in the decision-making process and ultimately the deal. If we cannot achieve that type of space, then projects don’t proceed. We don’t get the critical minerals out of the ground. The opportunities that come with it, as well as the grids go elsewhere. And I know, globally speaking, there’s a race to net zero.”

The need for better, more, and long-term investment in capacity and training in First Nations, including their members and leadership, was a resounding theme among roundtable participants. Participants articulated not only the rationale for this need, but specifically what capacity and training should be invested in and provided to First Nations to accelerate the critical mineral supply in Canada. The rationales behind the importance of capacity and training for First Nations included:

- » **Operationalizing decisions:** “Capacity is a reoccurring theme and the need for First Nations to have capacity to operationalize the decision-making process about critical mineral supply projects.”
- » **Time for decision making:** “Indigenous participation is not just about financing and mineral extraction; it’s about First Nations being prepared ahead of time to make the informed decisions. That means we have the capacity in place already to know how to evaluate a technical decision to have in place the legal expertise to make decisions on everything that will go into the value chain in the financing evaluation of the opportunity.”
- » **Foreign direct investment:** “There are foreign buyers now starting to show up in our territories. Are we do we know how to evaluate those buyers? Are they good? Are they not? Or should we be in partnership with them or not?”
- » **Free, prior, and informed consent:** “Access to capital funding and training are an important part of this to move projects forward. Any project equity participation, IBAs, environmental protection, are all important components to meet that the FPIC standard or to have First Nations to be involved in the project, get their consent, you need to have their participation in that. But there’s lack of funding to support that and to have access to capital and this is an ethical issue.”
- » **Building up long term capacity:** “The labour opportunities in the value chain changes over time so that the work that’s being done at the start of a project is different from the work that’s been done 15 years later. So that it’s a higher value opportunity on the labour side, for First Nations members and their business to build capacity for future economic opportunities.”
- » **First Nations members benefitting from projects:** “We need to ensure that local Indigenous peoples are a part of the employment and training initiatives within the mine so that they see themselves as part of not only the overall benefits through agreements that are made with communities, but also individual benefits that are made so that they can see themselves employed and part of the mining process.”

Roundtable respondents identified five main areas of capacity supports that are required to support First Nations' partnerships in critical mineral supply projects, including business capacity, technical capacity, legal capacity, membership/community engagement capacity, education, and permitting and regulatory capacity (Figure 2).

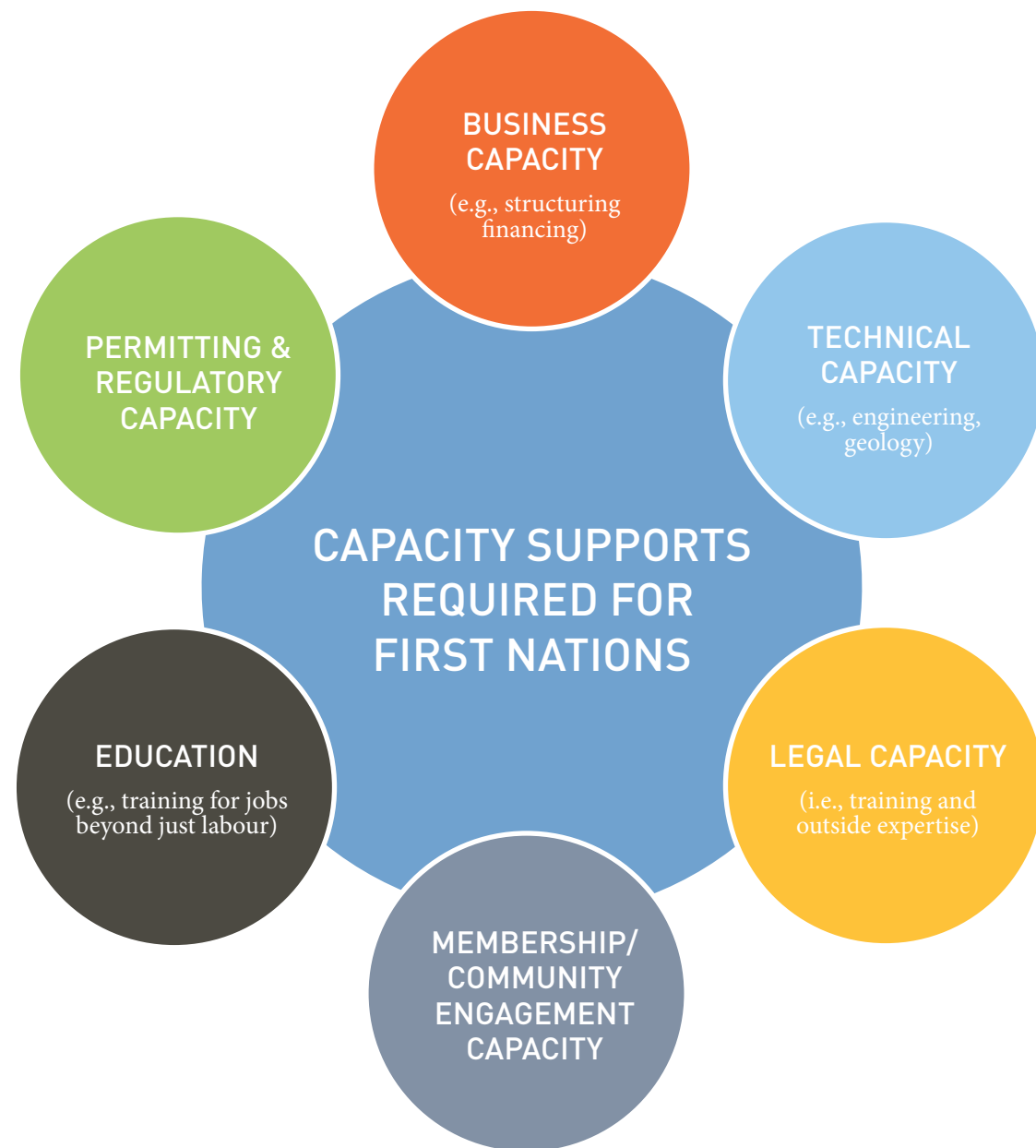


Figure 2. Capacity Supports Required for First Nations' Partnerships in Critical Mineral Supply Projects

“Capacity isn’t just needed in Indigenous nations and for their development corporations. It’s also needed in industry. They need to be aware of our history and FPIC. You can expect that there’s different levels of capacity from junior exploration companies all the way up to the biggest international mining companies.”



“How do we ramp up as a collective nation towards taking advantage of these critical mineral opportunities? There is a time clock ticking. How do we work together if we want to do those projects together? That means resources on the First Nation side and change of attitude on the company and government side. So, how do we collectively capture the opportunities by de-risking the environment?”

“What is the interest in participating in mining project? There is interest. The question though, is that is it worth it for First Nations to be involved in the projects being proposed under the current system? None of these projects will be individual First Nations. First Nations are going to be in a situation where we will have to start working with neighboring First Nations to capture the larger value stream including processing transportation, insurance services, financial services, ...we’re going to have to do it much differently. Mining is not just the hole in the ground or the extraction of the minerals, it’s about all the other services than just the extraction of the metal.”

Roundtable participants identified strengths, weaknesses, opportunities, and threats in the context of critical mineral supply in Canada as it relates to partnerships with First Nations. Figure 3 provides a snapshot of each of those identified. Please note that this is not an exhaustive SWOT analysis and includes only what was identified during roundtable discussions.

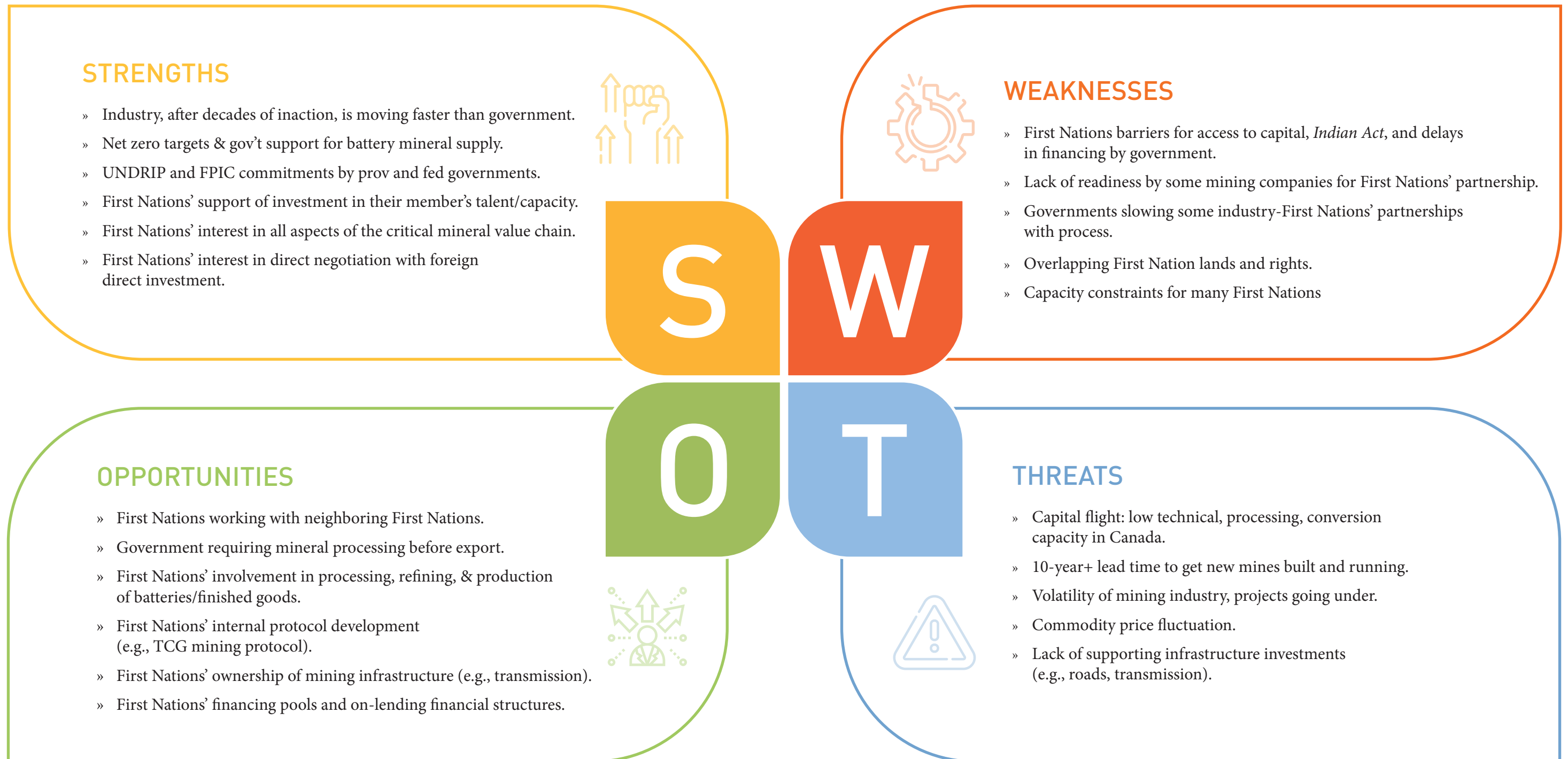


Figure 3. Strengths, Weaknesses, Opportunities and Threats of Critical Mineral Supply and First Nations Partnerships in Canada

Conclusion

All the critical mineral supply chain projects that occur, or that will occur, in Canada are on Indigenous lands and waters. The net zero-driven exponential growth of critical battery materials coincides with a rise in Indigenous-led equity participation in major projects including the clean energy sector. Success on these fronts pivots on:

1. **Early First Nations inclusion in decision-making** on all critical mineral projects along the supply chain, and the resources and capacity to do so.
2. **First Nations equity ownership and/or partnerships** on all critical mineral projects along the supply chain, and the resources and capacity to do so.
3. The requirement of **free, prior, and informed consent** from First Nations governments and their membership on all critical mineral projects along the supply chain, and the resources and capacity to do so.

First Nations leadership in these respects gives First Nations, and ultimately Canada, a competitive advantage in the critical mineral supply chain. For First Nations who choose to invite critical mineral projects onto their traditional territories, they should benefit from all aspects of the supply chain and should be the decision makers on the project timing, financial risks/benefits, environmental assessment, Indigenous values incorporation, and the land impacts on future generations.

Canada has much to do to realize the opportunity that First Nations leadership and meaningful partnership provides the country in terms of net zero economic and environmental opportunities. In addition to incorporating the information in this report, a potential next step would be for Canada, in partnership with First Nations, to identify successful and instructive examples of Indigenous-led mineral supply projects.



Appendix A: Roundtable Agenda and Questions to Participants

Session #1 - Agenda (October 25, 2022)

8:45 a.m. **Traditional Opening and Territorial Acknowledgement**

9:00 a.m. **Introduction - Dan George and Context / Outline of day - Chatham house rules etc.**

9:10 a.m. **Robert J. Johnston, Ph.D., Executive Director, Columbia Center on Global Energy Policy
Overview: Canada & the Global Critical Minerals Outlook: Key Risks & Opportunities**

Canada has an abundance of critical mineral resources. Governments, First Nations, communities, and industry have increased collaboration in hopes of exploiting favourable market conditions while avoiding the missteps of the past through more rigorous consultation, shared benefits, and environmental safeguards. Yet the path ahead for Canadian critical minerals is complex, as the landscape of geopolitical, technology and financial market trends creates challenges for what remains a capital-intensive, long-cycle industry.

9:30 a.m. **First Nations are at the Centre of Building Canada's Battery Mineral Supply**

- » How can UNDRIP and FPIC allow First Nations to take, or have the option to take, a role in critical battery mineral supply? How can this better be implemented?
 - » What policy and regulation gaps/impediments does your nation encounter when it comes to entering the market on battery mineral supply? What First Nations values need or could be inserted into these systems to help?
 - » What does a successful partnership between First Nations and industry look like? What are the pitfalls or areas that you would identify that you would avoid when it comes to projects and/or partnerships?
-

10:10 a.m. **Break**

10:30 a.m. **First Nations economic participation in extraction, processing, and related infrastructure and/or procurement**

- » How can First Nations economic participation in extraction, processing, and related infrastructure and/or procurement meet or not meet First Nations goals? Canada's goals?
- » What is the interest by First Nations in participating in the mineral processing and manufacturing of the critical battery mineral supply chain (so downstream, non-mining/extractive participation in battery mineral supply such as refining, processing, battery recycling)?
- » What barriers have you experienced in financing Indigenous participation, particularly in critical minerals partnerships?

11:20 a.m. **Risks and Opportunities**

- » First Nations need to minimize their risks in terms of investment, social, environmental, and political. How do First Nations de-risk their investments and participation in projects?
 - » How do project proponents de-risk their projects and work to build the capacity for First Nations to take advantage of the opportunities that exist in battery mineral supply?
 - » How do we ramp up, fast enough, capacity and resources on the First Nations sides to deal with the pressures from a fast-growing battery supply industry?
-

11:55 a.m. **Closing Comments**

12:00 p.m. **Lunch**

1:00 p.m. **End**

Please note the conference room will be available to participants for unstructured networking following lunch. We welcome you to stick around.

Please see below a list of questions that will be the focus of this Roundtable. You'll notice that there are many more questions than listed in the overview and agenda. We encourage you do provide additional points on any of the questions below that we do not cover at the Roundtable.

The Government of Canada has already produced a critical minerals strategy discussion paper to the public for review and comment earlier this year. You may find this is helpful in the context of this conversation and helping with your own thoughts and inform on the questions to be discussed – you can read more here:

www.canada.ca/en/campaign/critical-minerals-in-canada/canada-critical-minerals-strategy-discussion-paper.html

Questions for Battery Mineral Supply Event

Current policy and regulation gaps/impediments

What policy and regulation gaps/impediments does your nation encounter when it comes to entering the market on battery mineral supply?

- » What are the strategic and competitive advantages?
- » What are the barriers?

The role of UNDRIP and FPIC in building the battery mineral supply on First Nations lands

Context: The trend in Indigenous equity ownership of clean energy projects is being fast-tracked further because of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), to which Canada is a signatory. First Nations will no longer accept deals on our lands without free, prior, and informed consent. UNDRIP Article 20(1) of states that:

Indigenous peoples have the right to maintain and develop their political, economic and social systems or institutions, to be secure in the enjoyment of their own means of subsistence and development, and to engage freely in all their traditional and other economic activities.

How can UNDRIP and FPIC allow First Nations to take, or have the option to take, a role in critical battery mineral supply? How is UNDRIP and/or FPIC currently being rolled out (if at all) in your First Nation? How can this better be implemented?

Learning from the past, what this means

What does successful partnership between First Nations and industry look like? What are the pitfalls or areas that you would identify that you would avoid when it comes to projects and/or partnerships?

Environmental and climate priorities

How does your First Nation identify environmental and climate priorities in relation to critical battery mineral supply? Are your nation's members aware of the rapid intensification of battery mineral supply and its connection to the global push to net zero?

Meeting both First Nations' goals and Canada's goals: First Nations economic participation in extraction, processing, and related infrastructure and/or procurement

- » [How can First Nations economic participation in extraction, processing, and related infrastructure and/or procurement meet or not meet First Nations goals? Canada's goals?]
- » What role should political leadership play in project development?
- » What is the interest by First Nations in participating in the mineral processing and manufacturing of the critical battery mineral supply chain (so downstream, non-mining/extractive participation in battery mineral supply such as refining, processing, battery recycling)?

De-risking for First Nations

First Nations need to minimize their risks in terms of investment, social, environmental, and political. How do First Nations de-risk their investments and participation in projects?

- » How does leadership bring the nation members along? What are the best practices for keeping members informed and involved in project development?
- » Is there a baseline that First Nations should start from as they approach new projects/partnerships? (e.g., Hydro One with an automatic percentage of equity)?
- » At what point should a First Nation enter into a partnership related to battery mineral supply projects (thinking about financing, exploration, permitting, and extraction)? (As compared to say a transmission line). What are the risks and benefits?
- » What type of partnership should First Nations enter into when it comes to battery mineral supply projects in order to minimize risk/maximize benefit?
- » Is the legacy of a mine (financially, commodity price, environmentally, etc.) a risk that First Nations should take on?

De-risking for project proponents

How do project proponents de-risk their projects?

- » How can industry contain the environmental impacts of battery mineral supply?
- » How can proponents build the capacity for First Nations to take advantage of the opportunities that exist in battery mineral supply?
- » What does de-risking a project mean to you?

Challenges and opportunities

- » How do we identify the opportunities and benefits that create a baseline when it comes to First Nation partnerships on critical battery mineral development?
- » What barriers have you experienced in financing Indigenous participation, particularly in critical minerals partnerships?
- » What is the end-of-life planning for the mine: can the land/mine be repurposed at end of life?
- » How do we ramp up, fast enough, capacity and resources on the First Nations sides to deal with the pressures from a fast growing battery supply industry?
- » What do you look for in project partners?

Example of success and lessons learned

Can you give any examples of success and lessons learned - particularly as it relates or can relate to battery mineral supply?

For on-reserve projects, what did you need to put in place in terms of laws or bylaws to ensure that your nation was ready to move forward with a major project?

Example of projects underway to keep an eye on

Can you give any examples of projects underway that we should all keep an eye on - particularly as it relates or can relate to battery mineral supply?



OUR COLLECTIVE ADVANTAGE:

Indigenous Consent

The 7th Annual FNMPC Conference

Save the Date

April 22-23, 2024

Sheraton Centre Hotel Toronto

fnmpcindustryevent.com



“That raw material in this country comes from Indigenous territories. So, there’s a conversation to be had around understanding as to how and when this happens, that it can be inclusive of Indigenous interests, that Indigenous nations have the ability to express free, prior, and informed consent and make decisions that align with community values. And for those projects that proceed, have meaningful benefits from participating in them.”

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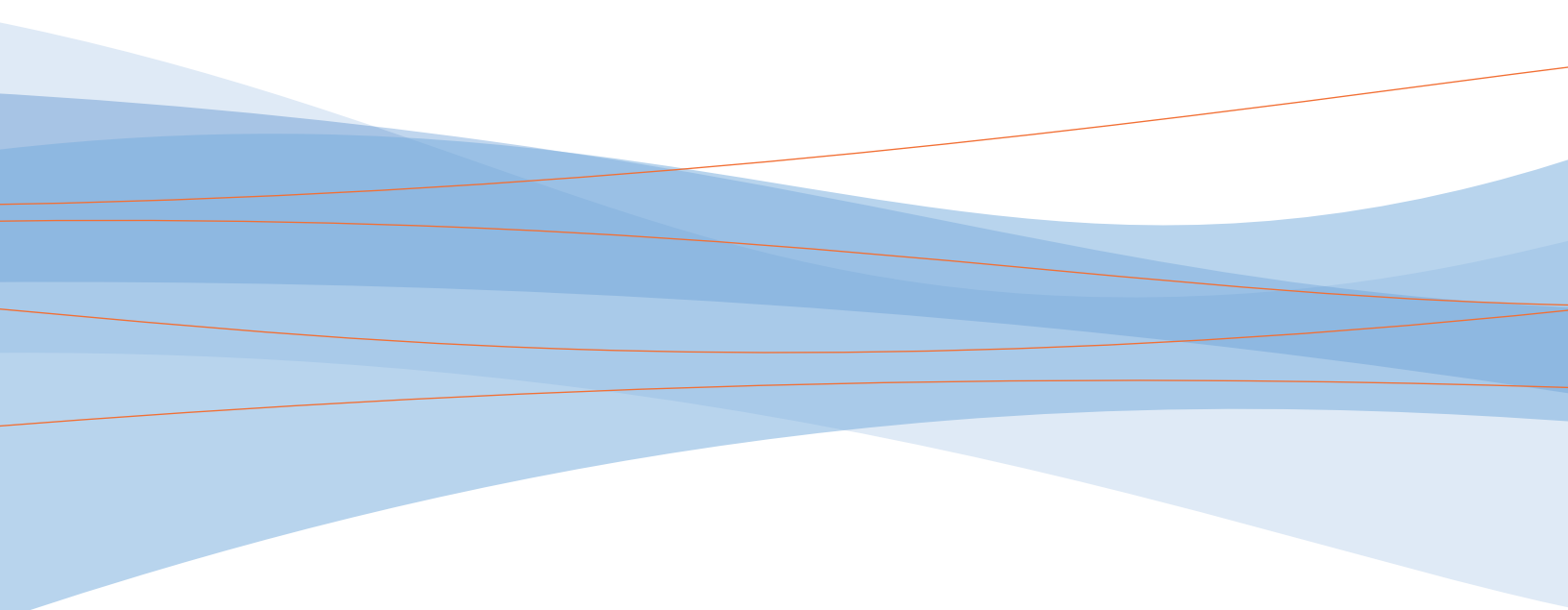
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