



2019

GO TO THUNDERBAY

**MINING AND
EXPLORATION
REPORT**



www.gotothunderbay.ca

Why Thunder Bay

Canada is one of the top global destinations for exploration and mining, and Thunder Bay is the gateway to Northwestern Ontario and all of its resource potential. Northwestern Ontario is a strong contributor to Canada's gold mining industry, producing 19% of Canada's gold in 2018 (1.05 million ounces)! Northwestern Ontario is forecasted to produce 1.6 million ounces of gold by 2023. Thunder Bay is in a unique position to support the mining industry. As a thriving urban centre, Thunder Bay provides business support through access to funding, networking with industry leaders, communications infrastructure, and access to cutting edge research facilities. Thunder Bay's location and extensive logistics network enable access to global markets. Thunder Bay is also home to over 400 businesses that

are dedicated to providing support and services to mines throughout Northwestern Ontario.

Ontario is home to one of the most promising mineral developments anywhere on the globe – the Ring of Fire, including one of the largest known deposits of chromite in the world. The Ring of Fire presents a multi-generational economic opportunity as mineral potential is believed to be worth \$60 billion. Thunder Bay is in a prime location to be a service centre for businesses exploring the Ring of Fire.



“ The Centre of Excellence for Sustainable Mining & Exploration (CESME) has invested 5 years in encouraging and supporting research, education and outreach activities for mining. ”

ACTLABS

80,000

square foot laboratory supporting the mining industry at Activation Laboratories Ltd.

THUNDER BAY

400+

Mine service and supply businesses.

NORTHWEST ONTARIO

550+

Thunder Bay based active mine employees.

Location/Transportation Network

70

kilometers from the Pigeon River crossing to the US market

Road

300 km/186 mi to Interstate 35 linking to the US-Mexico border.

346 km/215 mi from the Fort Frances/International Falls border crossing.

20,000

kilometers of CN Rail track through Canada & US

Rail

Access to 2 major railways, Canadian National (CN) & Canadian Pacific (CP).

Provides access across Canada, through the US, and ports on 3 coasts.

6th

largest port in Canada

Water

Largest outbound port on the Great Lakes-St. Lawrence Seaway System.

One of Canada's largest warehousing and trans-shipment complexes.

3rd

busiest airport in Ontario

Air

2 hour flight from major centres in the US and Canada.

Airport moves over 800,000 passengers per year.

Supply Chain

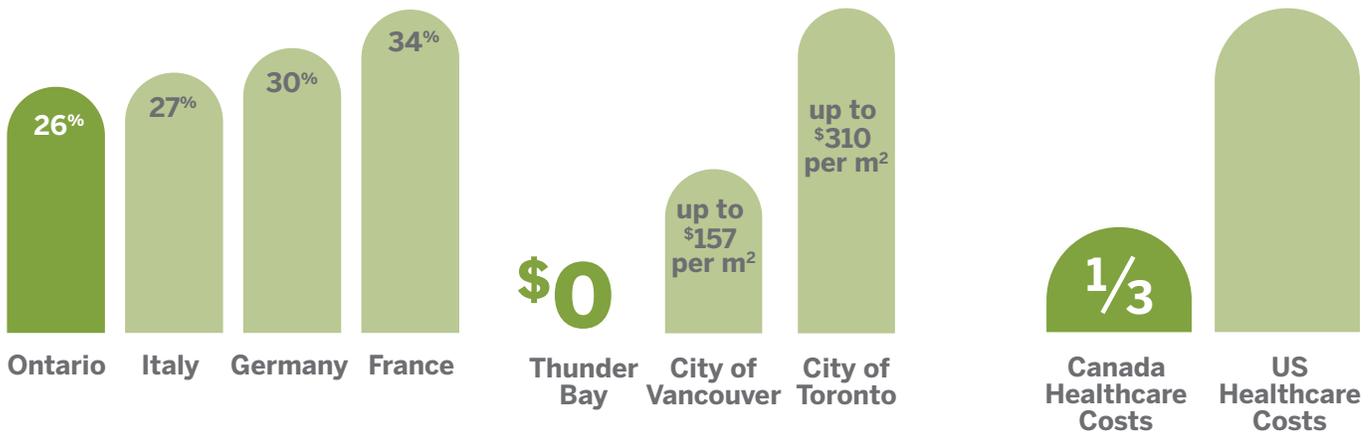
Thunder Bay is in a prime strategic location to support mining in Northwestern Ontario. It is surrounded by resource rich areas and has an extensive transportation network enabling the flow of employees and resources. Extracted materials can quickly and easily be shipped across the country as well as to destinations around the globe. By using a variety of road, rail, air, and sea transportation, mining businesses can choose the most efficient and cost effective shipping methods.

Telecommunications

With 5 major national fibre optic cables going through Thunder Bay, the city is well serviced by most national communications companies as well as TBaytel, which is owned by the City of Thunder Bay. The multiple fibre trunks run through the city and are connected to the largest data centre and carrier hotel in Toronto, Canada. TBaytel has a 110 year history in Thunder Bay and has grown to be the largest independently owned communications company in Canada. Tbaytel employs over 400 people in Thunder Bay and they provide the fastest internet connection in the city as well as reliable mobility, tv internet, telephone and security services for business clients.

Investment in New Infrastructure

The Government of Ontario is committed to the development of the mining industry in Northern Ontario, and has released their plan of investment through the "Northern Highways Plan." This is a commitment to invest over \$500 million to expand and rehabilitate the highways in Northern Ontario. This will greatly improve land transportation around current and future mines. The Ontario government has also committed \$1 billion to construct infrastructure essential to sustainable development of the mineral rich Ring of Fire region.



Low Taxes

Ontario has a combined provincial (11.5%) and federal (15%) corporate income tax rate of 26.5%, making Ontario's combined general federal-provincial CIT rate lower than the average of G20 countries and lower than the average federal plus state CIT rate in the United States.

Low Site and Building Costs

Thunder Bay offers extremely competitive land costs, construction costs, and zero development charges, making it an ideal location for expansion and new construction. Thunder Bay has a large amount of land zoned for new development, offering commercial, industrial, and aviation space.

Low Healthcare Costs

One area in which Canadian companies are much more competitive than their US counterparts is healthcare. Ontario has a universal healthcare system, which means that average employer health costs per year for companies based in Ontario are 1/3 of the cost of the US average.

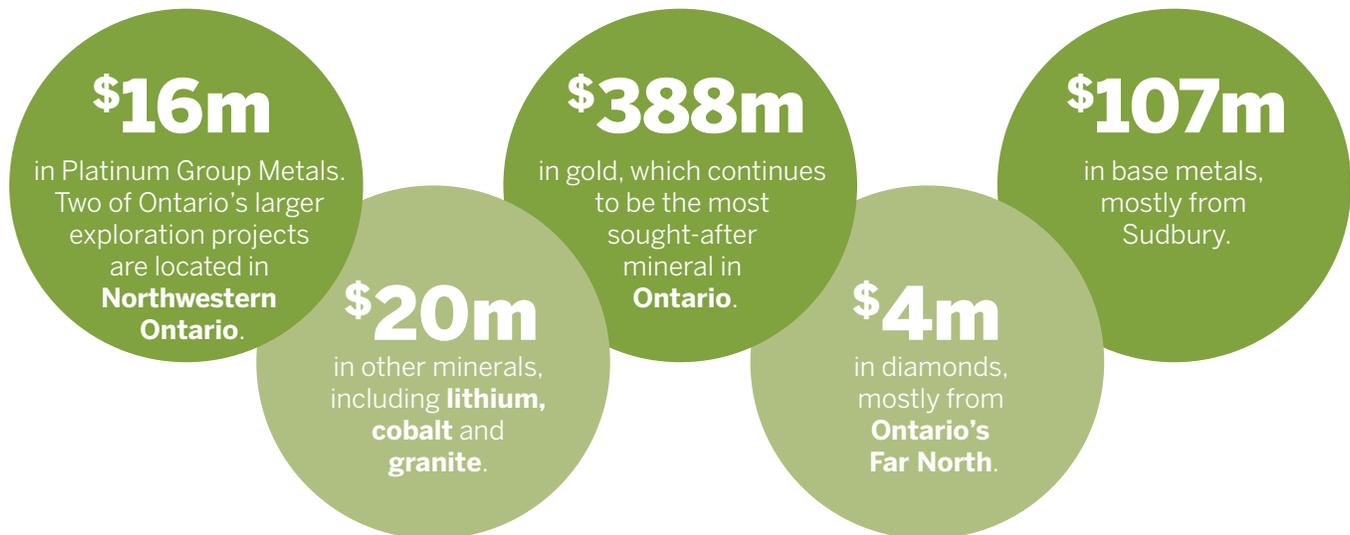
Cost Overview

Canada is consistently ranked highly competitive on major cost factors including labour, transportation, and taxes. Canada also has a lower dollar value, which increases profits when selling to the US and global markets.

Thunder Bay provides significant cost advantages for their businesses. Thunder Bay has zero development charges, affordable cost of land and buildings, and competitive construction costs, giving businesses superior opportunities for development.

Thunder Bay enjoys a central location within Canada, close proximity to the US and a well developed transportation network, allowing companies to maximize the use of air, rail, sea, and road transportation. This thriving city is surrounded by breathtaking landscapes, features a superior quality of life and a lower cost of living for its residents.

Exploration Spending by Mineral (2017)



Newmont GOLDCORP: Red Lake

- Historic mining district producing 30m ounces gold since 1949.
- Expected to produce 235,000 ounces of gold in 2018.

New Gold Inc: Rainy River

- Operations began in September 2017.
- Produced 227,000 ounces of gold in 2018.

Barrick Gold Corp: Hemlo

- Mine has been in operation for over 30 years, producing 21m ounces of gold.
- Produced 196,000 ounces of gold in 2017.

Mineral Exploration Activity in Ontario Totaled \$535 million in 2017.

Responsible & Sustainable Mining

Thunder Bay is committed to responsible mining and Lakehead University has created the Centre of Excellence for Sustainable Mining and Exploration (CESME). CESME has brought together Lakehead University researchers, industry, and community partners that are dedicated to research, education, and outreach regarding the nature and impacts of mineral resource exploration and extraction.

Mining companies in Thunder Bay have made technological advances which have improved mining operations as well as created healthier working conditions. Battery-powered underground vehicles which cut ventilation and cooling costs while creating a healthier environment for workers is a growing trend in Ontario mines. North American Palladium employs new technology for safety and production purposes and Goldcorp uses remote mining technology to operate trucks, scoop trams and rock breakers at the Musselwhite Mine from their office in Thunder Bay, 500 km away.



Cost Advantages

Thunder Bay is committed to supporting the advancement of the mining industry in Northwestern Ontario. There are numerous incentives and funding programs for new and expanding businesses to offset costs and encourage research and innovation. These opportunities have been organized by municipal, provincial, and federal programs.

\$260M

Has been invested through FedNor since 2011



FedNor

Focused on supporting businesses in the North, FedNor provides funding assistance for community projects as well as private sector initiatives. There is a Targeted Manufacturing Initiative for Northern Ontario, providing funding to assist manufacturers in Northern Ontario to increase sales, exports, and to create more jobs.

Mineral Exploration Tax Credit

Delivered by Natural Resources Canada, this federal program supports mineral exploration by assisting investors with raising equity. It provides a 15% non-refundable tax credit on eligible expenses.



15%

Non-refundable tax credit on eligible expenses

35%

Refundable Investment Tax Credit offered to Canadian Controlled Private Corporations on qualified expenses



SR&ED

This federal program supports businesses that are investing in innovation. Companies that complete scientific research and experimental development in Canada may qualify for tax rebates through the SR&ED program.

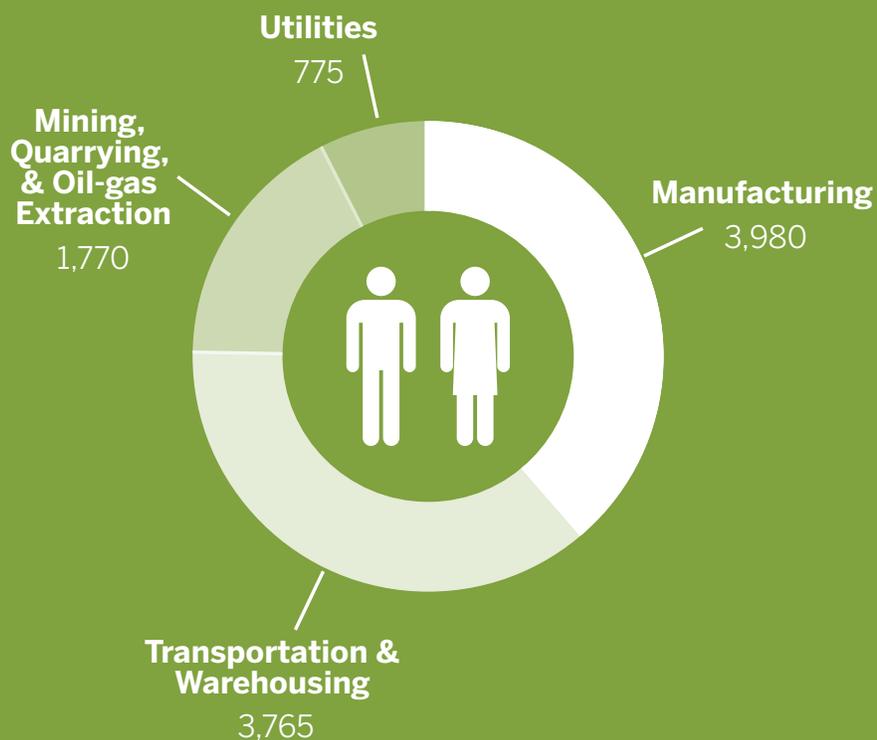
Mining Labour Workforce

“ There are approximately 6,000 trades people in Northwestern Ontario who work in the Industrial, Commercial, and Institutional sectors. ”

As of 2016 there were 1,770 jobs classified as directly part of the mining industry in Thunder Bay. However, many more jobs indirectly make up the mining labour force as they provide support and service to the industry. This includes manufacturing, transportation, warehousing, and utilities work.

Thunder Bay is home to a highly educated and diversified skilled trades labour force. Industry experts estimate that there are approximately 6,000 trades people in Northwestern Ontario who work in the Industrial, Commercial, and Institutional sectors. In 2016, 8.9% of the Thunder Bay labour force had some type of apprenticeship, trades certificate or diploma. This is higher than the 6% average across the province of Ontario.

Manufacturing Labour Force Profile



\$60m



worth of gold has been produced in Northwestern Ontario.



5 engineering programs to train students at Lakehead University.



13 programs that support the mining industry at Confederation College.

Thunder Bay CEDC

Thunder Bay's CEDC Team is here to support you while you start, or expand your business in Thunder Bay. Our dedicated Development Officers are local experts that can connect you with other leaders to learn more about the business environment in Thunder Bay. We also assist with: discussing opportunities or available sites, collection of statistics, financial or legal options, booking site visits, providing referrals, and acting as a liaison.

Thunder Bay Community Economic
Development Commission (CEDC)

PO Box 800
Suite 201,
34 Cumberland Street North
Thunder Bay, Ontario, Canada
P7C 5K4

Tel: (807) 625-3960
Toll Free: 1-800-668-9360 (North America)
Fax: (807) 623-3962

Email: develop@thunderbay.ca
Website: www.ThunderBayCEDC.ca

For assistance please contact
the Project Manager,
Mining Services Sector
at (807) 625-2480.