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# Background

Broadly defined, Canada's minerals and metals industry comprises about 275 operating mines with their ancillary mills, 30 nonferrous smelters and refineries, 59 primary iron and steel mills, and some 200 stone quarries and commercial-scale sand and gravel pits scattered throughout the country.

The minerals and metals industry accounts for about three per cent of Canada's Gross Domestic Product (GDP) and almost 20 per cent of total merchandise exports. Although the industry is capital intensive, it provides a livelihood, directly or indirectly, for hundreds of thousands of Canadians from Newfoundland to British Columbia involved in exploration, mine development, production and marketing. Some 120 communities in Canada depend largely on mining or mineral processing. Other communities serve as bases for fly-in/fly-out operations. Mineral development is clearly an important source of economic activity in the Canadian North.

Canada is the Western World's largest producer of asbestos, nickel, potash, elemental sulphur, gypsum, titanium concentrates and zinc, and is a major producer of copper, cobalt, columbium, gold, iron ore, lead, molybdenum, platinum, silver and tungsten. Canada is also a major importer of minerals, both to support its industrial needs and for processing and re-exporting. Canada depends wholly or largely on foreign sources of bauxite and alumina (for making aluminum, Canada being the world's largest exporter of aluminum), chromium, diamonds, manganese and phosphate rock.

Mining and mineral processing have strong forward and backward linkages with the rest of the Canadian economy. In transportation, minerals and metals accounted for about half of rail traffic (as measured by freight revenue) and a third of domestic shipping in 1985. The industry is a heavy energy consumer, particularly in such sectors as aluminum and zinc smelting, and ferroalloy and magnesium metal making. Mining and quarrying are heavy consumers of specialized mining equipment and machinery and of off-highway haulage vehicles. Mine access roads and railways have contributed to opening up remote parts of the country. Exploration for minerals has provided the stepping stone for developing Canadian geoscientific expertise and equipment that are exported worldwide.

### Regional Dimensions

The industry is dispersed throughout Canada. Although most of the output is in Ontario, British Columbia and Quebec, the industry's greatest economic impacts are in the Yukon and Northwest Territories, where it represents almost 45 per cent of gross territorial product. Different regions are known for different minerals. Asbestos figures prominently in the economy of Quebec's Eastern Townships and iron ore in the Quebec-Labrador Trough area. The Sudbury Basin is best known for its nickel mining but it is also the source of much copper and most of Canada's cobalt and platinum output. The Timmins region of Ontario and the Chibougamau, Noranda-Rouyn and Val-d'Or regions of Quebec are best known for gold, copper and zinc. The Hemlo, Red Lake, Sturgeon Lake and Manitouwadge areas of Ontario are important gold producers.