



## Progress Report #9

January 5<sup>th</sup>, 2015

I am pleased to bring you up to date on CREEN activities and related events, since our last Progress Report #8 of October 28<sup>th</sup>.

### Ottawa Meetings

CREEN Steering Committee members Peter Cashin (Quest Rare Minerals), Steve Wilson (SGS) and I met with NRCan Deputy Minister Bob Hamilton, (ADM) Marian Campbell-Jarvis, and several Parliamentarians and Ministerial policy advisors in Ottawa on December 2<sup>nd</sup> and 3<sup>rd</sup>. The latter discussions included conversations with Industry, Finance, International Trade, and Science & Technology with the goal of building decision makers knowledge on the opportunities for Canada and the need for and strong potential returns that underlie CREEN's Federal Budget Ask.

CREEN has also been in discussions with senior management at the CIM (Canadian Institute of Mining & Metallurgy) and MAC (The Mining Association of Canada) regarding their support for CREEN's mission.

Feedback regarding CREEN was generally very positive. The people we met were well-briefed and their level of interest was high. CREEN's main messages reinforced that:

- Canada's emerging REE sector is essentially a value/job creating industrial development endeavor in support of next generation science and technology, with very strong connections to international trade and partnering
- CREEN's priorities will be industry-lead, with industry-academia-partner collaborative solutions being the primary objective.
- Without federal promotional and R&D support, the opportunity will be captured by international competitors in the very near future.
- While the REE story is seeded by getting raw material supply into production (i.e. mining, mineral processing, separation), it clearly has the potential for significant industrial activity across the fuller downstream value chain.

The potential benefits of a broad, coordinated federal approach to championing Canada's emerging rare earth opportunities has caught some cross government department interest. While the supply chains start with mining and mineral processing (which essentially falls under the aegis of NRCan), the downstream processing into metal, alloys and numerous other forms that are integral to component and end use applications (which fall within the interests of Industry, Science & Technology), and trade/partnering/strategic opportunities (under International Trade, Foreign Affairs and Defence) are key dimensions to Canada's future success. Going forward, a multi-departmental approach should be strategically more effective given the wide-ranging impact and importance of REEs.

#### Update from *The Lobby Monitor*, (19-Nov-2014)

In order to meet with Parliamentarians and ministerial policy staff, particularly with respect to any budget- or policy-related matters, CREEN, more specifically yours truly, was required to register as a lobbyist. As a result, we now receive an associated newsletter with relevant text recently quoted:

- *Companies and groups are lobbying for targeted measures, keeping their asks light after Finance Minister Joe Oliver announced a small surplus of \$1.9 billion for the 2015-2016 fiscal year. There will be more room for asks applied to future years as the surplus is projected to rise to nearly \$7 billion in 2018-2019.*
- *The mining sector is among industries seeking targeted funding or tax measures.*
- *The Canadian Rare Earth Element Network, affiliated with the Canadian Institute of Mining, Metallurgy and Petroleum, registered in-house on Oct. 28 to lobby on “a budget request to the Department of Finance as part of Pre Budget Consultations 2014. This funding would be used (>95%) to support R&D activities pursued by the network.”*
- *There are 84 active registrations containing the phrase “budget 2015,” “2015 budget,” or “federal budget,” according to the registry. The Lobby Monitor reported this week that the government indicated in March that the 2015 budget would be released in February.*

I would caution recipients of this Progress Report not to read anything more into these extracts (i.e. on the possibilities of a positive or negative response to our Ask), save that it is general information shared by the government.

#### How would CREEN-directed projects be governed?

In response to questions posed during a series of meetings with CREEN stakeholders in Ottawa in October (around CREEN’s appearance before the House of Commons Standing Committee of Finance’s pre-budget consultation process. These questions were re-iterated during the December meetings, using a CREEN six-page overview about how projects would be prioritized, funds allocated and leveraged, and the Network’s overall governance and reporting functions.

As previously reported, technical staff of CREEN members have identified seven potentially collaborative projects to date. CREEN has framed a Stage-Gate project review process, with the engagement of independent reviewers, who will provide guidance to ensure value-adding projects proceed while those showing limited prospects of value creation and extended impractical implementation timelines will be dropped. CREEN continues to refine the details of a multi-step Stage-Gate approach from project selection through final reporting. We will keep you apprised as this process advances.

#### **CREEN Outreach**

##### COM15 REE Symposium

Building on the success of the three REE Symposia hosted under the Conference of Metallurgist banner (COM 2012, 2013 and most recently 2014), CREEN has invited to organize the COM 2015 REE Symposium, this time with strong emphasis on REE material science. The first three symposia had a strong mineral and hydrometallurgical processing theme. With rare earth element production ramping up in Canada, the COM15 REE symposium will focus on the work in industry, academic, and government labs to develop and advance the applications that use or will use these elements. Topics will include state of the art research on rare earths in super alloys, automotive alloys, magnets, lasers, and other innovative end uses.

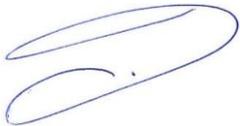
The primary focus of the REE Symposium at COM16, scheduled for Sept 2016 in Quebec City and to be convened in conjunction with International Mineral Processing Congress 2016, will return to the mineral processing theme.

### **Next Steps**

CREEN met with CIM in Montreal on Dec 23<sup>rd</sup> to finalize arrangements for the CIM to host CREEN within its larger organization. As indicated previously, CIM will provide financial reporting, treasury and secretariat functions for CREEN. Assuming that these discussions are fruitful, CREEN will begin collecting pledged membership fees for 2015. As noted in the aforementioned 'governance' briefing note, CREEN anticipates a very modest overhead structure, whereby Network administrative overheads would represent less than 4% of total funds raised for innovative R&D solution development work: to maintain momentum, initial membership funding will be used to support the preparation of detailed blueprints for the highest priority projects.

As always, I hope you find these progress reports helpful. Please feel free to contact CREEN with any suggestions you may have.

In closing, I would like to take this opportunity to wish you and yours the best of the season and a Happy, Healthy and Safe 2015.



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