PDAC 2025: amid so much uncertainty, where do we go from here?

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The Prospectors and Developers Association of Canada's (PDAC) annual convention is typically an opportunity for the mining industry to celebrate successes in the preceding year and to develop consensus for what is to come. This year's PDAC leaves more questions than answers, including about the ability to actually progress much needed change to facilitate development. Problems that have been identified year after year do not seem to be going away, despite lots of talk and repeated promises. There was even more of a cloud of uncertainty that permeated the conference this year due to political turbulence and uncertainty, and the corresponding market volatility. This presents an enormous challenge for an industry built on global trade and access to capital.

The convention felt energized at its start, with a casual (but cautious) optimism known to the mining industry. More than 27,000 registered delegates and 1,100 exhibitors came together to represent the industry in Toronto. The floor was buzzing and the receptions carried an enthusiasm reflective of past PDAC conventions. The mining industry continued to search for the catalyst that would rebound engagement, investment and deal-making. We are once again pleased to offer our thoughts on this year's convention.

Political overhang

With so much political uncertainty in the world, it was bound to contribute to the PDAC discourse. The recent Ontario provincial election, the ongoing federal Liberal party leadership process, and likely near-term federal election alone contributed to the conversations happening for the Canadian mining industry. We heard many of the same talking points that have been repeated for several years now with little in the way of tangible progress to support mining in Canada.

The launch of a cross-border trade war between the United States and Canada at the end of the first day of PDAC had a marked effect on the buzz at the convention on Tuesday. Many delegates and market participants speculated as to the impact and duration of the tariffs and counter-tariffs imposed.There was a marked increase in political rhetoric at policy announcements, which included the proposed extension of the mineral exploration tax credit and announcements regarding critical minerals investments, directed at both the Trump administration and foreshadowing Canadian federal election campaigning.

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Critical minerals: Canada’s trump card

Notwithstanding the strength in gold commodities (though not as much for gold equities), critical minerals continues to dominate conversations. With so much strength in natural resources, Canada should be a leader in critical minerals development and production. Indeed, critical minerals have been hailed as a key strategic advantage for Canada in a trade war with the U.S..

Unfortunately actions do not seem to match the rhetoric. Critical minerals strategies were launched in 2022 (see our 2022 Osler Legal Year in Review article), but not much has changed through 2025. Projects are still struggling with access to capital, limited infrastructure and lengthy permitting processes, despite promises to address all three.

It is unclear if there is political will to adopt the necessary policies and regulations needed to actually encourage and support development of critical minerals. Similarly, promises of significant financial support have been drip fed with limited investments committed or completed to date.

Access to capital remains limited for many issuers looking to advance Canadian critical minerals projects. This too is a troubling sign that can only contribute further to the challenges in project development and building an independent supply of critical minerals for Canada. Further, in a sign clearly directed at addressing the ongoing trade situation, on March 5, the federal Minister of Innovation, Science and Industry announced that national security reviews would explicitly consider the impact of a foreign investment on “Canada’s economic security”. Positioned at protecting against opportunistic or predatory foreign investments, this change may have the effect of further limiting available capital to Canadian issuers.

Interprovincial trade barriers (which are also receiving extensive market and political attention and related promises of quick solutions to address impediments) are also serving to hinder project development by limiting available resources within the country. Bringing down these trade barriers will be an important element to enhancing Canadian productivity and project development. It remains to be seen whether promises of federal-provincial cooperation and a recognition of the need to move quickly will be realized (it certainly wasn’t with critical minerals permitting).

The impact on deal-making

Periods of uncertainty and volatility rarely bode well for deal-making. That has been clear with significantly reduced activity for merger activity and capital raising, both domestically and worldwide. There is a case for optimism that deal-making will return, with some mid-market M&A and recent capital raisings for well-known issuers with a good pedigree. More consolidation is likely on the horizon. This is, of course, positive, with opportunities for greater scale, efficiencies and market access, but unfortunately continues the global trend of a decline in the number of public companies.

Unsurprisingly given commodity prices, gold, in particular, has seen the most action. Gold producers are faring well with strong margins and generating significant free cash flow. This is especially true for those operating in Canada where costs are incurred in Canadian dollars, but revenues are earned in U.S. dollars. Many larger and mid-cap gold issuers are back in the market looking to deploy that cash, including through property transactions and strategic minority investments of junior companies. This is certainly a further beacon of hope for the sector and a space to watch carefully.

The urgent imperative of permitting reform

Companies with development stage projects have for years decried the ever-lengthening time between discovery and production. Several keynote addresses at PDAC 2025 again emphasized this issue. A time period that just a generation ago could be counted on one hand now requires fingers and toes and sometimes more. The streamlining of the permitting process has for several years been a political talking point, especially with the emphasis on critical minerals.Hhowever, not many measurable achievements have occurred. Part of the problem is the myriad of interconnected components that are related to the permitting process.

Project proponents need to align technical studies, community consultations and financial commitments (which often include the need for offtake agreements as a precondition to financing around the permitting process). Infrastructure required to support mineral projects necessitates a separate permitting process.Delays often require various aspects to be redone. The unpredictability of the permitting process makes it challenging to keep a project on time and on budget in compliance with commitments to stakeholders.

It also remains to be seen whether governments will actually succeed in streamlining the permitting processes. A key aspect of permitting is the Crown’s constitutional obligations to consult with affected Indigenous communities. In practice, much of that obligation has been offloaded to project proponents who demonstrate community consent through impact benefit agreements. We will likely need to come up with novel solutions to balancing the obligations and interests of project proponents, local communities and governments to expedite these processes.

New ideas are being formulated relating to sharing of government royalties for resource development, but that will require cooperation among multiple levels of government. More progress seems to be possible in areas where there are already land use arrangements in place with local First Nations. Regrettably, those processes have taken decades to implement; so it is not clear how projects in other areas can proceed expeditiously on this basis. In many ways, it would be easier if project proponents could engage with affected communities on their own without the overhang of government processes. What is clear is that it is impossible to develop a project without the involvement and consent of affected communities.

Recent regulatory developments: solving problems but creating new ones

Part of our hesitancy about the ability of government to effect large changes is driven by recent experience with smaller changes.

Prior to PDAC there was concern that Canada’s prorogued parliament would prevent the renewal of the mineral exploration flow-through tax credit program before it expired at the end of March, 2025. During PDAC, the federal government announced the renewal of these flow-through tax credits for a two-year period. However, to be effected into law, the extension will require an act of Parliament. With a looming federal election and possible change of government, there is some uncertainty about this.

Flow-through tax credits should not be a partisan issue, but it will be interesting to see whether flow-through financings happen after the previously scheduled expiry at the end of March, or whether the market will be comfortable relying on the Minister’s statement on this point. While the Canada Revenue Agency has typically implemented changes effective as of their announcement date, political uncertainty may affect the interpretation and adoption (much in the way that the pending capital gains changes did at the end of 2024 before the delay of their implementation, but a key difference is t non-implementation of flow-through tax credits would deny a tax credit and lead to more tax owing while non-implementation of capital gains changes will lead to tax refunds). Issuers will still need to make the same covenants and indemnities to investors to support the premium valuations arising from a flow-through offering (there is no premium to market without the tax benefits) so they will bear the risk that politics interferes with obtaining final parliamentary approvals.

We also have seen recent changes to mineral title regimes in key jurisdictions of Québec and British Columbia that were driven by aligning the mineral claim staking process with rights of Indigenous communities. The changes in both jurisdictions have caught industry off guard. Claim renewals in Québec have had to adjust to new rules and there is concern in British Columbia that the proposed claim staking process will lead to a decrease in mineral exploration expenditures amid an environment of already declining exploration expenditures.

Finally, we note that the long-awaited revisions to National Instrument 43-101 have been announced by the Canadian Securities regulators (though informally and not yet officially for comment). A number of the proposed changes are intended to ease the regulatory burden, but the question is whether more substantial revisions are warranted. Canada's pools of capital for mining investments have dwindled in recent years and many consider that this is unlikely to return.

Canada's position as a global leader in mining finance could be challenged and, at the very leas,t it appears that issuers are looking beyond traditional financing sources to adopt a broader global approach to raising capital. That suggests t alignment with other foreign codes is paramount. The proposed changes reference the alignment with foreign codes for matters such as mineral resource estimates, but there are a number of differences of presentation, interpretation and approach between other foreign codes and NI 43-101 that could be better aligned to enable issuers to manage disclosure obligations in multiple jurisdictions. We would encourage industry participants to look for more details on proposed changes to NI 43-101 and participate in the consultation process.

Time to get things done

For several years now, we have carried a hope that policy and regulatory initiatives would facilitate and expedite the development of mining projects in Canada and support Canadian mining issuers. We have generally been disappointed in the ability to make meaningful change with demonstrated outcomes. With so much uncertainty domestically and globally, we are finally starting to see a realization among political leaders that the time for change is now — a sentiment we strongly support.

With significant mineral resources domestically and a natural resources knowledge base that is unmatched globally, there is great opportunity for the mining industry to make significant strides in the face of global challenges. The need for a strong domestic industry, development of much-needed critical minerals resources. and an integrated supply chain create opportunities not seen in a long time. As an industry, we need to come together and take advantage of the opportunities in hand to create economic security and regain Canada's standing as the jurisdiction of choice for natural resources projects. If we don't start doing it now and doing it quickly, the risks to Canada are extensive.