

Ontario Ministry of Mines

Honorable Minister Pirie, Minister of Mines
99 Wellesley Street West, Toronto, Ontario, M7A 1W3

Submitted via ERO webform and email at: MiningActAmendments@ontario.ca

April 20, 2023

RE Environmental Registry of Ontario File Number 019-6749 (a component of Bill 71, the “Building More Mines Act, 2023”)

Dear Minister Pirie,

I am writing to share Tesla’s comments and feedback on the Proposed Amendments to the Ontario Mining Act, presented through Bill 71, the “Building More Mines Act, 2023”¹.

Tesla only works with those mines and refineries that adhere to the highest environmental and social standards. We expect our suppliers to operate in a sustainable manner. For example, Tesla expects all mines in its supply chain to undergo an external audit against an international responsible mining standard. This is further outlined in *Appendix 1 ‘Overarching Considerations for the Mining Act Amendments’* which is provided as a first-principles document for the Ontario Government’s consideration pertaining to all amendments to the Mining Act.

Tesla fully supports the government’s efforts to expedite mine-related approvals – this is an important and prudent undertaking. However, Tesla also believes that we must find a way to ensure the highest environmental standards will be upheld while also accelerating mining and refining approvals to keep pace with the demand for critical minerals in North America. We believe the recommendations provided here, if adopted, will help achieve expedited approvals while continuing to protect the environment and Ontario communities.

Tesla’s mission is to accelerate the transition to sustainable energy. As proof of our commitment to this mission, our Canadian operations have seen tremendous growth. We now have 1,300+ employees in Canada, two manufacturing facilities in Ontario, three battery-related R&D locations, a coast-to-coast network of over 1,750 Direct Current Fast Chargers, and 26 electric vehicle retail stores and service centers. Moreover, Tesla is striving to produce 20-million electric vehicles per year by 2030. Achieving these targets will require both recycled and new virgin mineral resources, particularly for battery electrode. As such Tesla shares the Government of Ontario’s objective of expediting new mining projects through approvals so that minerals can be brought to the market as quickly as possible – particularly for Ontario lithium and Class-2 nickel.

¹ Building More Mines Act, 2023 via Ontario Legislative Assembly, at
: <https://www.ola.org/en/legislative-business/bills/parliament-43/session-1/bill-71>

In pursuit of these objectives, Tesla supports the Government of Ontario's efforts to have a modern and competitive regime for mineral development, capable of competing with markets in Asia-Pacific, Australia, and the USA. We appreciate the opportunity to provide the following comments.

ERO Number 019-6749: Proposal to make consequential administrative amendments to several regulations under the Mining Act

Procedural Requirements for Conditional Filing Order

Tesla agrees that during the early stages of mineral exploration and possible mine development, certain aspects of forward-thinking closure plans related to rehabilitation efforts and for how to close out a mine, are not always feasible to provide.

Tesla agrees that a mandatory term and condition is that the conditional filing order must specify a deadline for providing the deferred elements of the closure plan or closure plan amendment.

Tesla recommends that the deadline to comply with a conditional filing should be incurred during the development of a *Feasibility Study* for a proponent's mining project, rather than before mine production begins.

Phased Financial Assurance

In its ERO posting, Ontario notes that "[a]s a fundamental requirement, Ontario requires sufficient financial assurance for the rehabilitation of a given mine feature before that feature is created. Any phased schedule for the incremental delivery of financial assurance would need to follow this principle." Tesla supports this principle to ensure that mine closures are carried out accordingly. Although Tesla agrees with the proposal being advanced to refer to schedules and costing charts already provided in closure plans, additional elements such as mine processing capacity also need to be considered to support the Minister of Mines to make an informed decision. Tesla believes allowing phased financial assurance funds to be received on a schedule correlated with changes in mine processing capacity, rather than by codifying the practice based on closure plan components, alone.

Tesla recommends allowing phased Financial Assurance funds to be received in a schedule tied to the increase or decrease in mine processing capacity, considering producer and consumer inflation rates, in conjunction with schedules and costing charts already provided in closure plans.



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We believe that Ontario can establish a world leading critical mineral mining sector. We appreciate the opportunity to comment on Ontario's amendments to the Mining Act and thank you for your time and consideration in this matter. We look forward to continuing our engagement with you. Please note that Tesla is also filing additional comments related to the proposed amendments through three other ERO postings and this submission alone does not represent the totality of Tesla's comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Aleem Ladak".

Aleem Ladak, P. Eng.

Critical Minerals & Supply Chain Policy Advisor, Public Policy & Business Development – Global

cc: Iain Myrans, National Senior Manager, Public Policy & Business Development – Canada.
Tesla.

Appendix 1 - Overarching Considerations for the Mining Act Amendments

The Content of this Appendix is consistent and attached to each of Tesla's filings pertaining to ERO Numbers 019-6717, 019-6718, 019-6749 and 019-6750

In addition to our comments on the proposals above, Tesla wanted to take the opportunity to share overarching considerations regarding mining regulations.

Recognition of Audit Schemes

Tesla views external audits as an important tool in ensuring mining is performed responsibly. Tesla expects mine sites in its battery supply chain to undergo independent external audits against international responsible mining standards such as the Initiative for Responsible Mining Assurance (IRMA) Standard, Towards Sustainable Mining (TSM), and the International Council on Mining and Metals (ICMM) Performance Expectations. The governing organizations have standards that are applicable to the mining as well as exploration stage of projects. Tesla is also a member of IRMA and views the IRMA Standard as the most robust standard and assurance scheme for mines. IRMA and other standards include criteria that apply to all aspects of mining, including those included in the below proposals.

Tesla recognizes that regulation governing mineral supply chains can include expectations that companies in scope undergo external audits within a specified timeframe, as was done with the EU Conflict Minerals Regulation.

Tesla recommends adding a) a process for the recognition of external audit schemes against international responsible mining standards (understanding that enshrining a specific standard in regulation is difficult) and b) an expectation that mining companies in scope of the proposed regulation undergo audits within a specified timeframe.

GHG Emissions

Tesla has identified the mining and refining of battery minerals as a potential hotspot for GHG emissions in our supply chain and has started collecting GHG data from our suppliers. Multi-stakeholder forums such as the Global Battery Alliance (GBA) have started developing and piloting standardized GHG reporting frameworks applicable to all stages of the battery minerals supply chain, including mining and refining.

Tesla recommends including a requirement for mining and refining companies to report GHG emissions in a standardized format within a specified timeframe.

Indigenous Peoples Engagement

Tesla has identified the respect and engagement of indigenous peoples as one of the priority engagement areas in our battery minerals supply chains.