



Yellowhead Project Economic Impact Study

July 2026

Prepared for Trekor Metals Limited

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1. Executive Summary

Background and Overview

Trekor's Yellowhead Project (the "Project" or "Yellowhead") is a proposed open-pit copper mine designed with a production capacity of 90,000 tonnes of ore per day over a 25-year mine life. It is located in the Thompson-Nicola region of British Columbia, approximately 150 kilometres northeast of Kamloops, near the community of Vavenby. Previously owned by Yellowhead Mining Inc., Trekor acquired the Project in 2019. In 2025 Trekor published an updated technical report (entitled "[Technical Report Update on the Yellowhead Copper Project, British Columbia, Canada](#)¹") which highlighted the Project's potential to become one of Canada's most significant copper producers.

Trekor engaged MNP LLP (MNP) to undertake an economic impact assessment to quantify the Project's potential contributions to the Thompson-Nicola region, British Columbia, and Canada.

Key Findings

The Project is expected to be a major employer in the Thompson-Nicola region. The Project would create 525 ongoing full-time positions. This would be equivalent to approximately 35 percent of the total employment in 2021 in the surrounding communities of Clearwater, Barrière, and Vavenby.

The Project would create a diverse range of high-value job opportunities in the Thompson-Nicola region. These positions would range from general labour and administrative roles to highly skilled occupations such as engineers, geologists, metallurgists, and environmental scientists. Average annual wages are projected to be more than double the average full-time employment income in the region, generating approximately \$81 million in employment income per year.

The Project has the potential to be a significant contributor to Canada's critical mineral supply. Over its 25-year mine life, the Project is expected to produce approximately 4.4 billion pounds of copper, 282 thousand ounces of gold, and 19.4 million ounces of silver. Its projected annual copper production of 178 million pounds would be equivalent to approximately 16 percent of Canada's total annual copper production.

¹ Additional information regarding data verification, exploration information, known legal, political, environmental or other risks can be found in the report entitled "[Technical Report Update on the Yellowhead Copper Project, British Columbia, Canada](#)" issued July 10, 2025 with an effective date of June 15, 2025 which is available on SEDAR+ at www.sedarplus.ca. The Technical Report was prepared for Taseko Mines Limited (now Trekor Metals Limited), a producing issuer, under the supervision of Richard Weymark, P.Eng., MBA, Jeremy Guichon, P.Eng. and Adil Cheema, P.Eng. Mr. Weymark is employed by the company as Vice President, Engineering, Mr. Guichon as Director, Mine Engineering and Mr. Cheema as Director, Process Engineering. All three are Qualified Persons as defined by NI 43-101.

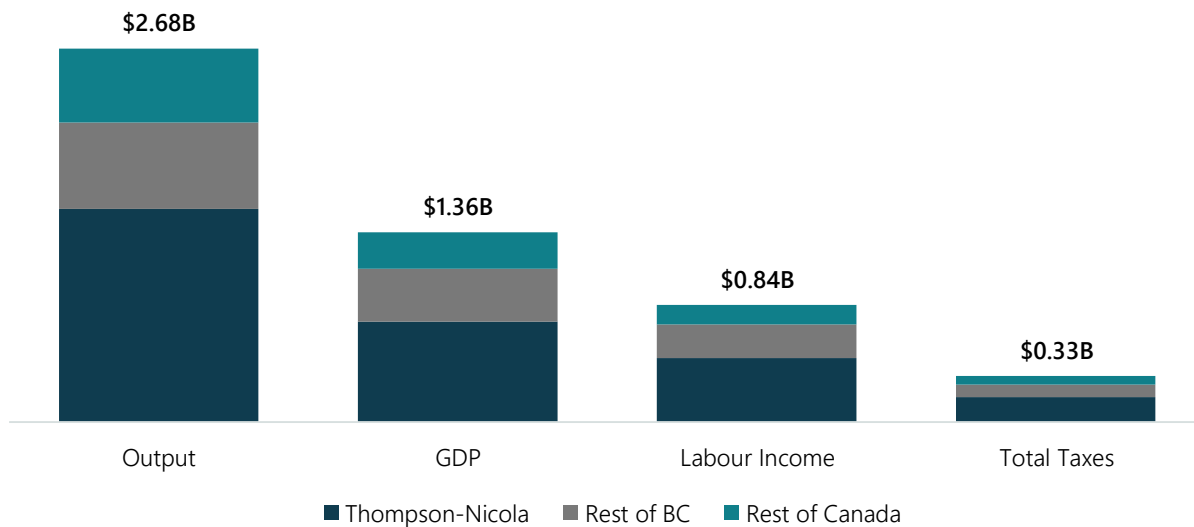
Economic Impacts²

Construction Impacts of the Project

The total capital investment for the construction and development of Yellowhead is estimated at approximately \$1.98 billion. As shown in Figure A, the estimated economic impacts of this capital expenditure are:

- \$2.68 billion in total output across Canada, including \$1.53 billion within the Thompson-Nicola region.
- \$1.36 billion in total GDP across Canada, including \$0.72 billion within the Thompson-Nicola region.
- \$0.84 billion in total labour income across Canada, including \$0.46 billion within the Thompson-Nicola region.
- \$0.33 billion in total government revenues generated across Canada.

Figure A: Total Economic Impacts from Construction of the Project (\$ Billions)



During the construction phase total employment of **8,815 jobs (or 8,200 FTEs)** is projected to be supported. Of this, approximately 4,065 jobs (or 3,990 FTEs) are expected to be supported within the Thompson-Nicola region, 2,900 jobs (or 2,570 FTEs) in other parts of British Columbia, and 1,850 jobs (or 1,640 FTEs) across the rest of Canada.

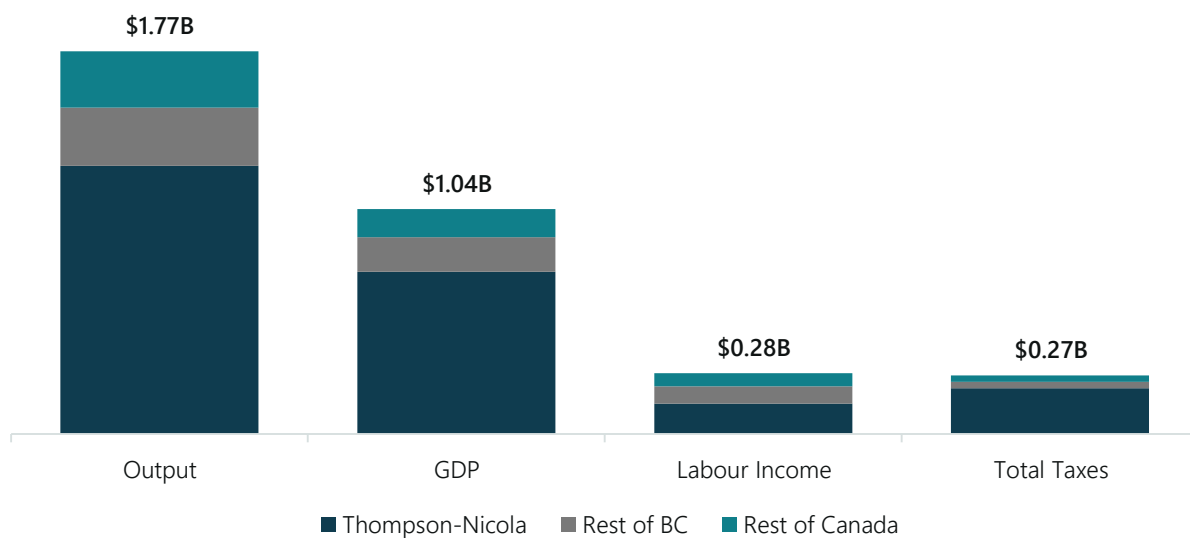
² Note: i) The economic impacts presented in this report are undiscounted and expressed in constant 2025 dollars. ii) Total **FTEs**, also known as **person-years**, represent the total amount of full-time work generated in a one-year period. One FTE may reflect one person working full-time for a year, or multiple people working the equivalent of one person working full-time for a year.

Annual Operational Impacts of the Project

Average annual operating expenditures for Yellowhead are projected to be \$554 million. As shown in Figure B the estimated annual operational impacts are:

- \$1.77 billion in total output across Canada, including \$1.24 billion within the Thompson-Nicola region.
- \$1.04 billion in total GDP across Canada, including \$0.75 billion within the Thompson-Nicola region.
- \$0.28 billion in total labour income across Canada, including \$0.14 billion within the Thompson-Nicola region.
- \$0.27 billion in total government revenues generated across Canada.

Figure B: Annual Projected Impacts from Operations of the Project (\$ Billions)

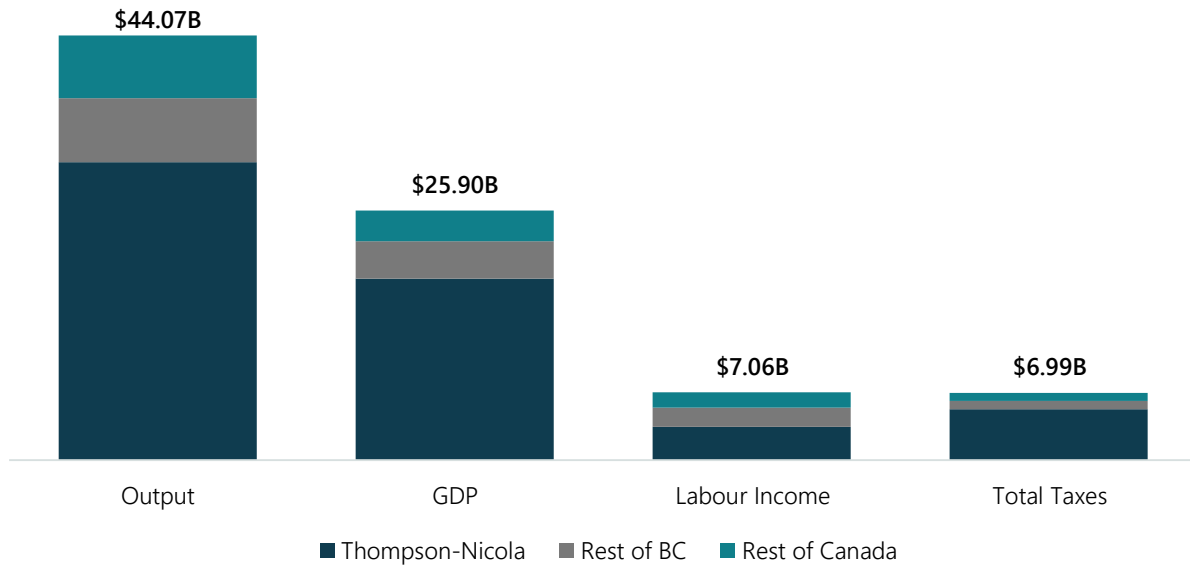


During the operational phase average annual total employment is projected to be **3,305 jobs (or 2,960 FTEs)**. Of this, approximately 1,365 jobs (or 1,290 FTEs) are expected to be supported within the Thompson-Nicola region, 1,080 jobs (or 920 FTEs) in other parts of British Columbia, and 860 jobs (or 750 FTEs) across the rest of Canada.

Figure C shows the projected cumulative economic impacts from the operations of Yellowhead. Over the 25-year operational phase, these impacts are projected to accumulate to:

- \$44.07 billion in total output across Canada, including \$30.93 billion within the Thompson-Nicola region.
- \$25.90 billion in total GDP across Canada, including \$18.84 billion within the Thompson-Nicola region.
- \$7.06 billion in total labour income across Canada, including \$3.46 billion within the Thompson-Nicola region.
- \$6.99 billion in total government revenues generated across Canada.

Figure C: Projected Cumulative Economic Impacts of Project Operations over 25 Years (\$ Billions)



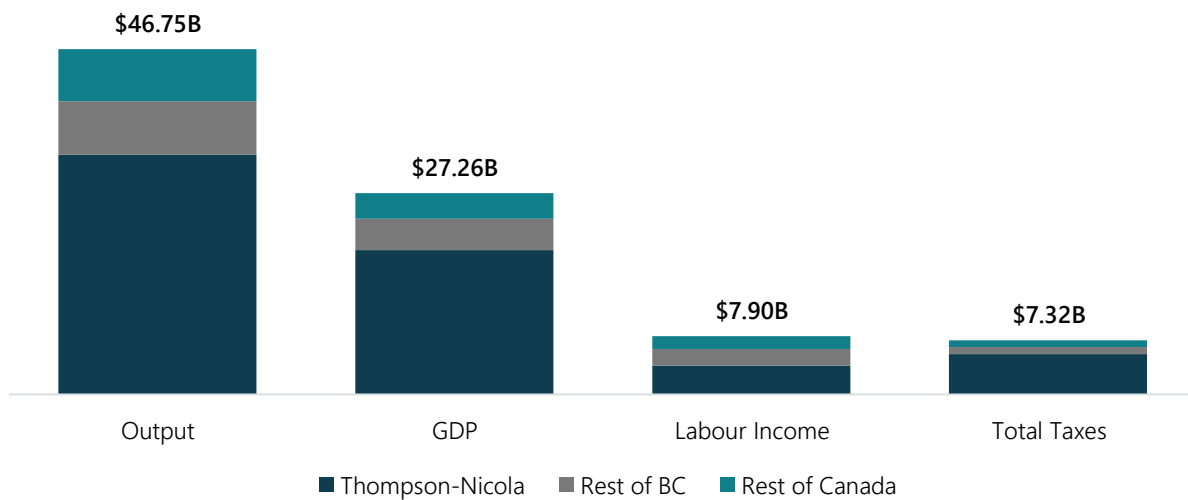
Over the 25-year operational phase, Yellowhead is projected to support total employment of **74,000 cumulative FTEs** (or person-years). Of this, approximately 32,250 cumulative FTEs are expected to be supported within the Thompson-Nicola region, 23,000 cumulative FTEs in other parts of British Columbia, and 18,750 cumulative FTEs across the rest of Canada.

Cumulative Economic Impacts from Construction and Operations of the Project

The cumulative impacts of Yellowhead over its construction and 25-year operational phase are projected to include:

- \$46.75 billion in total output across Canada, including \$32.46 billion within the Thompson-Nicola region.
- \$27.26 billion in total GDP across Canada, including \$19.56 billion within the Thompson-Nicola region.
- \$7.90 billion in total labour income across Canada, including \$3.92 billion within the Thompson-Nicola region.
- \$7.32 billion in total government revenues generated across Canada.

Figure D: Cumulative Economic Impacts from Construction and 25-Year Operations of Yellowhead (\$ Billions)



Over the construction and 25-year operational phase, the Yellowhead Project is projected to support total employment of **82,200 cumulative FTEs** (or person-years). Of this, approximately 36,240 cumulative FTEs are expected to be supported within the Thompson-Nicola region, 25,570 cumulative FTEs in other parts of British Columbia, and 20,390 cumulative FTEs across the rest of Canada.

2. Introduction

2.1 Background and Purpose

The Yellowhead Project (the “Project” or “Yellowhead”) is located in the Thompson-Nicola region of British Columbia, approximately 150 km northeast of Kamloops, near the community of Vavenby. In 2014, the previous owner, Yellowhead Mining Inc., published a technical report on the Project. In 2019, Trekor acquired Yellowhead Mining Inc. and, in 2025, published an updated technical report highlighting the Project’s potential to become one of the most significant copper producers in Canada. Trekor engaged MNP LLP (MNP) to conduct an economic impact study of the proposed Yellowhead Project to quantify its potential economic contributions to the Thompson-Nicola region, British Columbia, and Canada.

2.2 Study Approach

In preparing this report, MNP carried out the following activities:

- Gathered and reviewed data provided by Trekor on the Project, including projected construction expenditures, and projected annual operating revenues and expenditures.
- Developed an economic impact model based on multipliers published by Statistics Canada to estimate the economic impacts associated with the Project.

2.3 Structure of the Report

The remaining sections of this report are organized as follows:

- Section 3 provides an overview of the Project, including production, employment, and the mine value chain.
- Section 4 describes the economic impact methodology and presents the projected economic impacts associated with the construction, and annual operations of the Project.
- Section 5 summarizes the key findings and offers concluding remarks.
- The appendix describes the methodology used to estimate the economic impacts.

2.4 Report Limitations

This report is provided for information purposes and is intended for general guidance only. It should not be regarded as comprehensive or as a substitute for personalized, professional advice.

We have relied upon the completeness, accuracy and fair presentation of all information and data obtained from Trekor and public sources, believed to be reliable. The accuracy and reliability of the findings and opinions expressed in the presentation are conditional upon the completeness, accuracy and fair presentation of the information underlying them. As a result, we caution readers not to rely upon any findings or opinions expressed for business or investment decisions and disclaim any liability to any party who relies upon them as such. Before taking any particular course of action, readers should contact their own professional advisor to discuss matters in the context of their particular situation.

The report contains projections, founded on past events giving an expectation of certain future events. Future events are not guaranteed to follow past patterns and results may vary, even significantly. Accordingly, we express no assurance as to whether projections underlying the economic and financial analysis will be achieved. Additionally, the findings and opinions expressed in the presentation constitute judgments as of the date of the presentation and are subject to change without notice. MNP is under no obligation to advise of any change brought to its attention which would alter those findings or opinions.



3. Overview of the Yellowhead Project

3.1 Overview

The Project is a proposed open-pit copper mine located in the Thompson-Nicola region of British Columbia, approximately 150 kilometres northeast of Kamloops, along Highway 5, near the community of Vavenby. The Project is situated primarily within Simpcwúlcw, the traditional territory of the Simpcw First Nation.

The Project consists of one mining lease and 94 mineral claims, covering approximately 42,358 hectares. It includes an estimated two- to three-year construction phase, followed by a 25-year commercial operating phase, during which Yellowhead is expected to process approximately 90,000 tonnes of ore per day.³

Figure 1: Location of Project in British Columbia



From Highway 5 at Vavenby, the primary access route to the Yellowhead site is about 20 km along existing Forest Service Roads (FSR).

Final concentrate will be trucked offsite to the rail load-out facility, located at a property with an existing rail siding near Vavenby, and transported via rail to the Port of Vancouver or to other North American markets.

The nearby communities of

Clearwater, Vavenby, Barrière, and the surrounding district, with a combined population of about 6,000 residents, are expected to be the main source of local labour for the Project.⁴

The regional economy has long been anchored by the forestry sector, which has seen a major decline over the past few decades. Several mills in the North Thompson Valley have closed, including the last operating sawmill in Vavenby, which shut down in 2019. These closures have left the area with a skilled industrial workforce that now faces limited local job opportunities.

The Project presents a major economic opportunity for the region. It has the potential to create a significant number of jobs, support local businesses, and help revive the regional economy.

³ Yellowhead Copper Project Initial Project Description.

⁴ Yellowhead Technical Report, July 2025.

3.2 Production

The Project has the potential to be a significant contributor to Canada’s critical mineral supply.

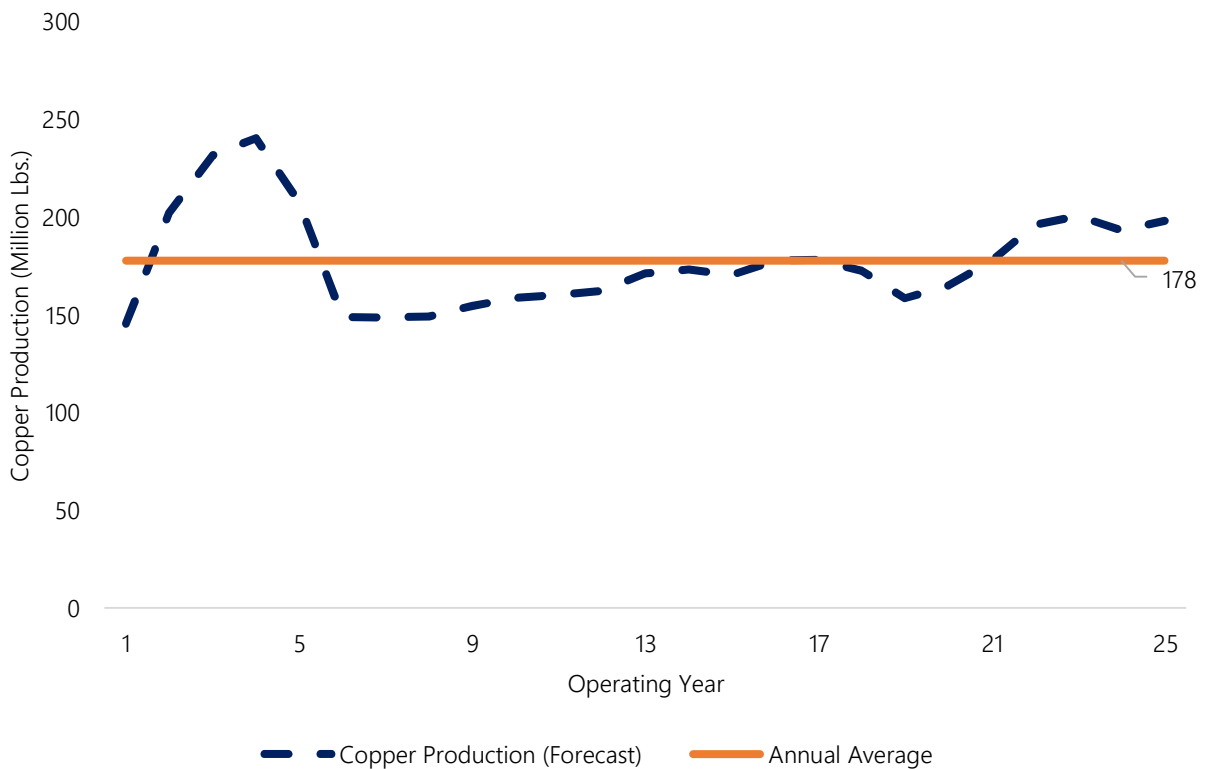
Figure 2 and Figure 3 show the projected annual production of copper, gold, and silver. On average, the Project is expected to produce 178 million pounds of copper, 11 thousand ounces of gold, and 776 thousand ounces of silver each year. Over its 25-year mine life, the Project is expected to produce approximately 4.4 billion pounds of copper, 282 thousand ounces of gold, and 19.4 million ounces of silver.

Production Ranking

The Project’s estimated annual copper production of 178 million pounds is equivalent to approximately 16 percent of Canada’s total copper production in 2024.*

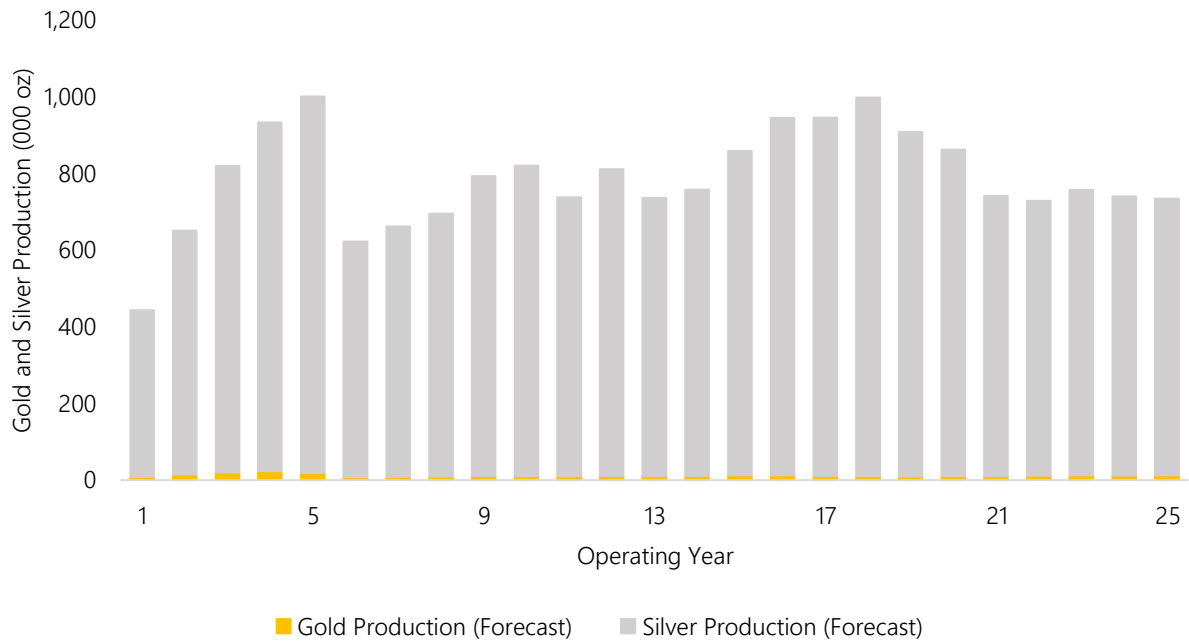
*Statistics Canada, Annual Statistics of Mineral Production, 2024

Figure 2: Projected Copper Production Over 25-Year Mine Life



Source: Yellowhead Technical Report, July 2025.

Figure 3: Projected Gold and Silver Production Over 25-Year Mine Life



Source: Yellowhead Technical Report, July 2025.

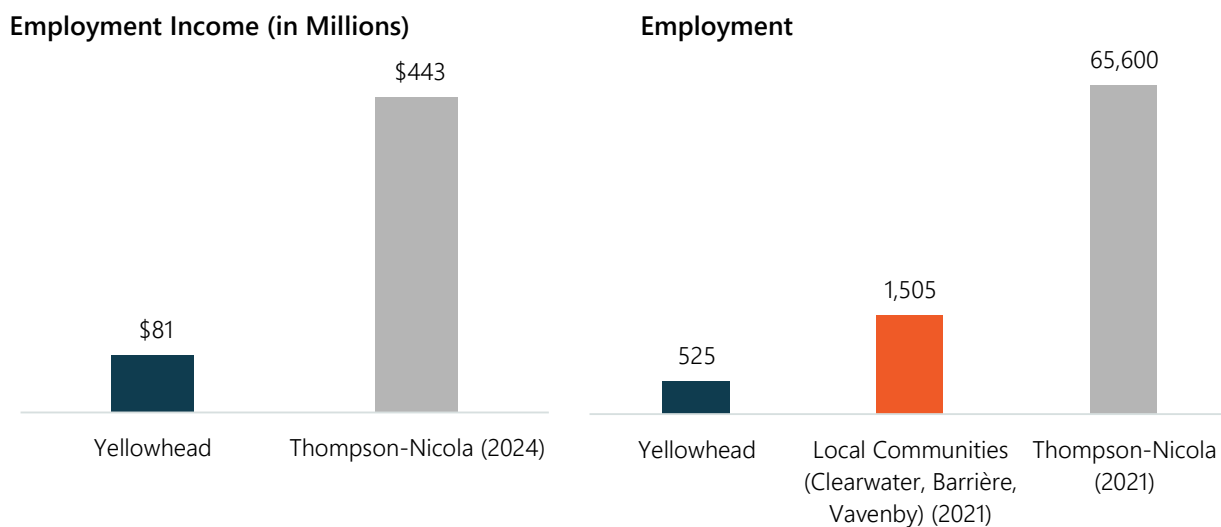


3.3 Yellowhead Workforce

The Project has the potential to be a major employer in the Thompson-Nicola region, contributing significantly to local jobs and income.

Figure 4 shows that the Project is expected to generate approximately \$81 million in annual employment income. This is equivalent to approximately 18 percent of the Thompson-Nicola region’s total employment income in 2024. It will sustain an average of 525 ongoing full-time positions throughout Yellowhead’s operational life. This is equivalent to about 35 percent of 2021 total employment in the surrounding communities of Clearwater, Barrière, and Vavenby.

Figure 4: Direct Employment and Employment Income Estimated at Yellowhead and the Thompson-Nicola Region⁵



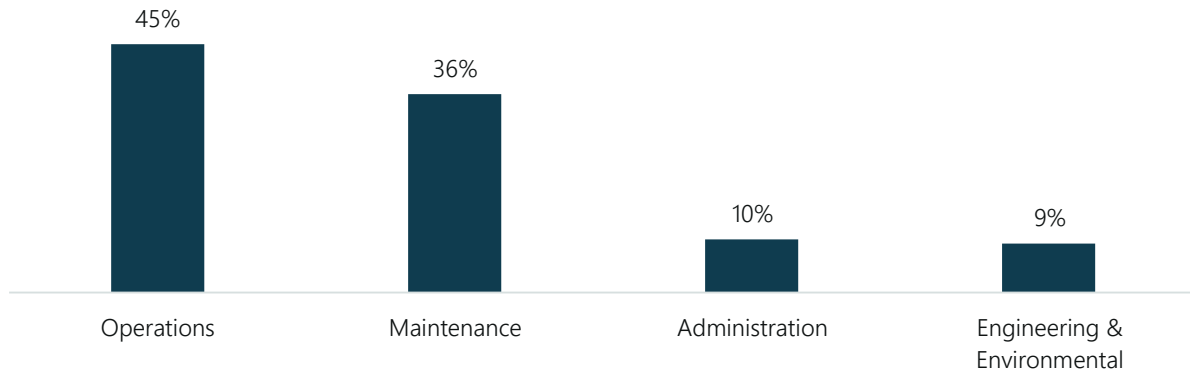
Source: Yellowhead Technical Report, July 2025; Statistics Canada, Census 2021; Canada Revenue Agency. Individual Tax Statistics by Area (ITSA) – 2023 Edition (2021 tax year).

⁵ Employment data for local communities and the Thompson-Nicola region is sourced from the 2021 Census. Employment income for the Thompson-Nicola region is based on CRA 2021 tax filer data and has been projected to 2024 levels using the average hourly wage increase observed in B.C. between 2021 and 2024 (Statistics Canada. Table 14-10-0064-01 Employee wages by industry, annual).

The Project is expected to bring high-value job opportunities to the region.

Figure 5 shows the distribution of the projected workforce by function. Operations, which includes mine operations, and mill operations, represents the largest share of employment at 45 percent. Maintenance, including mine maintenance, mill maintenance, and electrical services, accounts for 36 percent. Administration, which includes accounting, information technology, procurement, and human resources, makes up 10 percent, while engineering and environmental, represent the remaining 9 percent.

Figure 5: Employment by Function



Source: Trekor.

The Project is expected to support the attraction and retention of skilled workers in the region through the creation of stable, well-compensated employment opportunities. As shown in Figure 6, average wages at Yellowhead are expected to be more than double the average full-time employment earnings in the region of \$72,100⁶.

Figure 6: Average Wages and Salaries at the Project



Note: Average wages and salaries at Yellowhead are inclusive for base pay excluding bonuses and other benefits.

Source: Trekor ; Statistics Canada. Census Profile. 2021 Census of Population.

⁶ Statistics Canada. Census Profile. 2021 Census of Population.

3.4 Mine Value Chain

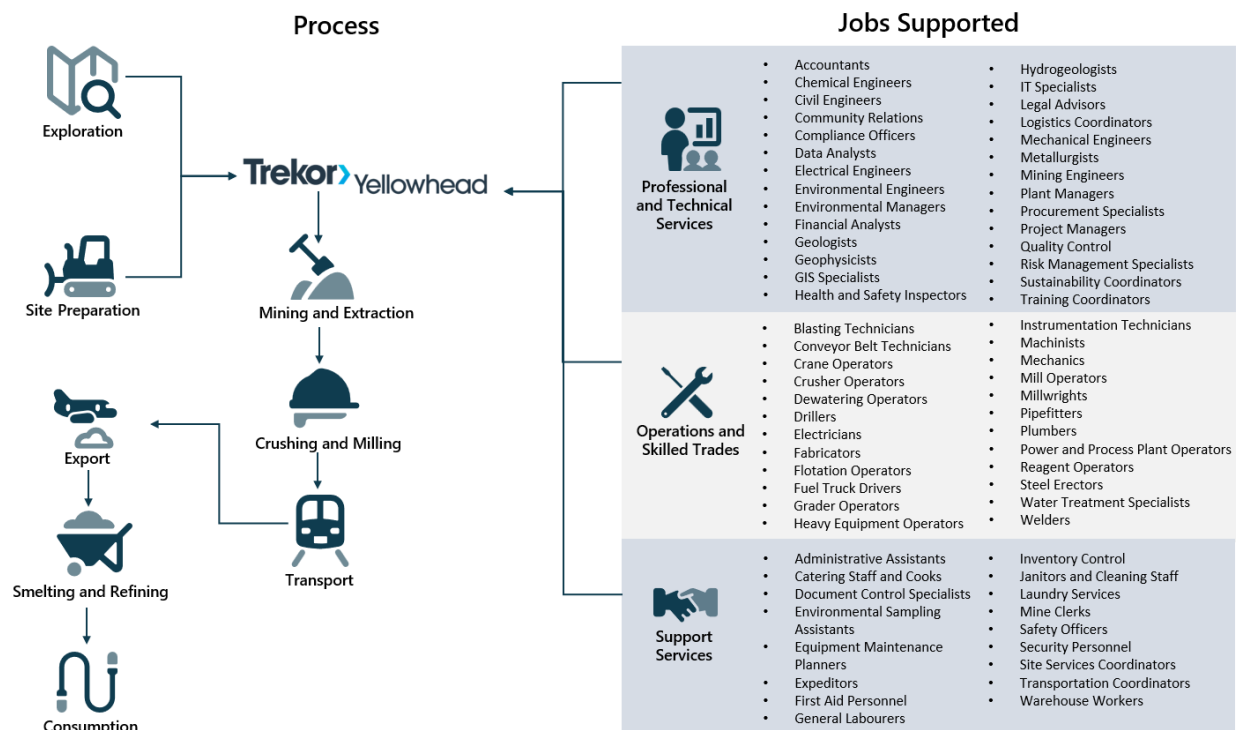
A value chain represents the sequence of activities that combine to create products or outputs within a specific sector. For the Project, the value chain will encompass the construction and operational phases. Throughout these phases, the Project is expected to generate direct, indirect, and induced economic impacts.

Direct impacts, such as employment at Yellowhead, stem from the primary activities associated with each stage of the mining process. Indirect impacts, including jobs at suppliers and in related industries, arise from the linkages between Yellowhead and the various sectors of the economy it interacts with. Induced impacts will occur as employees spend their wages on goods and services in the broader economy.

These linkages will extend upstream to suppliers of equipment, materials, and services required for Yellowhead’s construction and operations, and downstream to industries that will process and utilize the operations output, such as smelters, refineries, and manufacturers of copper, gold and silver products. The value chain will also include auxiliary services such as transportation, environmental management, and community development.

Figure 7 illustrates these interconnections, providing a visual representation of the Project’s value chain and its economic linkages.

Figure 7: Yellowhead Mine Value Chain



4. Economic Impact Analysis

4.1 Economic Impact Methodology

In general, economic impacts are viewed as being restricted to quantitative, well-established measures of economic activity. The most commonly used of these measures are output, GDP, employment and government revenue:

- **Output** is the total gross value of goods and services produced by a given company or industry measured by the price paid to the producer. This is the broadest measure of economic activity.
- **Gross Domestic Product (“GDP”)**, or value added, refers to the additional value of a good or service over the cost of inputs used to produce it from the previous stage of production. Thus, GDP is equal to the unduplicated value of the goods and services produced.
- **Employment** is the number of additional jobs created. Employment is measured in terms of full-time equivalents (“FTEs”). One FTE is equivalent to one person working full-time for one year or one person-year of employment. FTEs are calculated based on 1,950 annual hours (37.5 hours per week).
- **Labour Income** is the earnings associated with the jobs created or supported.
- **Government Revenues** are the total amount of revenues generated for different levels of government. Revenues arise from personal income taxes, indirect taxes less subsidies, corporate income taxes, taxes on products and royalties. Please note that because tax revenues can frequently change due to modifications in tax policy, the government revenues in this report are estimates only and subject to change. They should be viewed as approximate in nature.

Economic impacts may be estimated at the direct, indirect, and induced levels:

- **Direct impacts** are due to changes that occur in “front-end” businesses that would initially receive expenditures and operating revenue as a result of the operations and activities of an industry, organization, or project.
- **Indirect impacts** arise from changes in activity for suppliers of the “front-end” businesses.
- **Induced impacts** arise from shifts in spending on goods and services as a result of changes to the payroll of the directly and indirectly affected businesses.

To estimate the potential economic impacts generated by the Project, MNP employed an input-output model using multipliers published by Statistics Canada. Input-output modelling is a widely used and widely accepted approach, making it recognizable by many different stakeholders and audiences. The structure of the approach also facilitates easy comparisons between reported results for different industries and organizations.

Please note that the economic impacts reported here are presented in constant 2025 dollars and do not account for productivity changes due to technology growth, changes in commodity prices, inflation or other factors.

4.2 Economic Impacts of Construction

Mine construction refers to the process of preparing and developing a site for future mining operations. This typically includes building access roads, site infrastructure, and facilities needed to support ongoing activities once the Yellowhead becomes operational.

The capital expenditures associated with the construction of Yellowhead are expected to generate substantial economic impacts through the purchase of goods and services, job creation, and the generation of government revenues at the municipal, provincial, and federal levels.

The total capital investment for the construction and development of the Project is estimated to be approximately \$1.98 billion (see Table 1).

Table 1: Capital Expenditure of the Construction of the Project

Expenditure Category	Expenditure (\$ million)	Share
Concentrator and Support Infrastructure	\$623	31%
Mine and Support Infrastructure	\$295	15%
Tailings and Water Management Infrastructure	\$213	11%
Offsite Infrastructure	\$153	8%
Onsite Ancillary Infrastructure	\$143	7%
Indirect Costs, Owner's Costs, Contingency	\$558	28%
Total	\$1,985	100%

Source: Yellowhead Technical Report, July 2025.

Table 2 shows the total projected economic impacts that would be generated by the construction of the Project, based on the capital expenditures presented in Table 1. The projected impacts from this capital spending include:

- Total output in the Thompson-Nicola of \$1,530 million, consisting of \$1,080 million in direct output, \$180 million in indirect output, and \$270 million in induced output. In addition to the impacts in the Thompson-Nicola, approximately \$620 million in total output would be generated in the rest of British Columbia and \$532 million of total output would be generated in the rest of Canada.
- Total GDP in the Thompson-Nicola of \$720 million, consisting of \$450 million in direct GDP, \$95 million in indirect GDP, and \$175 million in induced GDP. In addition to the impacts in the Thompson-Nicola, approximately \$380 million in total GDP would be generated in the rest of British Columbia and \$259 million in total GDP would be generated in the rest of Canada.
- Total employment in the Thompson-Nicola of 4,065 jobs (3,990 FTEs), consisting of 2,030 direct jobs (2,270 FTEs), 745 indirect jobs (630 FTEs), and 1,290 induced jobs (1,090 FTEs). In addition, 2,900 jobs (2,570 FTEs) were generated in the rest of British Columbia and 1,850 jobs (1,640 FTEs) would be generated in the rest of Canada.
- Total labour income in the Thompson-Nicola of \$460 million, consisting of \$330 million in direct labour income, \$60 million in indirect labour income, and \$70 million in induced labour income. In addition to the impacts in the Thompson-Nicola, approximately \$235 million in labour income would be generated in the rest of British Columbia and \$140 million in labour income would be generated in the rest of Canada.
- Total government revenue in Canada of \$332 million, consisting of \$172 million in federal revenues, \$130 million in provincial revenues and \$30 million in municipal revenues.

Measuring FTEs of Construction

Total **FTEs**, also known as **person-years**, represent the total amount of full-time work generated in a one-year period. On a construction project, the total hours worked are accumulated across the entire construction phase and converted into FTEs (i.e. person-years). For example, one person working full-time for four years equals four FTEs (four person-years), while two people each working full-time for six months collectively equal one FTE (one person-year).

Table 2: Projected Economic Impacts from the Construction of the Project

	Output (\$millions)	GDP (\$millions)	Employment		Labour Income (\$millions)	Federal Taxes (\$millions)	Provincial Taxes (\$millions)	Municipal Taxes (\$millions)
			FTEs*	Jobs				
Thompson Nicola Region								
Direct	\$1,080	\$450	2,270	2,030	\$330	\$59	\$41	\$5.4
Indirect	\$180	\$95	630	745	\$60	\$11	\$7	\$2.0
Induced	\$270	\$175	1,090	1,290	\$70	\$25	\$24	\$6.9
Total	\$1,530	\$720	3,990	4,065	\$460	\$95	\$72	\$14.3
Rest of British Columbia								
Direct	\$150	\$110	840	860	\$90	\$13	\$6	\$1.1
Indirect	\$330	\$180	1,170	1,380	\$110	\$20	\$13	\$3.7
Induced	\$140	\$90	560	660	\$35	\$13	\$13	\$3.5
Total	\$620	\$380	2,570	2,900	\$235	\$46	\$32	\$8.3
British Columbia (Total)								
Direct	\$1,230	\$560	3,110	2,890	\$420	\$72	\$47	\$6.5
Indirect	\$510	\$275	1,800	2,125	\$170	\$31	\$20	\$5.7
Induced	\$410	\$265	1,650	1,950	\$105	\$38	\$37	\$10.4
Total	\$2,150	\$1,100	6,560	6,965	\$695	\$141	\$104	\$22.6
Rest of Canada								
Direct	\$52	\$19	160	140	\$13	\$2	\$1	\$0.2
Indirect	\$290	\$140	830	960	\$77	\$16	\$12	\$3.4
Induced	\$190	\$100	650	750	\$50	\$13	\$13	\$3.9
Total	\$532	\$259	1,640	1,850	\$140	\$31	\$26	\$7.5
All of Canada (Total)								
Direct	\$1,282	\$579	3,270	3,030	\$433	\$74	\$48	\$6.7
Indirect	\$800	\$415	2,630	3,085	\$247	\$47	\$32	\$9.1
Induced	\$600	\$365	2,300	2,700	\$155	\$51	\$50	\$14.3
Total	\$2,682	\$1,359	8,200	8,815	\$835	\$172	\$130	\$30.1

*FTEs are calculated based on 1,950 annual hours (37.5 hours per week).

4.3 Economic Impacts of Annual Operations

The production phase of the Project will involve the mining and milling processes. Operational spending during this phase is expected to generate substantial economic impacts through the purchase of goods and services, the creation of employment opportunities, and the generation of tax revenues for municipal, provincial, and federal governments.

As shown in Table 3, the average annual operating expenditures for the Project are projected to be approximately \$554 million. The majority of these costs are associated with mining and processing, followed by treatment and refining and transportation.

Table 3: Projected Annual Operating Expenditure (average over 25-years)

Expenditure Category	Expenditure (\$ million)	Share (%)
Mining and Processing Costs	\$370	67%
Treatment and Refining, Transportation Costs	\$95	17%
Sustaining Capital Costs	\$38	7%
General & Administration Costs	\$35	6%
Tailings and Water Costs	\$16	3%
Total	\$554	100%

Source: Yellowhead Technical Report, July 2025.

Table 4 shows the projected annual economic impacts from the operations of the Project. These impacts include the following:

- Total annual output in the Thompson-Nicola of \$1,237 million, consisting of \$1,039 million in direct output, \$120 million in indirect output, and \$78 million in induced output. In addition to the impacts in the Thompson-Nicola, approximately \$265 million in total output would be generated in the rest of British Columbia and \$260 million of total output would be generated in the rest of Canada.
- Total annual GDP in the Thompson-Nicola of \$753 million, consisting of \$635 million in direct GDP, \$67 million in indirect GDP, and \$51 million in induced GDP. In addition to the impacts in the Thompson-Nicola, approximately \$155 million in total GDP would be generated in the rest of British Columbia and \$127 million in total GDP would be generated in the rest of Canada.
- Total annual employment in the Thompson-Nicola of 1,365 jobs (1,290 FTEs), consisting of 525 direct jobs (580 FTEs), 460 indirect jobs (390 FTEs), and 380 induced jobs (320 FTEs). In addition, 1,080 jobs (920 FTEs) would be generated in the rest of British Columbia and 860 jobs (750 FTEs) would be generated in the rest of Canada.
- Total annual labour income in the Thompson-Nicola of \$138 million, consisting of \$81 million in direct labour income, \$37 million in indirect labour income, and \$20 million in induced labour

income. In addition to the impacts in the Thompson-Nicola, approximately \$80 million in labour income would be generated in the rest of British Columbia and \$64 million in labour income would be generated in the rest of Canada.

- Total annual government revenue in Canada of \$278 million, consisting of \$118 million in federal revenues, \$145 million in provincial revenues and \$14.8 million in municipal revenues.

Table 4: Projected Economic Impacts of (Average) Annual Operations of the Project

	Output (\$millions)	GDP (\$millions)	Employment		Labour Income (\$millions)	Federal Taxes (\$millions)	Provincial Taxes (\$millions)	Municipal Taxes (\$millions)
			FTEs*	Jobs				
Thompson Nicola Region								
Direct	\$1,039	\$635	580	525	\$81	\$70	\$107	\$4.3
Indirect	\$120	\$67	390	460	\$37	\$7	\$5	\$1.3
Induced	\$78	\$51	320	380	\$20	\$7	\$7	\$2.0
Total	\$1,237	\$753	1,290	1,365	\$138	\$84	\$119	\$7.6
Rest of British Columbia								
Direct	\$0	\$0	0	0	\$0	\$0	\$0	\$0
Indirect	\$220	\$125	730	860	\$68	\$14	\$9	\$2.4
Induced	\$45	\$30	190	220	\$12	\$4	\$4	\$1.2
Total	\$265	\$155	920	1,080	\$80	\$18	\$13	\$3.6
British Columbia (Total)								
Direct	\$1,039	\$635	580	525	\$81	\$70	\$107	\$4.3
Indirect	\$340	\$192	1,120	1,320	\$105	\$21	\$14	\$3.7
Induced	\$123	\$81	510	600	\$32	\$11	\$11	\$3.2
Total	\$1,502	\$908	2,210	2,445	\$218	\$102	\$132	\$11.2
Rest of Canada								
Direct	\$0	\$0	0	0	\$0	\$0	\$0	\$0
Indirect	\$175	\$84	460	530	\$42	\$10	\$7	\$1.4
Induced	\$85	\$43	290	330	\$22	\$6	\$6	\$2.2
Total	\$260	\$127	750	860	\$64	\$16	\$13	\$3.6
All of Canada (Total)								
Direct	\$1,039	\$635	580	525	\$81	\$70	\$107	\$4.3
Indirect	\$515	\$276	1,580	1,850	\$147	\$31	\$21	\$5.1
Induced	\$208	\$124	800	930	\$54	\$17	\$17	\$5.4
Total	\$1,762	\$1,035	2,960	3,305	\$282	\$118	\$145	\$14.8

*FTEs are calculated based on 1,950 annual hours (37.5 hours per week).

Table 5 reports the projected cumulative economic impacts from the operations of the Project over its 25-year mine life. These impacts include:

- Total output in the Thompson-Nicola of \$30.93 billion, including \$25.98 billion in direct output, \$3 billion in indirect output, and \$1.95 billion in induced output. In addition to the impacts in the Thompson-Nicola, approximately \$6.63 billion in indirect and induced output is projected to be generated in the rest of British Columbia and \$6.51 billion in indirect and induced output is projected to be generated in the rest of Canada.
- Total GDP in the Thompson-Nicola of \$18.84 billion, consisting of \$15.88 billion in direct GDP, \$1.68 billion in indirect GDP, and \$1.28 in induced GDP. In addition to the impacts in the Thompson-Nicola, approximately \$3.88 billion in indirect and induced GDP is projected to be generated in the rest of British Columbia and \$3.18 billion in indirect and induced GDP is projected to be generated in the rest of Canada.
- Total employment in the Thompson-Nicola of 34,125 jobs (32,250 FTEs), consisting of 13,125 direct jobs (14,500 FTEs), 11,500 indirect jobs (9,750 FTEs), and 9,500 induced jobs (8,000 FTEs). In addition, 27,000 indirect and induced jobs (23,000 FTEs) were projected to be generated in the rest of British Columbia and 21,500 indirect and induced jobs (18,750 FTEs) were projected to be generated in the rest of Canada.
- Total labour income in the Thompson-Nicola of \$3.46 billion, consisting of \$2.03 billion in direct labour income, \$0.93 billion in indirect labour income, and \$0.50 billion in induced labour income. In addition to the impacts in the Thompson-Nicola, approximately \$2 billion in indirect and induced labour income is projected to be generated in the rest of British Columbia and \$1.6 billion in indirect and induced labour income is projected to be generated in the rest of Canada.
- Total government revenue in Canada of \$6.99 billion, consisting of \$2.96 billion in federal revenues, \$3.65 billion in provincial revenues and \$0.38 billion in municipal revenues.

Measuring Cumulative Employment

Cumulative employment represents the total number of jobs supported over the 25-year mine life, expressed in **person-years**. One person working full-time for one year equals one person-year of employment. For example, the Yellowhead Project supports 580 FTEs in British Columbia each year, this cumulates to approximately 14,500 FTEs or person-years of employment over 25 years.

Table 5: Projected Cumulative Economic Impacts of Operations of the Project over 25-year Mine Lifecycle

	Output (\$Billions)	GDP (\$Billions)	Employment		Labour Income (\$Billions)	Federal Taxes (\$Billions)	Provincial Taxes (\$Billions)	Municipal Taxes (\$Billions)
			FTEs*	Jobs				
Thompson Nicola Region								
Direct	\$25.98	\$15.88	14,500	13,125	\$2.03	\$1.75	\$2.68	\$0.11
Indirect	\$3.00	\$1.68	9,750	11,500	\$0.93	\$0.18	\$0.13	\$0.03
Induced	\$1.95	\$1.28	8,000	9,500	\$0.50	\$0.18	\$0.18	\$0.05
Total	\$30.93	\$18.84	32,250	34,125	\$3.46	\$2.11	\$2.99	\$0.19
Rest of British Columbia								
Direct	\$0	\$0	0	0	\$0	\$0	\$0	\$0
Indirect	\$5.50	\$3.13	18,250	21,500	\$1.70	\$0.35	\$0.23	\$0.06
Induced	\$1.13	\$0.75	4,750	5,500	\$0.30	\$0.10	\$0.10	\$0.03
Total	\$6.63	\$3.88	23,000	27,000	\$2.00	\$0.45	\$0.33	\$0.09
British Columbia (Total)								
Direct	\$25.98	\$15.88	14,500	13,125	\$2.03	\$1.75	\$2.68	\$0.11
Indirect	\$8.50	\$4.81	28,000	33,000	\$2.63	\$0.53	\$0.36	\$0.09
Induced	\$3.08	\$2.03	12,750	15,000	\$0.80	\$0.28	\$0.28	\$0.08
Total	\$37.56	\$22.72	55,250	61,125	\$5.46	\$2.56	\$3.32	\$0.28
Rest of Canada								
Direct	\$0	\$0	0	0	\$0	\$0	\$0	\$0
Indirect	\$4.38	\$2.10	11,500	13,250	\$1.05	\$0.25	\$0.18	\$0.04
Induced	\$2.13	\$1.08	7,250	8,250	\$0.55	\$0.15	\$0.15	\$0.06
Total	\$6.51	\$3.18	18,750	21,500	\$1.60	\$0.40	\$0.33	\$0.10
All of Canada (Total)								
Direct	\$25.98	\$15.88	14,500	13,125	\$2.03	\$1.75	\$2.68	\$0.11
Indirect	\$12.88	\$6.91	39,500	46,250	\$3.68	\$0.78	\$0.54	\$0.13
Induced	\$5.21	\$3.11	20,000	23,250	\$1.35	\$0.43	\$0.43	\$0.14
Total	\$44.07	\$25.90	74,000	82,625	\$7.06	\$2.96	\$3.65	\$0.38

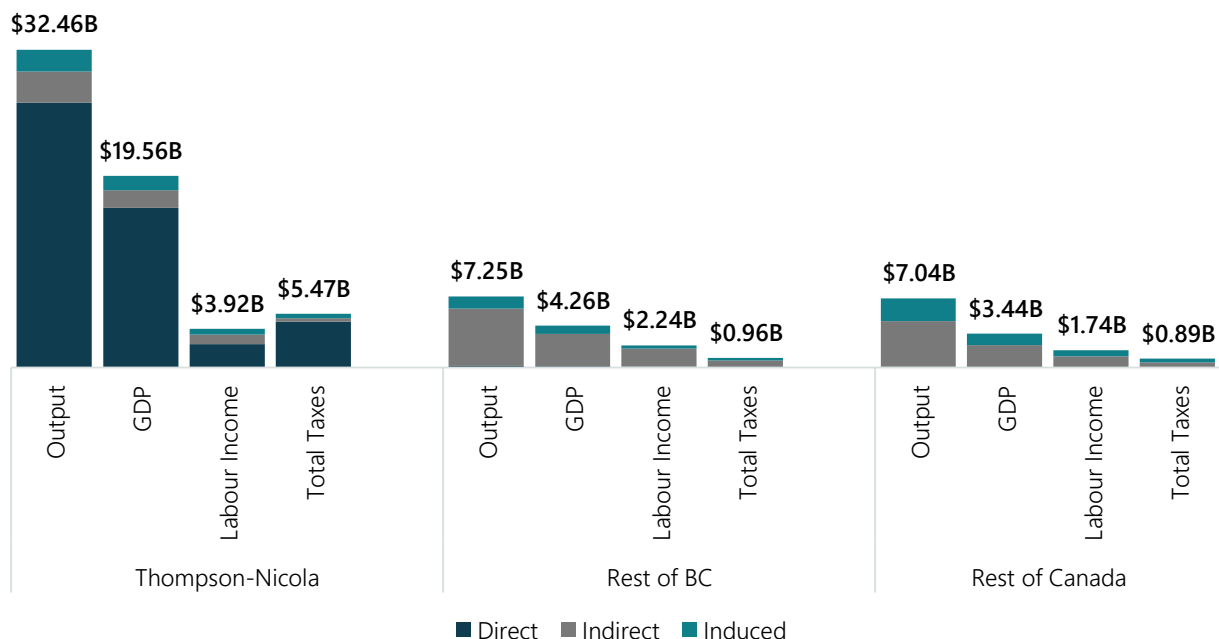
*FTEs are calculated based on 1,950 annual hours (37.5 hours per week).

5. Conclusion

The Project is expected to generate substantial economic impacts through its construction and operations. These impacts are generated in the Thompson-Nicola region, other parts of British Columbia, and throughout the rest of Canada.

Figure 8 shows the cumulative impacts of the Project over its construction and 25-year operational phase. Overall, about 69 percent of total output is projected to be generated within the Thompson-Nicola region, with the remainder occurring across other parts of British Columbia and the rest of Canada. Similarly, the region is expected to account for 72 percent of total GDP and 75 percent of total tax revenues associated with the Project.

Figure 8: Cumulative Economic Impacts from Construction and 25-Year Operations of the Project (\$ Billions)



Over the construction and 25-year operational phase, the Yellowhead is projected to support a total employment **82,200 cumulative FTEs** (or person-years). Of this, approximately 36,240 cumulative FTEs are expected to be supported within the Thompson-Nicola region, 25,570 cumulative FTEs in other parts of British Columbia, and 20,390 cumulative FTEs across the rest of Canada.

The **average annual total employment** during the operational phase is projected to be 3,305 jobs (or 2,960 FTEs). Of this total, approximately 1,365 jobs (or 1,290 FTEs) are expected to be supported within the Thompson-Nicola region.

Appendices

Appendix A – Economic Impact Modelling Assumptions

MNP's approach to economic impact modelling is based on published Statistics Canada multipliers and input-output modelling. Below is a step-by-step overview of our approach to estimating the economic impacts.

Step 1: Gathered information from Trekor on capital and operational costs.

MNP collected information on:

- Projected capital expenditures by major category. Note that roughly 50 percent of the projected capital expenditure is expected to be spent on machinery, plant, and equipment, much of which is expected to be sourced from manufacturers outside Canada but procured through Canadian wholesalers.
- Projected operating revenues and expenditures over the mine lifecycle by major category.
- The location of suppliers for capital and operating expenditures. Where data were not available, MNP assumed the regional, provincial, and out-of-province distribution would be similar to that of the Gibraltar Mine, operated in British Columbia by Trekor.
- Projected direct employment related to the construction and operations of Yellowhead.
- Projected taxes by type, including corporate and mineral taxes.

Step 2: Assigned revenues or expenditure to an industry classification based on the North American Industry Classification System (NAICS).

MNP assigned appropriate NAICS to each of the operating revenues and capital expenditures.

Step 3: Applied Statistics Canada multipliers (by NAICS) to corresponding revenues/expenditures.

Statistics Canada's input-output multipliers were then used to estimate the economic impacts. To estimate the economic impacts of operations the relevant multipliers were applied to the operating revenues. To estimate the economic impacts generated by capital expenditures the relevant multipliers were applied to the expenditures.

Statistics Canada's input-output multipliers produced estimates of direct, indirect and induced impacts within British Columbia and rest of Canada across the economic categories of output, GDP, labour income, employment, and taxes (taxes on products such as sales tax, and taxes on production⁷ such as property taxes, capital taxes, natural resource taxes (e.g., mining taxes and fees such as mineral tax)⁸, and licenses).

⁷ Guide to the Income and Expenditure Accounts, Statistics Canada.

⁸ <https://www2.gov.bc.ca/gov/content/taxes/natural-resource-taxes/mining>

Step 4: Adjusted the Economic Impacts

Adjustment to Direct Impacts

The expenditure profiles and information collected in Step 1 were compared with the direct impact estimates generated by the multipliers such as labour income, employment, and taxes. Based on the comparison, appropriate adjustments were then made to the estimated direct economic impacts.

Please note that in general, direct impacts, including employment and associated labour income, are generated in the province or region where the activity takes place, whether through operations or construction and engineering services related to capital expenditures. While labour may be sourced from other parts of Canada, the workers will be employed and compensated in the province or region where the activity occurs.

Adjustment to Indirect Impacts

The indirect economic impacts were adjusted based on the geographic distribution of expenditures on suppliers and services provided.

Adjustment to Induced Impacts

It was assumed that labour income associated with both direct and indirect employment would be spent in the province or region where the labour is procured from. Consequently, similar adjustments were made to the induced economic impacts, taking into account the geographic distribution of spending on suppliers and services provided.

Appendix B – About MNP

For 65 years, MNP has proudly served and responded to the needs of clients in public, private and not-for-profit sectors.



We customize every engagement to meet the specific needs of our clients. By having local, regional and national expertise in all of our markets, we are able to provide clients with partner-led projects, which are grounded in the unique context of the region.

MNP has more than 125 offices and 9,000 team members across the country. We have over 240 partners in Consulting nationally who support businesses ranging from small and medium enterprises to large public companies.

Our Custom Research and Economic Insights Practice

Creating a competitive advantage from data-driven insight.

Our team of experienced and skilled economists and statistical analysts specializes in helping clients make strategic decisions, evaluate programs and business alternatives, determine economic and financial contributions, and develop public policy — all through data-driven insight. Our work helps organizations across industries, associations, levels of government, and communities make evidence-based decisions to achieve positive outcomes.





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