Federal Budget of November 4, 2025: Enhancements to the Critical Minerals Exploration Tax Credit and renewal of the Mineral Exploration Tax Credit

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The federal budget presented on November 4, 2025 (the "Budget"), proposes a significant change to the Critical Mineral Exploration Tax Credit (CMETC). As a reminder, the CMETC is equal to 30% of "specified mineral exploration expenses"[1] incurred in Canada that a company has renounced to flow-through share investors.

Critical minerals currently eligible for the CMETC

The critical minerals currently eligible for the CMETC are nickel, cobalt, graphite, copper, rare earth elements, vanadium, tellurium, gallium, scandium, titanium, magnesium, zinc, platinum group metals, uranium and lithium (including lithium from brine deposits).

Critical minerals added to the list

The Budget proposes to expand the definition of "critical mineral" to include the following additional critical minerals: bismuth, cesium, chromium, fluorspar, germanium, indium, manganese, molybdenum, niobium, tantalum, tin and tungsten.

Impact of this measure on mining exploration expenses

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The measure will make the 30% CMETC apply to exploration expenses relating to these new types of critical minerals that a mining exploration company would renounce to flow-through share investors.

The measure will cover exploration expenses renounced under flow-through share agreements entered into after Budget Day and on or before March 31, 2027. The Budget also confirms the renewal of the Mineral Exploration Tax Credit until March 31, 2027 (METC).

Please feel free to contact our professionals for more information

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1. Canadian exploration expenses incurred by a company after April 7, 2022, as part of mineral exploration activities conducted from or above the surface of the earth targeting mainly critical minerals.

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