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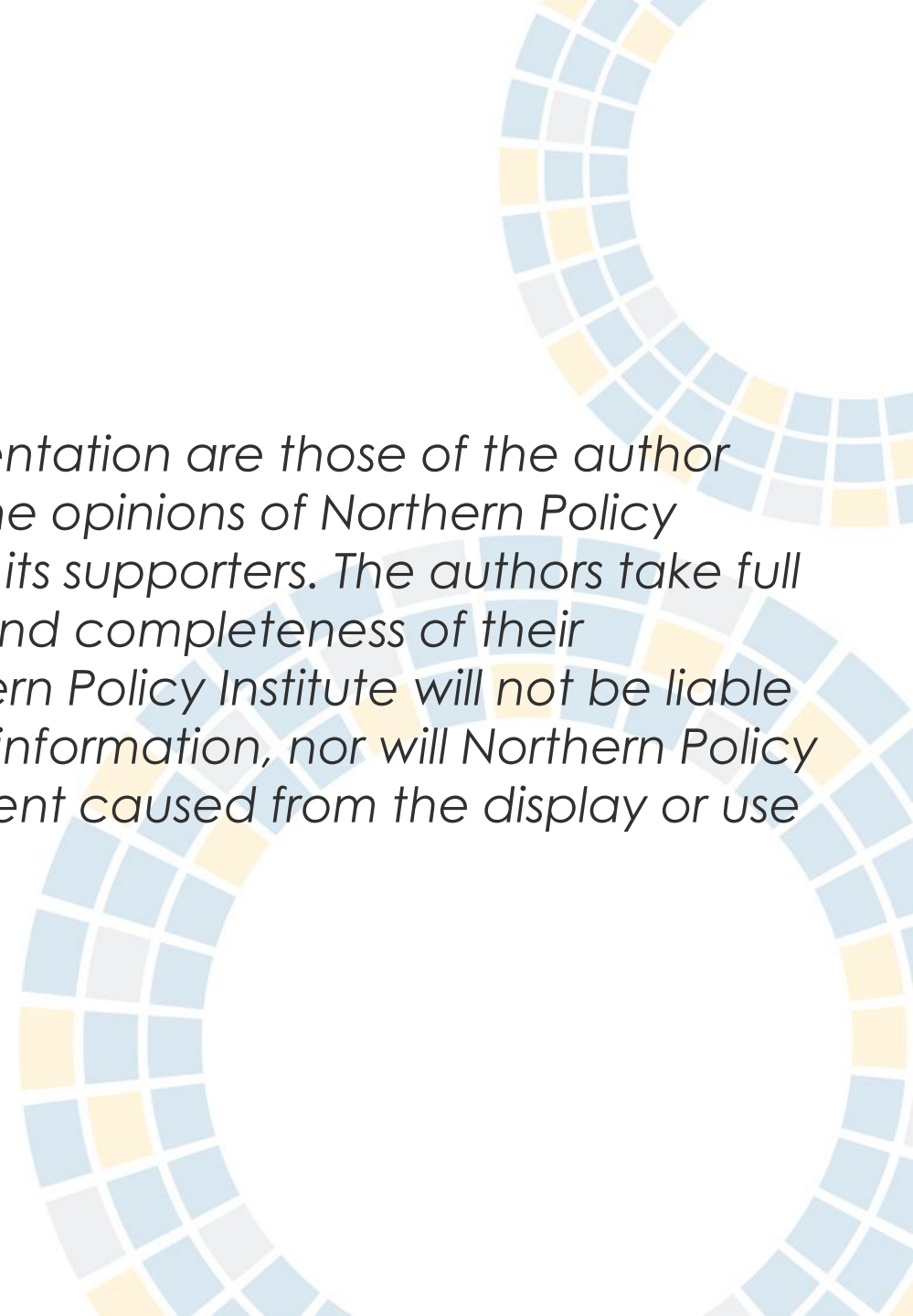
RING OF FIRE: IS IT STILL ONTARIO'S OIL SANDS?

ONTARIO GOOD ROADS ASSOCIATION/RURAL ONTARIO MUNICIPAL ASSOCIATION COMBINED CONFERENCE

BY RICK MILLETTE, SENIOR EXECUTIVE DIRECTOR: RING OF FIRE

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About the author

Rick Millette, Senior Executive Director: Ring of Fire



Rick Millette has joined Northern Policy Institute through a residency with Laurentian University and the Canada School of Public Service. He brings many years of experience from the Federal Government and the Provincial Government of Ontario. Born and raised in the north, Rick is keen to work with Northern Policy Institute in the development of policies and initiatives that will contribute to the wellbeing of Northern Ontario's citizens. In particular, Rick has a strong focus on all facets pertaining to the development of the Ring of Fire.

Roads, Rail and the Ring of Fire



1) Still Ontario's Oil Sands?

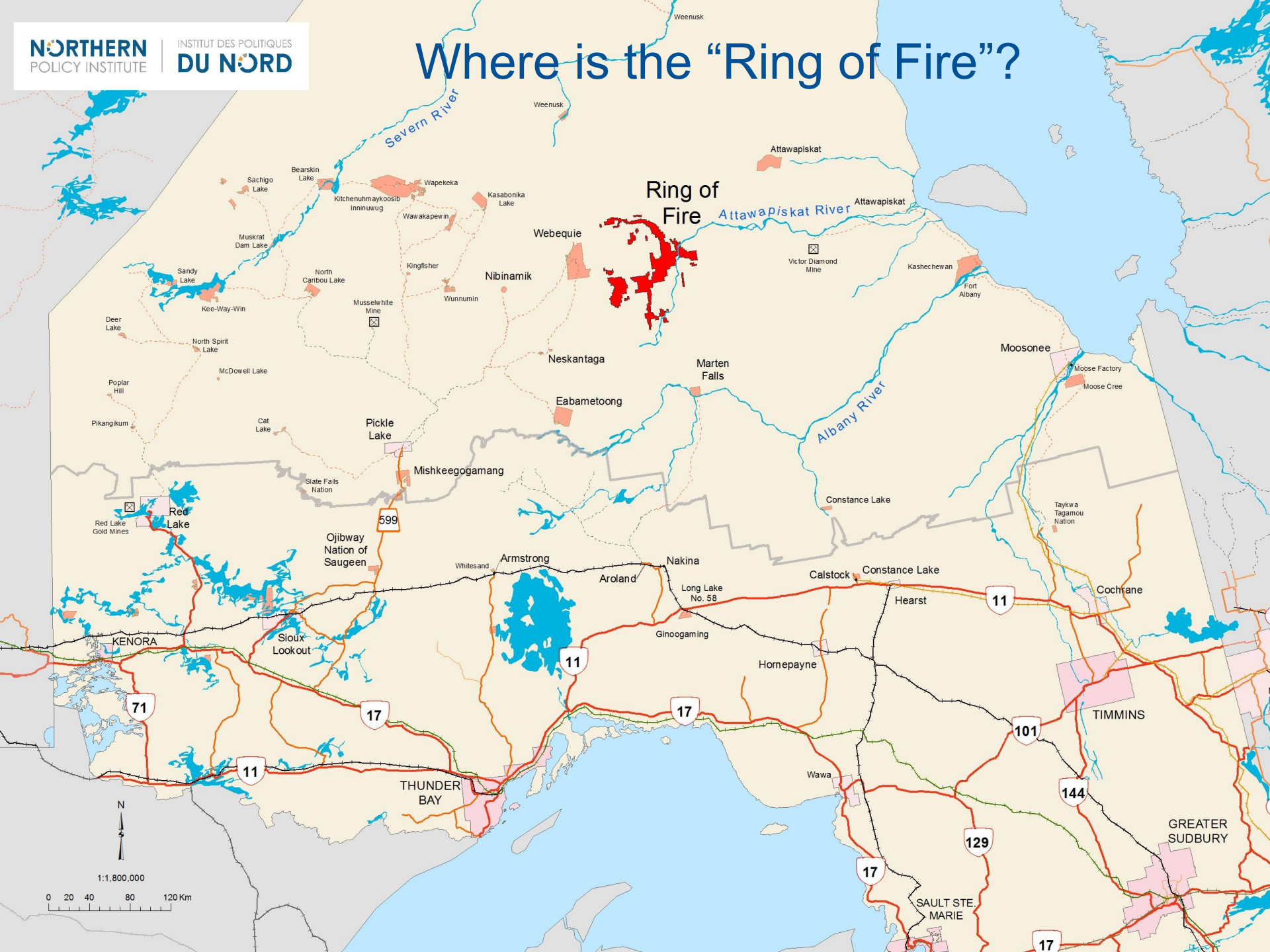
2) Proposed Access Routes

3) Potential for Development and Social Gain

Is the Ring of Fire still Ontario's oil sands?

- It has the potential to be.
- It will depend on the lifespan of the oil sands and the lifespan of the Ring of Fire.
- History has shown that large discoveries often lead to new discoveries.
 - Sudbury is a prime example: Even after one hundred years, new deposits continue to be found in Sudbury.
- Exploration is extremely expensive. One drill hole can cost up to \$1 million so there is still a great deal of exploration to be done.
- There could be many more discoveries made in the Ring of Fire.
- The Ring of Fire could be as big as the oil sands, but the question remains – when will it start?

Where is the “Ring of Fire”?



It has already started

- It has been eight years since the Ring of Fire discovery.
- There has already been exploration work, agreements negotiated, and proposals for infrastructure made.
- While it might seem slow to some, the pace might be a silver lining for making sure we get it right.
- When the Ring of Fire will actually bear fruit depends on two factors.
 - Resolving land use issues with First Nations of Ontario.
 - World markets and the value of chromite.
- One of the advantages for chromite is that its price on the markets has been stable for many years.

Aerial view of muskeg landscape



The next stage of development for the Ring of Fire will likely be the construction of an access road. Road construction is difficult due to the vast landscape of muskeg in the far north. Photo courtesy of KWG Resources

The muskeg and waterways pose many challenges and are not forgiving of heavy machinery.



Photo courtesy of KWG Resources

Aerial view of Esker

The North-South road or rail proposals from the Ring of Fire to Nakina were originally chosen because of Nakina's relative proximity to the CN Rail line and because of a sand ridge that runs much of the distance.

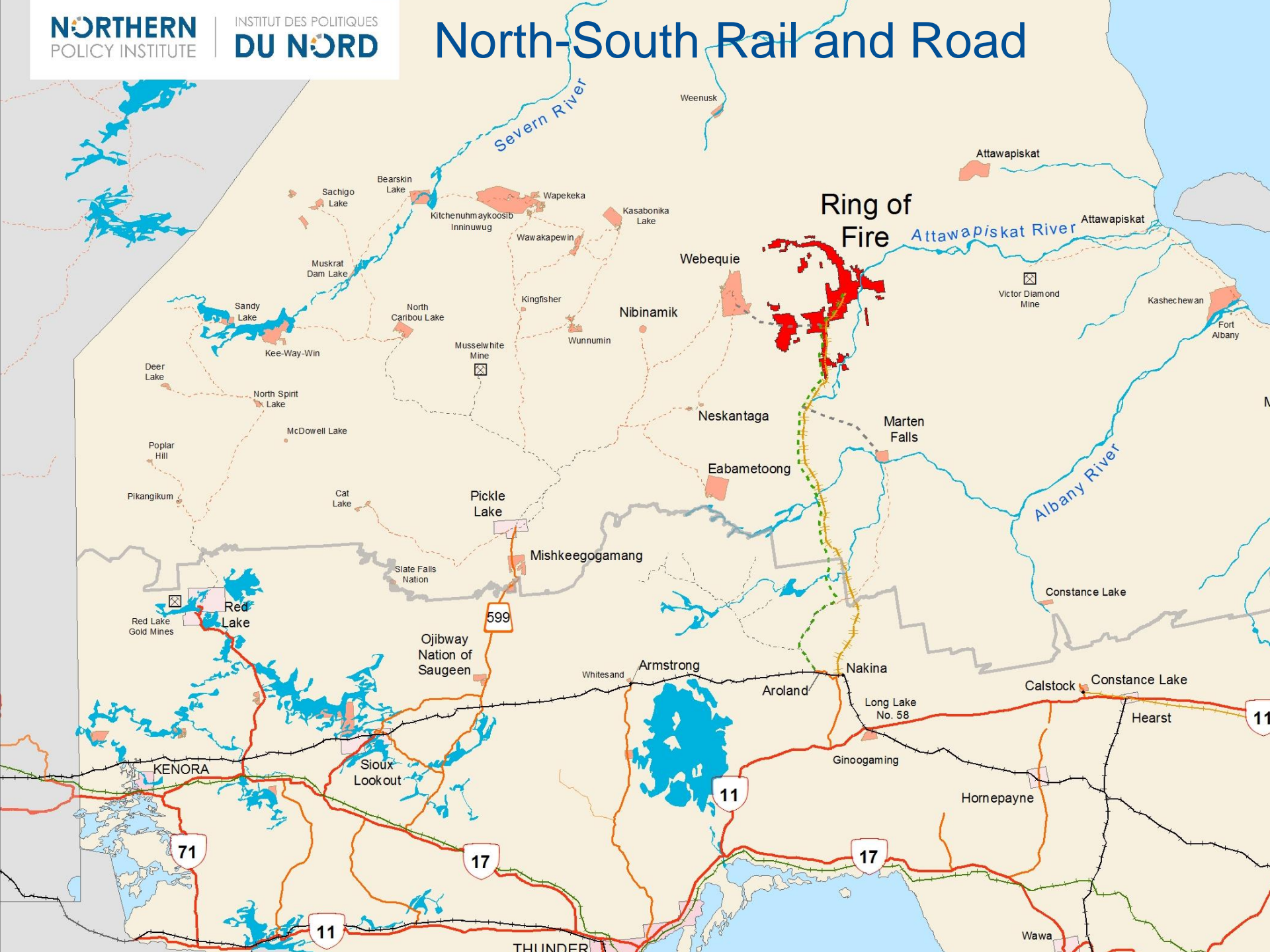
Photo courtesy of KWG Resources



North-South Rail and Road

- The original proposal for access to the Ring of Fire was made by KWG Resources. KWG's studies have concluded that the longevity of the ore body would make it much more economic over time to ship by rail and it would be more environmentally friendly than hundreds of diesel trucks travelling a road every day.
- A rail line would cost an estimated \$1.6-billion.
- Cliffs Natural Resources followed that proposal with a road option. Their plan was to build a road along the North-South corridor and truck the chromite to the CN rail line where it would be shipped to Cliff's proposed smelter in Capreol.
- The cost of the road was estimated at \$1-billion.

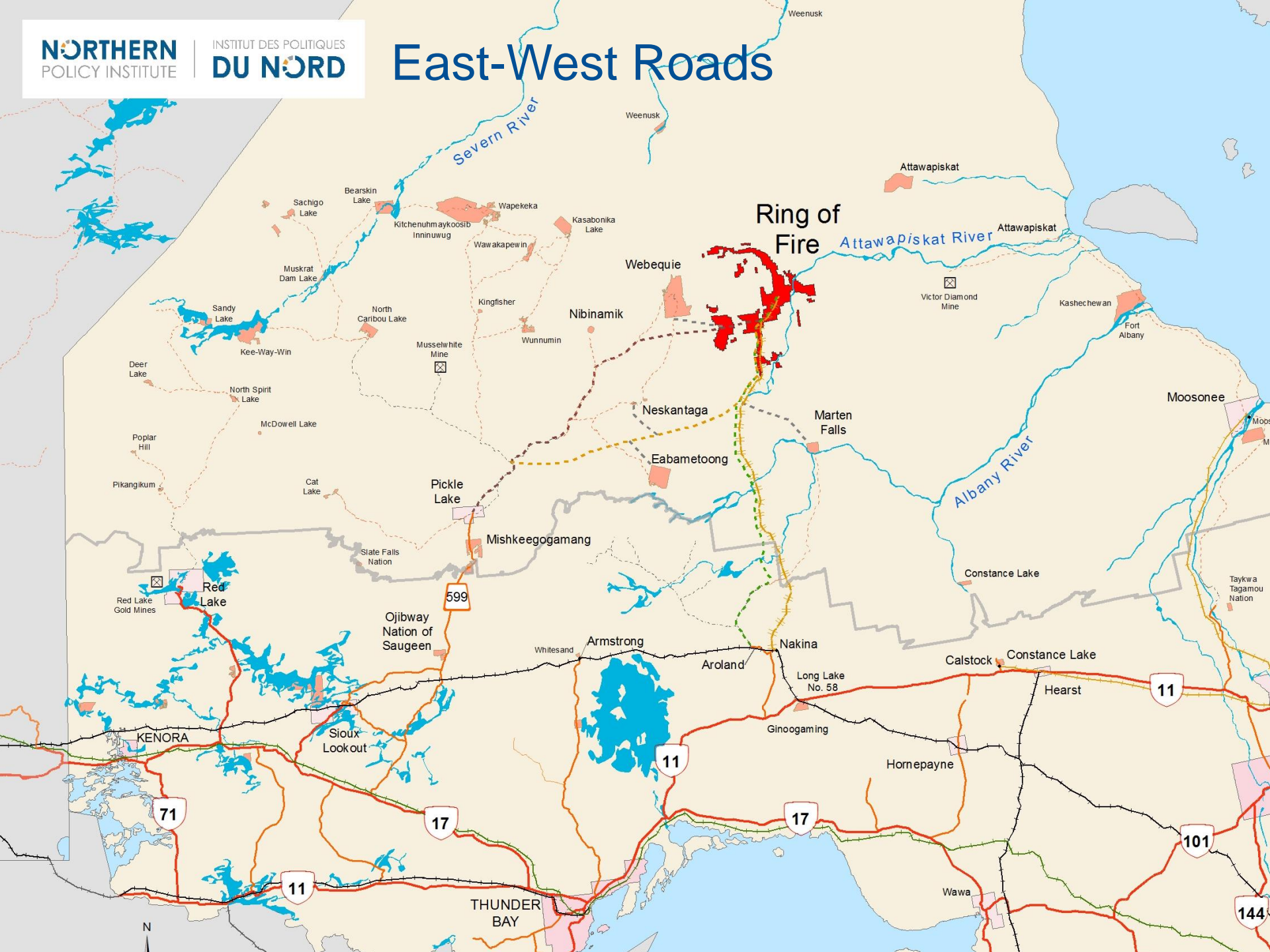
North-South Rail and Road



East-West Roads

- Noront Resources also has a stake in the Ring of Fire with its claims to both nickel and chromite deposits on the western edge of the ring.
- Noront has proposed an East-West road linking the Ring of Fire with Pickle Lake where it would pick up the provincial road system.
- Noront's price estimate is \$400 million for the road construction, which follows the current winter road routes and allows for spur connections to four of the fly-in First Nations communities.
- KWG Resources has researched an East-West road that takes a more southerly route.
- The estimated cost is \$120 million, including a bridge across the Attawapiskat River.

East-West Roads



Mushkegowuk Rail, Road and Seaport

- In partnership with TGR Rail Canada, Mushkegowuk Tribal Council propose to extend the ONTC railway from Moosonee up the James Bay coast and then west to the Ring of Fire. This would also include a year-round road along the tracks.
- An East-West road of some kind is looking the most promising and, if built, the road would have several positive economic impacts for the mining industry.
- As well as making it more economical to bring materials in and ore out, it would also be less costly to install electricity and broadband internet.
- Most importantly, it would create the potential to attract a return of exploration companies and send a positive message to the mining industry that the Ring of Fire is open for business.

Mushkegowuk Rail, Road and Seaport



It's not only about industry

- As important as the economic benefit to industry is, there is a tremendous positive impact that can be made for the social well-being of First Nations communities. Right now these communities are dependent on flying goods and people to their communities at astronomical cost.
- There are correlations between the improvement of food quality, housing, clean drinking water, health care and education in communities with year-round access compared to those that rely on fly-in services.
- The construction of roads to the Ring of Fire should not end there. The momentum of building year-round roads should continue to all fly-in communities in Ontario to improve the quality of life for the First Nations communities in our far North.

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