



For Immediate Release

## Mining industry in Northern Ontario needs to prepare now for rising commodity prices

**January 26, 2016** – The province of Ontario could be missing out on billions of dollars in tax revenue and the creation of thousands of jobs for the people of Northern Ontario. According to a new research report published by Northern Policy Institute, nine potential mining projects have been proposed in the North since 2010, with an estimated wealth at \$135.4 billion and the potential to create over 23,000 jobs. But according to Karl Skogstad and Ayman Alahmar in their report, **The Mining Industry in Northwestern Ontario: An Analysis of Recent Developments and a Strategy for Success**, none of these proposed projects have begun commercial production.

"The development of these projects has faced major challenges, including labour shortages, a lack of sufficient and coordinated consultation processes with First Nations and Communities, the inadequacy of infrastructure — particularly in terms of the lack of rail, roads, and electrical power — the long environmental review process, taxation, the lack of access to capital, the need to foster collaboration between communities, the low level of involvement of supply and services firms and organizations operating in the region, and, above all, the volatility of commodity markets," the report states.

In the report, Skogstad and Alahmar examine nine proposed mining projects in Northwestern Ontario, which include:

- Cochenour/Bruce Channel (Goldcorp Inc.)
- Phoenix Gold Project (Rubicon Minerals Corporation)
- Josephine Cone Mine (Bending Lake Iron Group Ltd.)
- Marathon Cu-PGM Deposit (Stillwater Mining Company)
- Black Thor (Noront Resources Ltd.)
- Eagle's Nest (Noront Resources Ltd.)
- Hammond Reef (Canadian Malartic Corporation)
- Goliath Gold Project (Treasury Metals Inc.)
- Rainy River Gold Project (New Gold Inc.)

The failure of these projects was the result of low expected profitability. However, Skogstad and Alahmar argue that the region could still see a renewed mining boom that was predicted three years ago if it prepares now for the next rise in commodity prices.

"If the goal is to increase the number of projects that reach the production phase, three types of changes should be made: make it less costly to operate a mine in Ontario, shorten the development period, and reduce the uncertainty in the process," the authors write. "Investment in infrastructure should be made now, while interest rates are at a historic low. Constructing transportation and energy links to the Ring of Fire now will allow projects in that region to become operational when commodity prices inevitably rise again."

You can read the full research report, **The Mining Industry in Northwestern Ontario: An Analysis of Recent Developments and a Strategy for Success**, on our website at [www.northernpolicy.ca](http://www.northernpolicy.ca).



**Media Interviews:** Authors, Karl Skogstad and Ayman Alahmar, are available for comment. To arrange an interview, please contact:

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**About Northern Policy Institute:**

*Northern Policy Institute is Northern Ontario's independent think tank. We perform research, collect and disseminate evidence, and identify policy opportunities to support the growth of sustainable Northern Communities. Our Operations are located in Thunder Bay and Sudbury. We seek to enhance Northern Ontario's capacity to take the lead position on socio-economic policy that impacts Northern Ontario, Ontario, and Canada as a whole.*