

MINING BLOG

RING OF FIRE UPDATE

Cliffs Natural Resources Inc.'s decision in November 2013 to cease all development activities in connection with its Black Thor chromite project in the Ring of Fire came on the heels of a Government of Ontario announcement regarding the creation of a crown corporation to develop the Ring of Fire infrastructure.

In retrospect, Cliffs' decision represented a wake up call to the Provincial and Federal governments to produce a viable business plan to develop the necessary infrastructure to allow for the commercial exploitation of the vast mineral resources located in the Ring of Fire area. Cliffs' decision was a clear signal to both the Provincial and Federal governments that it was simply not prepared to spend its resources without a clearer understanding of how the infrastructure will be developed. Cliffs was really saying "you need this project more than we do" and appears prepared to sit on the sidelines until a political solution can be reached.

The Ontario government estimates that the capital investment necessary to build the industrial infrastructure will be up to \$2.25 billion, which includes the construction of all season access roads to the Ring of Fire region. More than two months has now passed since the announcement of the creation of the crown corporation, yet very little seems to have been accomplished. The Ontario government must engage in meaningful discussions with First Nation communities in order to demonstrate its commitment to developing a gateway to the North in partnership with those people who reside in the affected areas. Until that happens, the commercial exploitation of the vast quantities of chromite located in the Ring of Fire will be only a theoretical possibility.



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