

## **Make the Ring of Fire a Provincial Priority**

**Submitted by: Greater Sudbury Chamber of Commerce**

### **Issue**

The Ring of Fire is a transformative project for Canada. Provincial action is required to expedite the development of the Ring of Fire and ensure the economic and social potential of this multi-generational project is realized.

### **Background:**

The Ring of Fire is a mineral resource rich area of approximately 5,000 km<sup>2</sup> located in the James Bay Lowlands region of Northern Ontario<sup>1</sup>. Since the early 2000s, significant deposits of copper, zinc, nickel, platinum, palladium, vanadium, and gold along with the first and largest deposit of chromite in North America have been discovered. Based on current projections, the Ring of Fire is estimated to hold more than \$117 billion in geological riches with deposits being significant enough to sustain activity for a century<sup>2</sup>.

The Ring of Fire is not only a Northern Ontario priority, but it should be a priority for all of Ontario as it will have far-reaching impacts across the nation. In the first ten years of the Ring of Fire development, all levels of government stand to increase their tax revenues by nearly \$2 billion, with the provincial government projected to accrue between \$700 to \$760 million. In the long term, the provincial government is expected to receive \$2.34 to \$2.63 billion in taxes from the Ring of Fire. Long-term benefits to Ontario's GDP (32 years) have been forecasted to range between \$16.8 and \$27 billion. The Ring of Fire is also estimated to sustain over 5,500 full-time equivalent jobs annually within its first ten years, along with significant GDP increases and economic activity in multiple sectors. Benefits will not only impact the mining and mining supply sectors but will also generate economic opportunities within the manufacturing, construction, utilities, wholesale/retail, trade, and financial services sectors among others.

The Ring of Fire's polymetallic deposits are of global significance and have the potential to enable the diversification of Canadian exports – a shared goal of both the provincial and federal governments, and the business community. The Ring of Fire holds billions of dollars' worth of high-quality chromite, an essential metal in stainless steel production, demand for which is expected to increase in the years to come. China, the largest importer of chromite, accounting for 60 percent of global demand, has already demonstrated significant interest in the Ring of Fire<sup>3</sup>. The provincial government should promote the Ring of Fire's polymetallic deposits internationally as a significant investment and trade opportunity.

Further, the Ring of Fire has the potential to result in significant innovation gains in Ontario. Private sector actors for example are already developing innovative energy saving methods such as refining

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<sup>1</sup> <https://occ.ca/wp-content/uploads/ReportCardonRingofFire-1.pdf>

<sup>2</sup> <https://www.thesudburystar.com/news/local-news/column-stalled-ring-of-fire-worth-more-than-117-billion>

<sup>3</sup> <https://kwgresources.com/global/>

ferrochrome using green and low-cost natural gas rather than electricity. The provincial government should work with Indigenous groups and private sector actors to spur environmental innovation and explore technologies that can reduce energy costs and help make exploration in the Ring of Fire more efficient. Recent announcements by the province on further exploring the potential of small modular reactors is a step in the right direction, and such technology can be tested and applied in projects such as the Ring of Fire.

The Ring of Fire has endless economic opportunities but will only be successful if community needs are addressed. In August, 2019, the province decided to end the regional framework agreement with nearby Indigenous communities, and proceed instead with a series of bilateral agreements<sup>4</sup>. In Budget 2019, the federal government committed significant funding toward skills training and building Indigenous capacity, both critical investments needed for the Ring of Fire to succeed; the provincial government should match such initiatives. These communities will require access to continuous skills and educational programs to build capacity in management, finance and regional/community-based infrastructure planning in order to participate in decision-making and resource development and to prepare community members for potential job opportunities.

Now is the time for the provincial government to scale-up efforts and work jointly with the Government of Canada, Indigenous communities, and industry to capitalize on the window of opportunity and advance this project forward. Following conversations with industry stakeholders and federal government representatives, the chamber has learned that the Government of Canada is willing to partner with the province on developing the Ring of Fire, but it requires the province to prepare a funding proposal for the project. The Premier has advocated in recent months for the necessity of cross-government collaboration following a contentious election, and such a funding proposal could be an example of such a partnership.

The Ring of Fire has been referred to as a “game changer,” and “the most promising mining opportunity Canada has seen in a century.” The Ring of Fire also offers a unique opportunity to be a template for the development of natural resources in remote and isolated locations alongside Indigenous communities. This type of framework can serve to help inform resource development across the country.

The Ring of Fire should be treated as a national priority and communicated to all federal government departments as such.

## **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. continue to promote the development of the Ring of Fire as a project of provincial and national economic and social significance across all sectors so both levels of government can realize their goals set out in their respective Critical Minerals Strategies;
2. partner with the federal government to continue negotiating a cost-sharing agreement to fund infrastructure needs in and around the Ring of Fire;

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<sup>4</sup> <https://www.cbc.ca/news/canada/thunder-bay/regional-framework-ends-1.5261377>

3. continue to work with the federal government, industry, and community partners to build capacity and community readiness of Indigenous communities so that they may take full advantage of resource development in the Ring of Fire;
4. actively promote the Ring of Fire, along with other mining projects, in the global arena as a trade and investment opportunity; and
5. strengthen the partnerships with the federal government, the private sector, and Indigenous communities to explore innovative technologies and R & D opportunities to reduce energy costs and create efficiencies in the Ring of Fire.