

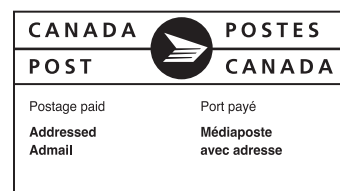


## RING OF FIRE

Few of you reading this will ever see Ontario's Far North. Yet this vast region matters to everyone as much as their own backyard. That's why we're devoting this newsletter to it - particularly to mining development in the Ring of Fire, which lies in its heart.

As one of Earth's last great, undisturbed expanses of forest and wetlands, the Far North regulates the climate, stores and cleans huge quantities of fresh water, and sustains animal and bird species being decimated elsewhere. It's home to 24,000 First Nations people who rely on the land and have an inherent right to determine its future.

While they pay lip service to environmental protection and First Nations, governments and industry have been rushing to exploit the Ring of Fire's mineral riches in the conventional way that's caused so much destruction around the planet. The following pages describe why we must ensure industrial activity is allowed only after thorough assessments of all its impacts and in a manner that sustains this irreplaceable environment and the people who inhabit it.





# Mine first, plan later...

You've likely heard about the Ring of Fire boom in Ontario's Far North. What seemed a race to extract chromite, nickel and other minerals from beneath the pristine boreal forest and tundra appears to have slowed to a stroll.

The main reason is that the biggest player in the region, Cleveland-based Cliffs Natural Resources Ltd., has suspended work on its project, blaming delays in legal processes and negotiations with governments and First Nations, but also because of its own financial troubles and low ore prices.

The slowdown creates both danger and opportunity in the effort to protect the environment and the rights of First Nations. Development is delayed, not dead. A pause offers time to ensure it's done right, but only if we take advantage of it.

While we're cautiously optimistic about the high-level negotiations being held between former federal Liberal Leader Bob Rae, representing local First Nations, and retired Supreme Court of Canada Justice Frank Iacobucci, for the province, we must ensure they're fully informed of the issues. It's imperative that we all also keep active in the environmental assessments and all other parts of the approval process.

Delay or not, the stakes remain high: We're talking about the future of an irreplaceable environmental treasure.

This wilderness of trees, wetlands, lakes and rivers is part of the planet's largest intact forest.

It supports hundreds of plant, mammal and fish species, most in decline elsewhere, and is the continent's main nesting area for nearly 200 types of migratory birds. For some species, it's the last refuge.

As one of the world's largest storehouses of carbon, it helps to keep climate change in check.

It stores more fresh water in its lakes and wetlands than any other terrestrial system on Earth, and contains six of Canada's dozen major rivers.

It's home to 24,000 First Nations people, in 34 small, scattered communities, who still depend on fish and animals for food and have inherent rights to the land.

The Ring of Fire is the arc-shaped area in the heart of the Far North where, since 2007, 21 companies have staked more than 9,000 claims on massive deposits of chromite





and other industrial minerals estimated to be worth up to \$60 billion. Whether now or in a few years, they're determined to get at those riches. We're especially troubled that the federal and Ontario governments, despite "sustainability" policies and warnings from scientists and First Nations, appear eager to pave their way.

We face, once again, the threat of development that destroys the natural systems all living things, everywhere, depend on.

The Ring of Fire covers 5,000 of the Far North's 450,000 square kilometres. But it contains crucial environmental resources. And impacts from proposed mines and transportation routes would extend far wider in a fragile region whose plants and animals are extremely sensitive to disturbance.

We cannot afford here to repeat the devastating mistakes of the past. Development can be allowed only with a clear, solid plan that keeps the environment intact and thriving, and benefits the region's human inhabitants. For that, we first need to learn much more about what's actually there, then, create a blueprint that accounts for the impacts of all the potential projects over the entire region.



"Without a plan worthy of Ontario's 'largest mining development in a century,' great rivers will be put at risk, caribou habitat will be sacrificed and the global cooling benefits of peat lands will be compromised," says Janet Sumner, executive-director of CPAWS Wildlands League.



## Ring of Fire Fast Facts

**Location:**  
500 kilometres northeast of Thunder Bay, Ont., in James Bay lowlands. 330 kilometres north of road and rail connections at Nakina.

**Area:**  
5,120 square kilometres

**Activity:**  
21 companies hold about 9,000 claims, each 16-256 hectares. Two are developing mine plans; another planning mine and railway corridor.

**Neighbours:**  
Nine small, isolated communities, collectively the Matawa First Nations. Other communities of the Mushkegowuk First Nations sit downstream.

**Resource:**  
North America's biggest chromite discovery. Also nickel, copper, zinc, gold and palladium. Estimated value, \$60 billion.



# Ontario's Far North: so much more than just minerals

Ontario's Far North is 450,000 square kilometres of pristine boreal forest and boggy lowland.

The region is globally significant; unrivalled as a huge and mostly undisturbed environment. It's home to such a wide array of species – many rare or endangered elsewhere – that the Far North Science Advisory Panel, in its 2010 report, called it a “stronghold for biodiversity.” It also performs important ecological services.

Ring of Fire mines will be in the heart of this treasure. Including a proposed access corridor, they'll occupy one-tenth of it. Pollution and destruction of wildlife habitat will spread throughout a much wider area.

At stake:

- part of Canada's boreal forest, Earth's largest intact forest.
- home to half the country's 12 largest rivers.
- the planet's largest terrestrial storehouse of fresh water.
- a shield against climate change, absorbing more than 12.5 million tonnes of carbon from the air annually and storing 97 billion tonnes.
- home to 20 mammal species, and the last Ontario refuge of the Boreal woodland caribou. At-risk species include the caribou, wolverine, Canada lynx, gray wolf and marten.
- North America's primary boreal nursery for 168 migratory songbird species and extremely important for global populations of yellow tail, Nelson's sharp-tailed sparrow, Connecticut warbler, Hudsonian godwit and Smith's longspur. At-risk species include the American white pelican, bald eagle, barn swallow, black tern, Canada warbler, rusty blackbird, short-eared owl, Eastern whip-poor-will and yellow rail.
- a crucial breeding and staging ground for migratory waterfowl and shorebirds, including the lesser snow goose, Canada goose, black duck, pintail, mallard, wigeon, green-winged teal and scaup. The red knot rufa, at risk elsewhere, thrives here.
- a biodiversity “hot spot” for fish, with at least 50 species, including whitefish, cisco, pike and pickerel, important for First Nations' subsistence. It boasts a unique population of sea-run brook trout, and is the only one of Canada's four areas of highest fish diversity with low human impacts. Lake sturgeon and brook trout, of “special concern” elsewhere, thrive here.

We know little about these species. We must take time to learn, and only allow activities that keep this “stronghold” truly strong.



## Three Key Players in the Ring:

### **Cliffs Natural Resources** (Cleveland, Ohio)

Plans \$2.7 billion “Black Thor” chromite project. Negotiating with province on \$600 million all-weather road to truck ore to Nakina; some to be processed at smelter near Sudbury. In June, stopped work on environmental assessment, blaming delays with governments and First Nations, including court challenge to assessment process. Has cash-flow problems stemming from depressed share price and current low value of iron ore, its principal product, and chromite. Original 2016 production target unlikely. Also owns 70 per cent of “Big Daddy” chromite project.

### **Noront Resources Ltd.** (Toronto)

Developing \$610 million “Eagle’s Nest” underground project -- “world’s largest undeveloped high-grade nickel-sulphide deposit.” Aims to ship ore via east-west road through Pickle Lake and back around to Sudbury for processing. Environmental assessment underway. Exploring nearby Blackbird chromite deposit. Share price halved during past year.

### **KWG Resources Inc.** (Toronto)

Owns 30 per cent of “Big Daddy” deposit, in acrimonious partnership with Cliffs. Also involved, with others, at “Black Horse” and “Koper Lake” sites. Subsidiary, Canada Chrome Corp., staked claims along 330-kilometre sand ridges to Nakina as route for proposed rail line run by independent “port authority.” Stock dropped about 20 per cent over past year.

## What is Chromite...?

### *Ore:*

Contains chromium, used to make ferrochrome, the “stainless” in stainless steel, providing high melting point and corrosion resistance.

### *Supply:*

About 40 per cent of world production now from South Africa, another 40 per cent from Kazakhstan and India combined, also Finland, Turkey, Zimbabwe and Brazil.

### *Demand:*

World resources sufficient to meet demand for centuries. China consumes 70 per cent of global production; U.S., 14 per cent. Lack of North American production makes Ring of Fire deposit attractive. Price dropped about 60 per cent in past five years.

Northern  
Ontario

Ontario

# One thing is certain

to develop it successfully, a way must first be found

*The rest remain questions...*

**What route?** As the map shows, three are proposed. Cliffs and KWG are fighting over a right-of-way that KWG secured by staking a 330-kilometre string of claims along sand ridges to Nakina, on Ontario's highway and rail-road networks. Cliffs recently lost the first round of a legal battle for access to that rare route across the swampy terrain. "We will continue to work with the province, First Nations, and other companies in the hope that we can overcome this road block," the company says.

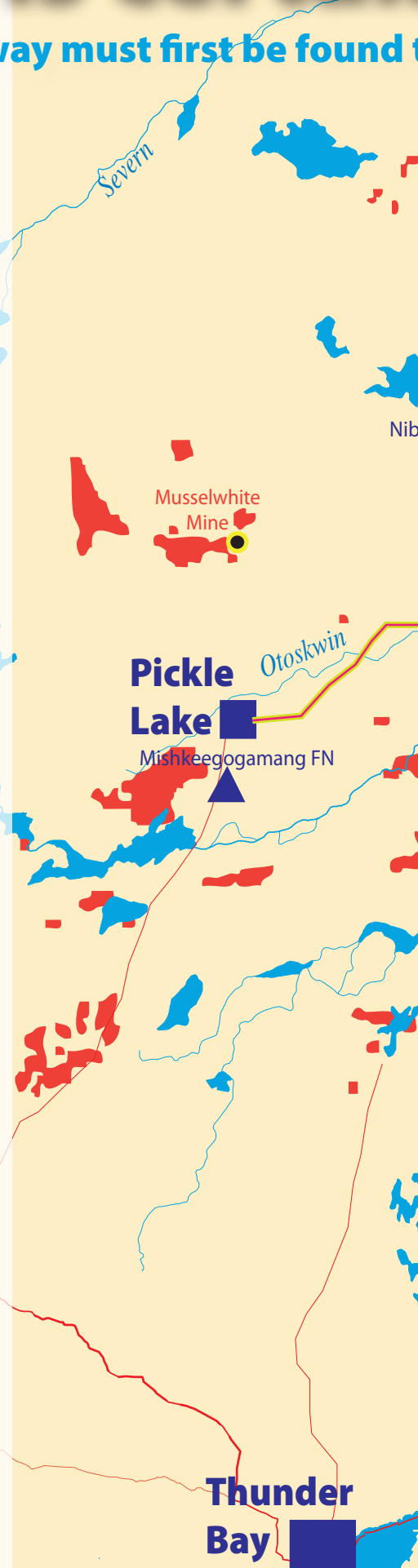
**Who pays?** KWG seeks a public-private partnership. The others want government support – Noront, because its route would provide communities with long-awaited access; Cliffs, because "many parties would benefit."

**Who gets access?** Communities near the mining area want all-weather links to each other and the rest of the province, and won't accept mining development without them, says Raymond Ferris, Ring of Fire coordinator with Matawa First Nations. "It's one of the main items." Both Cliffs and Noront say that they support First Nations' access, while acknowledging safety concerns over combining truck and passenger traffic. Says a provincial spokesperson: "The current expectation is that an all-season road would be available for use by industrial users and First Nations communities." The federal government won't yet comment.

**What impacts?** Any transportation corridor would have major environmental impacts since it would bisect largely intact wilderness -- populated by caribou and other species highly sensitive to disturbance -- and cross many rivers and streams. The right-of-way, and excavation elsewhere for gravel, could interfere with wildlife migration since animals employ higher, drier ground for traveling. It could also act like a dam, impeding west to east drainage in a relatively flat wetland-dominated landscape. Public access would open up pristine areas for hunting, fishing, tourism, logging and other activities.

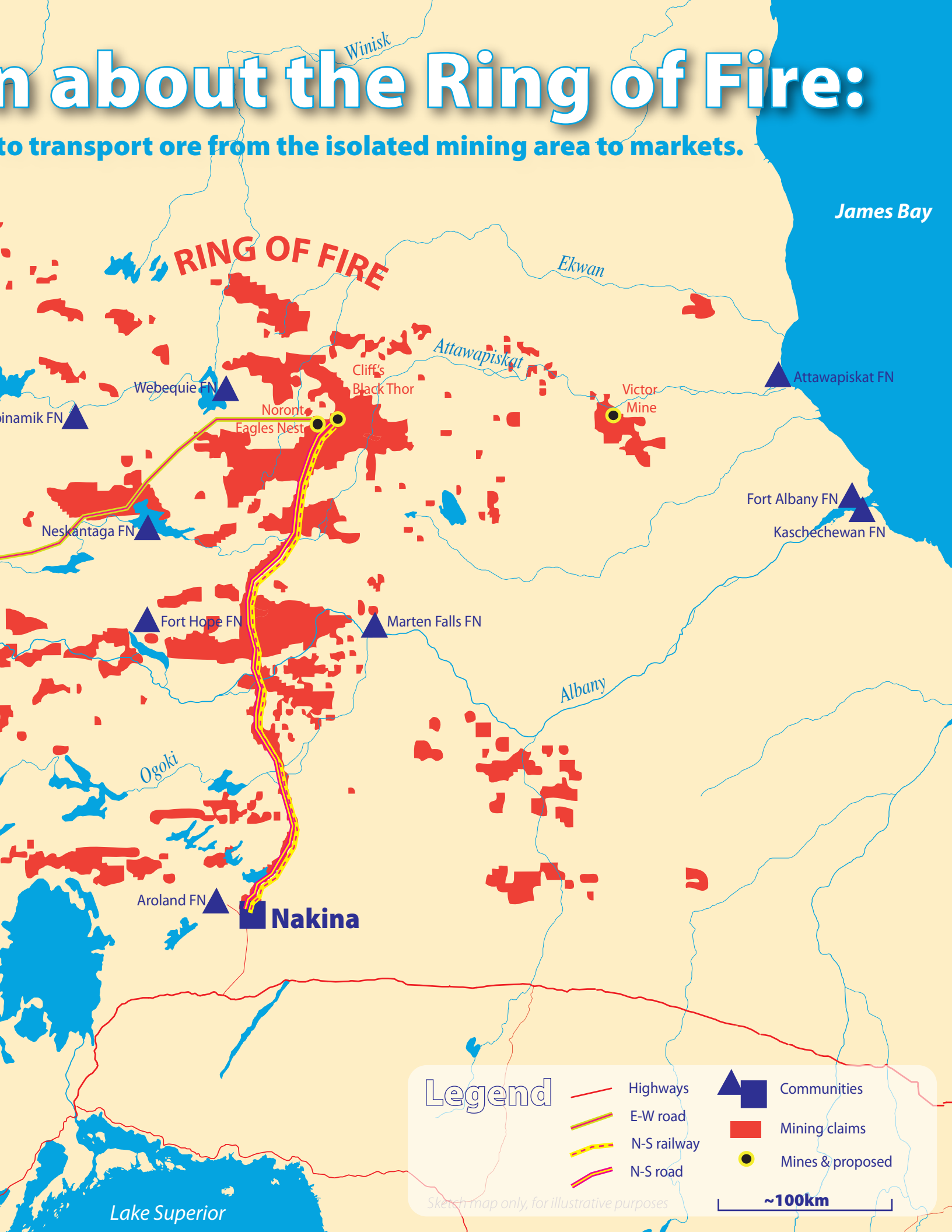
**What gives?** Last year, the province endorsed Cliffs' road option before any assessment, or consultation with First Nations. "Ontario broke all of its commitments to 'get it right' in the Ring of Fire with a business deal with Cliffs that pre-empts its own environmental assessment processes," says Janet Sumner of Wildlands League.

A full assessment is imperative, Sumner says. The Wildlands League demands a public, region-wide process that examines all proposed infrastructure corridors to determine which best meets the needs of communities, is based on sound scientific information, is most cost-effective and has the least impact on sensitive species and other critical ecosystem values.



# ...n about the Ring of Fire:

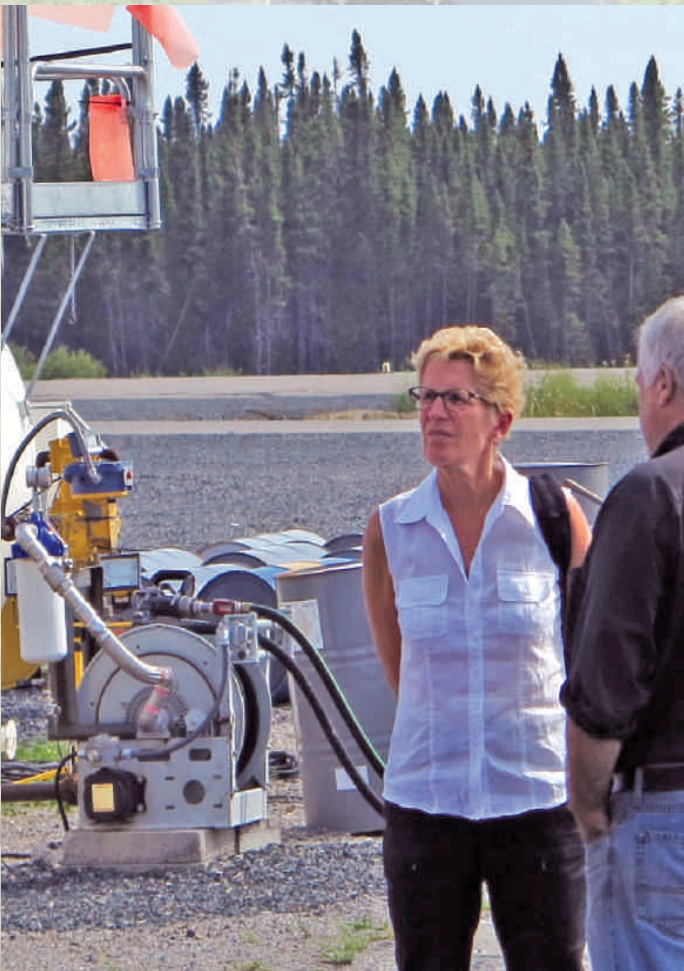
to transport ore from the isolated mining area to markets.





## ***Critical lack of respect for the public - and the process***

*Cliffs Natural Resources causes concern because of issues like its terms of reference -- the foundation for its environmental assessment, says Anna Baggio, director of conservation planning at CPAWS Wildlands League. The company submitted one set, then, dramatically revised it without proper consultation. Major changes included switching from a combination of open-pit and underground mines to only open-pit, which causes far more environmental damage. This "demonstrates a lack of respect for the process and those involved in preparing public-interest comments in good faith," the Wildlands League stated in a letter that asked Ontario Environment Minister Jim Bradley to make Cliffs fix the document's "substantial shortcomings."*



## **More recently, there are hopeful signs.**

Premier Kathleen Wynne notes, correctly, that there is no point in rushing toward Ring of Fire agreements. She criticizes "a political message that's out there from the opposition parties that says ... we should move faster on the Ring of Fire ... and we just have to sweep all of the barriers out of the way. That's code for not paying attention to environmental protections, and not making sure that our relationships with First Nations are in place."

Proper preparation is crucial, Wynne says. "The reality is that a decade is a short period of time if you think about environmental protections that, if we don't put them in place, could mean that we have water that is not pure. And that's, then, eternal. We have to be responsible stewards of the environment."

She also appointed Iacobucci to negotiate with the Matawa First Nations, the nine northern communities closest to the Ring of Fire. Those talks, with Rae heading the Matawa team, appear to be off to a positive start.

Kenora MP Greg Rickford, the cabinet minister leading the federal government's involvement, insists Ottawa is committed to ensuring projects like the Ring of Fire succeed in an "environmentally responsible" way and



## Overwhelming pressures in affected First Nation communities

*Last spring, Neskantaga First Nation cited development stress when, after the seventh suicide among its 420 people in a year, it declared a state of emergency:*

*"The community is ... facing overwhelming pressures to respond to the ever-increasing demands of the mining industry, the provincial government and a flawed federal and provincial environmental assessment," Chief Peter Moonias said in a written statement.*

*"The government is just going ahead as if we're nothing. It looks as if 'yes' has already been given from the First Nations, but we never did give consent. There is no such thing as after-the-fact consultation. Consultation happens before you go into somebody's backyard."*

"is making it a priority to put the conditions necessary in place for (First Nations) communities to be full participants in this legacy project," he said in a recent speech. He extolled "the politics of collaboration."

Still, he continues to echo Ontario Conservative Leader Tim Hudak, who says of the Ring of Fire: "This isn't once-in-a-lifetime. This is a once-in-a-century opportunity. What the oil sands are to Alberta ... the Ring of Fire could be for our great province of Ontario."

And both governments face strong business and political pressure to get deals done and shovels in the ground.

While Cliffs has suspended most work on its project -- estimated to cost \$2.7 billion plus its share of the road -- it hasn't abandoned its plans.

Toronto-based Noront Resources Ltd., which says it's backed by Chinese investors, is pursuing its first project, a nickel mine; aiming to start production in 2015. Another Toronto company, KWG Resources Inc., continues to evaluate its sites as well as a string of claims staked to secure its preferred ore-shipment route -- a railway line. To date, total exploration expenses exceed \$278 million for all three companies.



## Shaky precedent for assessing mine impacts - particularly cumulatively

*Experience with the Far North's only major industrial development, De Beers' Victor diamond mine, reveals flaws in the current environmental assessment system. The company has to undertake only a cursory EA for a second mine site even though its first location has created impacts, including increased levels of toxic methylmercury in surface water and fish, says Trevor Hesselink, the Wildlands League's director of policy and research. There's also no study of the consequences if De Beers opens up all 16 of their finds in the area, he says. "This project, as proposed, would ... be proceeding in the absence of any objective regional consideration and before the effects of the original Victor mine have been fully experienced or analyzed."*

All this is happening without basic information about the region's environmental resources or full impact studies and consultation.

The "dearth of scientific knowledge" about plants and



wildlife means predictions about harmful impacts and the ability to avoid or manage them will be "highly uncertain," says Justina Ray, executive-director of the Wildlife Conservation Society Canada.

At this point, things are in flux.

Ottawa originally decided the environmental assessment for Cliffs and Noront should be "comprehensive," which, despite the name, means narrow and formal.

In response, the Matawa First Nations asked the Federal Court of Canada to order a more thorough Joint Review Panel for Cliffs' project, which would include community hearings. Cliffs included that lengthy legal action among its reasons for suspending work, even though the court blamed it and Ottawa for much of the delay.



Matawa, however, recently dropped the legal action in favour of the talks with Ontario. It expects Ottawa and Cliffs will participate. "We feel that the negotiation process will address a lot of our concerns," says Raymond Ferris, the group's Ring of Fire coordinator.

Matawa says when it launched the court case in late 2011, there was no negotiation table, and it was pushed into a corner. "There's a forum for discussions with Ontario now and it's going to look at the environmental assessment question, as well as other issues," says Sonny Gagnon, chief of Aroland First Nation.

One Matawa community, Marten Falls First Nation, has entered into independent talks with Cliffs. "The Ring of Fire development has the potential to bring regional economic benefits similar to those ... from the oil sands," says Chief Eli Moonias. "With these great benefits comes the responsibility to ensure environmental effects are minimized. Our community is proud to be taking the lead."

With all this swirling around, the message remains clear: We must ensure a full assessment that includes all consequences of all development.

As Ray stated in an affidavit that supported Matawa's court case: Cliffs' project, "is the first of a series of new human disturbances being introduced during a relatively short time period into an area that has witnessed minimal human impacts in recent history." The assessment must consider "the unique context of this region and/or the cumulative impacts that are highly likely to follow from this and other projects (and) very likely to cause severe and irreversible adverse environmental effects."

"Nothing is in place ... providing any land use planning blueprint for this area," wrote Robert Gibson, a professor of environment and resource studies at the University of Waterloo, in another affidavit backing Matawa.

First Nations want to benefit from development. But they rightly insist on being partners in any projects and access corridors. They want benefits: Not only jobs but also better schools, housing, water supplies and health services. And they demand more time and resources to prepare for negotiations, as well as to deal with tough issues, including high suicide rates, in their communities.

A briefing document for federal Aboriginal Affairs and Northern Development Minister, Bernard Valcourt shows that's not happening.

"The First Nations closest to the Ring of Fire are among the most socio-economically challenged in Ontario, impacting their ability to meaningfully participate in large complex projects," it states. "Their lack of exposure to a development of this magnitude combined with low educational attainment and other factors suggests that

the communities do not currently have the capacity to address the various issues related to the Ring of Fire."

The current development timetable "allows very little time to make significant progress in addressing the significant challenges local First Nations must overcome."

The Ring of Fire's mineral wealth isn't going anywhere. But there's great potential for devastating damage from a stampede to develop it.

Cliffs' suspension of work appears to provide breathing room. Whether that's true, our work is to ensure governments and industry commit time and resources so that if development happens, the integrity of this unmatched and unmatched wilderness and its people are guaranteed.

**The Ring of Fire's mineral wealth isn't going anywhere. But there's great potential for devastating damage from a stampede to develop it.**



# What we are asking of governments

1. The provincial and federal governments should issue no further approvals to Cliffs Natural Resources or any other company until a thorough, region-wide environmental assessment is completed.
2. Such regional assessment must:
  - be done with the full involvement of First Nations and public hearings, and incorporate the advice of experts such as the Far North Science Advisory Panel;
  - include explicit and robust cumulative effects design for the sensitive environmental and cultural values of the region; and
  - ensure a clear commitment to transparency in decision making and protection of the public interest.
3. It will also be critical for the provincial and federal governments to enact measures to protect three of Ontario's last great, undeveloped rivers, the Albany, Attawapiskat and Ekwon prior to any mining approvals; and, ensure any activities in Ontario's Far North help sustain rather than harm species at risk, including Boreal woodland caribou.

## WE WANT TO HEAR FROM YOU!

Please tell us what you think about our work to protect the irreplaceable treasure of Ontario's Far North.



## Help support *Wildlands League*

*Purchase a cute 'n cuddly toy Audubon Bird with real bird calls and support our work to protect species habitat. For only \$10 each you can choose an American Goldfinch, Bald Eagle, Baltimore Oriole, Black-capped Chickadee, Common Loon, Hermit Thrush, Kirtland's Warbler or Northern Bobwhite.*

*Credits: Writing by Peter Gorrie. Photos by Wildlands League staff unless otherwise noted. Wildlands League remains responsible for all content.*



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