

The Premier
of Ontario

Legislative Building
Queen's Park
Toronto, Ontario
M7A 1A1

Le Premier ministre
de l'Ontario

Édifice de l'Assemblée législative
Queen's Park
Toronto (Ontario)
M7A 1A1



May 8, 2012

The Right Honourable Stephen Harper
Prime Minister of Canada
Langevin Building
80 Wellington Street
Ottawa, Ontario
K1A 0A2

Dear Prime Minister Harper:

A handwritten signature in black ink that reads "Stephen".

The Ring of Fire, located 540 kilometres north of Thunder Bay, is one of the most promising mineral development opportunities in Canada in almost a century. Current estimates suggest tremendous potential for chromite production in the Ring of Fire, as well as significant potential for other minerals such as nickel, copper, gold and platinum group elements. The magnitude of development of the Ring of Fire could be comparable to that of historic world-class mining areas, such as Timmins, Sudbury, Kirkland Lake and Red Lake — all of which have seen mineral production opportunities span several decades.

The economies of China and India are projected to grow substantially over the next several years and will fuel further demand for raw materials such as chromite. As a new commodity, the production of chromite would allow us to compete for the first time with jurisdictions such as South Africa. The Ring of Fire, therefore, represents a strategic economic opportunity for Ontario and Canada.

Tomorrow morning, Cliffs Natural Resources management plans to announce the Ontario location of their ferrochrome processing facility, and Ontario ministers will announce the province's plans to engage First Nations in the region to help those communities benefit from this historic opportunity. I am writing to invite your government to take a more active role in supporting the tremendous economic development opportunity associated with the Ring of Fire. Your government's desire to enhance development in Canada's northern region, combined with the opportunity to strengthen First Nations' economic self-sufficiency, provide a strong imperative for our two governments to work together and with the private sector to maximize the benefits of this project for all Ontarians.



Within the next five to 10 years, the Ring of Fire is expected to include the development of two new mines, infrastructure corridors — both transportation and potentially transmission — and the ferrochrome processing facility. It is estimated that the construction of these facilities will create 1,900 direct jobs. An additional 1,500 direct jobs will be created to run the facilities once they are operational, and yet more jobs will be created through related economic opportunities for the mining service and supply sector.

The Ring of Fire provides an unparalleled opportunity to plan for development with state of the art environmental standards and in a socially sustainable manner. It also represents an historic opportunity for First Nations participation.

At your Gathering with Canada's First Nations in January, Aboriginal leaders spoke about sharing the benefits from resource development, investing in community infrastructure and on-reserve education and skills training, and the need for governments to assist in responding to high levels of substance abuse in First Nations communities. Strong federal support and investment in the Ring of Fire would be an early and meaningful way to address the issues raised by First Nations leaders.

Canada needs to deal with the acknowledged and widespread problems of inadequate First Nations' social and community infrastructure. To this end, there needs to be immediate investment in First Nations communities located in the Ring of Fire area so that a healthy and skilled First Nations workforce will be ready to participate fully in the many opportunities presented by this development.

Most urgently, increased federal support for basic education leading to skills training and investment in addictions treatment programs are needed now. Your 2012 Budget takes some important first steps to improve First Nations education on reserves. Cliffs Natural Resources has invested in drug treatment programs in the region. This should be supported by addictions treatment investments on reserves by your government.

Ontario government officials are also working with Ring of Fire communities to identify other social and economic requirements with a view to targeting additional federal, provincial and private sector investments to the areas of greatest need. A critical early investment is needed to establish a transportation corridor which will allow access to the mine but also support socio-economic development by linking remote northern communities.

In addition, on-reserve infrastructure — housing, water treatment facilities and schools — requires federal attention. Again, your 2012 Budget commits to investments in on-reserve water infrastructure and schools that could be highly beneficial for Ring of Fire communities. Investing in regional infrastructure, including transportation, transmission and broadband, will also leverage private-sector investment.

First Nations have also identified the need for federal funding to support governance and capacity-building in these communities. Enhancing capacity and supporting community-based outcomes will ensure that, when economic development opportunities arise, communities are ready.

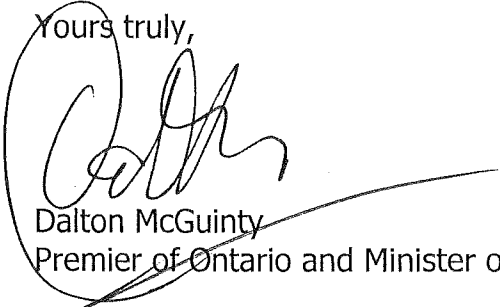
The business case for immediate investments is compelling. For example, the federal government has an opportunity to transition First Nation communities off diesel generation, thereby alleviating environmental and health concerns, as well as reducing costs for electricity on reserves. The federal government should assist in facilitating energy transmission in the region in proportion to the benefits it will derive from connecting remote First Nations communities. Making the Ring of Fire a success for First Nations holds the potential to provide a generation of Aboriginal peoples with hope and an improved quality of life.

As you know, your government has a key role in maximizing potential with regard to the Ring of Fire. Our government is working closely with federal staff to co-ordinate and streamline the Environmental Assessment (EA) process launched by the two mining companies, Cliffs Natural Resources and Noront. We are also in the early stages of developing a policy framework that would allow these processes to proceed on schedule, while allowing for ongoing monitoring of environmental impacts throughout the region. Ontario will work closely with the federal government as it moves forward with its new EA process for resource development projects with a view to ensuring that the Ring of Fire development benefits from the highest levels of environmental protection while also ensuring the EA process moves on schedule.

Using a tripartite process, I would like to build on the work that has been done to date by our officials on the Ring of Fire. I understand a multi-ministry meeting of senior officials has recently been organized. I would like to see the Ring of Fire become as high a priority for your government as it is for mine, for the benefit of Ontario — and indeed all Canadians — for generations to come. Just as the federal government has supported large-scale resource development initiatives in other parts of Canada, Ontarians need a strong federal partner to allow us to continue generating the economic prosperity that helps support this country. I trust I can count on your government's support. I look forward to meeting you to discuss this further.

Please accept my personal best wishes.

Yours truly,

A handwritten signature in black ink, appearing to read 'Dalton McGuinty', is written over a circular stamp. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Dalton McGuinty
Premier of Ontario and Minister of Intergovernmental Affairs