

EDITORIALS

Mining is back on several fronts

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BUSINESS CYCLES tend to raise and lower the economies of the communities in and around which they operate. Stable business benefits everyone, but even that comes with surprises.

Forestry is an example of an industry with an impressive track record that came up short when the recession deflated demand for its products. A U.S. recovery will eventually raise demand for lumber, pulp and paper, but never again to the same degree. The Internet has seen to that. Still, forestry is evolving with new products, including biomass to fuel the green energy revolution. Value-added opportunities continue to abound, if only they will be developed by entrepreneurs, encouraged by government.

Government is notoriously slow to react to the prospect – even the signs of change and there is a series of recurring jokes about how many studies there are at one time that seek to broaden the economy of Northern Ontario. While that process drags on, there are new glimmers of hope for the North even as forestry flounders. Mining has always been the other big northern lynch pin and its own down time is apparently on the verge of a very big upswing. Two of them, actually.

The so-called Ring of Fire mineral belt in the James Bay Lowlands north of Nakina holds immense promise, evidenced by a staking rush the likes of which few have ever witnessed. A wealth of minerals lie under the ground, including chromite with which to supply the automotive industry with its bling and every maker of stainless steel products with the ingredient they now must import from offshore. Many thousands of jobs are pending as Thunder Bay assay labs seek to confirm what the prospectors appear to have found. A rail line would be built from Nakina. First Nations in and around the Ring would share the wealth. Thunder Bay will be the natural hub for this operation.

Already a success story, the Lac des Iles deposit north of Thunder Bay contains one of the largest open pit bulk mineable palladium reserves in the world. North American Palladium Ltd., based here, is Canada's only primary producer of palladium, used to make computers, mobile phones and catalytic converters among other high-demand products.

Northwestern Ontario has always been known for key minerals and precious gold, particularly around Red Lake, Longlac and more recently, Marathon. It was also an important producer of iron ore around Atikokan. A rail line used to bring the raw material through Thunder Bay for shipment out by boat. An ore trestle on the lakeshore is all that remains of Atikokan's heyday. Well, not so fast.

An iron ore deposit north of the town is about to be developed if the provincial government gives its blessing. The proponents have secured over \$300 million in private financing with a proposal to mine and process the ore into pig iron for U.S. steel-making customers. Six months ago, Bending Lake Iron Group president Henry Wetelainen submitted a proposal to the province to lease Atikokan-area land for the plant. Naturally, there are approvals needed around environment and natural resources. But there is an unfortunate sense of impatience here when Wetelainen says things like, "This should be a no-brainer." "I'd prefer to build this plant in Ontario . . . Atikokan is by far the best site." "I would like approval as quickly as possible."

Ontario has failed to provide industrial power pricing inducements to the beleaguered forest industry. It has failed to stop native land occupations that have already blocked one big promising mineral development and currently imperil parts of the Ring of Fire. Due diligence is necessary when considering something as invasive as a mining operation. Surely, though, as long as the proponents follow the rules, the province should be saying it will move just as quickly as possible through the approvals process on this latest opportunity for economic renewal in Northwestern Ontario that desperately needs it.