



Submission Regarding the Far North Act

Introduction

Noront Resources is leading the mineral development in the Far North region, and currently owns or controls 85% of the staked claims in the Ring of Fire (Figure 1). The Company's most advanced projects are the high-grade Eagle's Nest nickel-copper-platinum-palladium deposit and three world class chromite resources; Blackbird, Big Daddy and Black Thor (Figure 2).

The Company's plan is to develop Eagle's Nest first as there are existing smelters in the province to process the ore and soon after to start chromite production from the nearby Blackbird deposit. As there are no chromite smelters in North America, Noront is contemplating building a ferrochrome production facility on a brownfields industrial site in either Sault Ste. Marie or Timmins.

The Far North is an area roughly equal to 40% of Ontario's landmass and is situated north of 50- and 51-degrees north latitude. The Far North Act came into effect 2011 and has as one of its stated goals to preserve 225,000 square kilometres of land in the Far North by means of a land use planning process with First Nation communities. As planned, the Far North Act would see 50% of all land in this highly mineral prospective area removed from development activities.

Current Status

The land use planning process was kicked off in 2010 with 31 First Nation communities in the Far North. To date, only 6 land use plans have been completed with another 10 in progress where terms of reference have been established.

Some communities have fundamentally opposed the process and refuse to participate as they were not consulted in the original legislation and were not offered compensation for the use of the withdrawn lands as a carbon-sink.

Many of the planning areas asserted by First Nations overlap with other First Nation's territories.

In the plans that have been finalized, there exist three classification of lands: Protected Areas, Enhanced Management Areas and General Use Areas. There is potential for even more than 50% of the land to be sterilized as the Enhanced Management Areas are subject to certain restrictions to development as well.

The fact that some First Nation communities have participated in the process and others have not, the overlapping claims, and the various stages of advancement have introduced a high level of uncertainty into the process and is resulting in mining companies abandoning the area and investing elsewhere.

The Far North of Ontario is not currently "Open for Business".

Summary and Recommendations

Noront Resources is fundamentally opposed to the sterilization of any prospective land in Ontario. As the Far North is only now beginning to be explored (and has resulted in the discovery of the Ring of Fire mining



district), it is a poor strategy to exclude large swaths of land from the exploration and development process.

We recommend the review and repeal of the Far North Act. There are adequate existing Acts and Regulations to protect the environment, to facilitate future land use planning, and to ensure that a high level of consultation relative to mineral development takes place with affected First Nations groups.

There are only two operating mines in the Far North - Goldcorp's Musselwhite Mine and DeBeer's Victor Mine. Many more well-planned and sustainable operations could be developed in this highly prospective region without negatively impacting the environment. Most newly developed mines have a footprint of less than 1 square kilometer.

It has been estimated by the Ontario Chamber of Commerce that within the first 10 years of development, the Ring of Fire will generate up to \$9.4 billion in GDP and sustain up to 5,500 jobs annually (full time equivalents) and generate nearly \$2 billion in government revenue.

New mine developments would also allow for the economic participation of local First Nation communities, helping to make their communities sustainable and at the same time providing wealth generation and opportunity for all Ontarians.

Regards,

A handwritten signature in black ink that reads 'A. Coutts'.

Alan Coutts
President and CEO
Noront Resources

Figure 1.



Figure 2:

