

### **.Approximate Cost of Borealis Project (Order of Magnitude):**

- **7000km Two-Way Railroad:** Railway construction costs vary enormously based on terrain, geography (including permafrost in the Arctic), the need for bridges and tunnels, signaling systems, and land acquisition. A very broad estimate could range from **\$5 million to \$20 million+ CAD per kilometer**.
  - **Total Estimated Railroad Cost:** \$35 billion to \$140 billion+ CAD.
- **Sinter Processing Plant:** Based on publicly available data for similar large-scale plants, a modern sinter plant could cost anywhere from **\$1 billion to \$3 billion+ CAD**.
- **Blast Furnace Plant:** A new, large-scale blast furnace facility could cost in the range of **\$2 billion to \$5 billion+ CAD**.
- **Foundry:** The cost of a foundry would depend on its scale and specialization, ranging from **\$100 million to \$1 billion+ CAD**.
- **Other Businesses (Data Centers, Military/Space Infrastructure, Pharma, etc.):** The costs for these are highly variable and depend on the specific scope and scale of each industry developed. They could collectively range from **\$10 billion to \$50+ billion CAD** or more over the long term.
- **Initial Heavy Machinery Production:** Setting up manufacturing facilities for heavy machinery could range from **\$5 billion to \$20+ billion CAD**.

**Total Approximate Capital Expenditure (Order of Magnitude): \$53.1 billion to \$219+ billion CAD (and likely much higher over the long term with the development of diverse industries).**

### **Timeline:**

- **Collection of Conditions from Utility and Regulatory Bodies:** This phase could take **5-10+ years**, given the scale of the project, the number of stakeholders involved (federal, territorial, Indigenous, environmental), and the complexities of Arctic regulations and environmental assessments.
- **Design Phase:** Once conditions are understood, detailed design for the railway and industrial facilities could take **3-7+ years**, involving extensive engineering work.
- **Approval Phase:** Securing all necessary approvals after design could take another **5-10+ years**, potentially running concurrently with some design work but facing significant scrutiny.
- **Construction Phase:** Construction of a 7000km railway and the various industrial plants would be a massive undertaking, likely spanning **15-30+ years**, with different components being completed at different times.

### **Operational Costs (Once Factories are Working and Railway is Collecting Tariffs):**

- **Cost of Materials for Construction (Over the Entire Project):** This would be a very significant portion of the capital expenditure, potentially ranging from **tens to hundreds of billions of CAD** over the decades-long construction period.
- **Monthly Supply Costs (Operational Phase):** These would vary greatly by industry. For the steelmaking facilities (sinter plant, blast furnace, foundry), significant ongoing costs would include iron ore (initially from the Mary River project, potentially others), coal/coke, limestone, energy (electricity, natural gas/other), water, and consumables. Other industries would have their own specific supply chain costs.

- **Salaries and Other Costs (Operational Phase):** With a large industrial cluster and a major railway, the monthly payroll and operational overhead would be substantial, potentially reaching **hundreds of millions to billions of CAD** depending on the number of employees and the scale of operations.
- **Railway Operational Costs:** These would include fuel/electricity for locomotives, maintenance of tracks and rolling stock, signaling and control systems, personnel, and administrative overhead.

### Profitability:

- **When Profitability Will Begin:** Profitability would likely be phased, with the railway potentially generating initial revenue as sections are completed and open to other users. The sinter plant might achieve profitability relatively early if export markets are secured. The blast furnace and foundry would require significant capital investment and a stable market for their products to become profitable. Other industries would have their own timelines.
- **How Much Profit the Whole Cluster Will Bring:** This is the most speculative aspect without detailed market analysis and financial modeling. The profitability of the entire cluster would depend on:
  - **Global Commodity Prices:** Iron ore, steel, and other metals prices.
  - **Transportation Tariffs:** The volume and pricing of railway usage by other customers.
  - **Operational Efficiency:** Managing costs effectively across all industries.
  - **Market Demand:** The demand for the products and services produced by the various industries within the cluster.
  - **Government Policies and Incentives:** Tax structures, subsidies, and trade policies.
  - **Technological Advancements:** Innovations that could improve efficiency and reduce costs.

### Very Rough and Highly Speculative Profitability Timeline:

- **Railway (Initial Sections):** Potential for revenue generation within **5-10+ years** of construction commencement of those sections. Profitability would depend on usage volume and tariffs.
- **Sinter Plant:** Could potentially become profitable within **3-7 years** of operation, assuming stable export markets.
- **Blast Furnace & Foundry:** Likely to require **10-20+ years** from project inception to reach significant profitability due to high capital costs and market dependencies.
- **Other Industries:** Profitability timelines would vary greatly depending on the specific sector and market conditions.

### Overall Profitability:

The long-term profitability of the entire Borealis cluster could be substantial, potentially generating **billions to tens of billions of CAD annually** once fully operational and if markets are favorable. However, the initial decades would likely involve significant investment and a focus on building infrastructure and establishing viable industries.

### Key Takeaway:

The Borealis project is a multi-generational undertaking with immense potential but also enormous costs and complexities. Accurate estimations of cost, timeline, and profitability require detailed feasibility studies conducted by specialized experts over a significant period. The figures provided here are very rough estimates to illustrate the scale of the ambition.