

## **MEDIA RELEASE**

### **New report concludes Exton is viable site for Ring of Fire Refinery**

**THUNDER BAY – September 20, 2011** - A report released today concludes that siting a ferrochrome refinery at Exton for Ring of Fire minerals is technically, environmentally and economically feasible. George Smitherman and Don Huff were contracted by the Municipality of Greenstone to push for establishing a Chromite refinery at Exton. Exton is located adjacent to the railway in the Municipality of Greenstone between Nakina and the Aroland First Nation.

"Our analysis, with specific emphasis on the viability of supplying electricity to service the proposed arc furnaces concludes that Exton is well positioned to serve as the refinery site," stated former Ontario Deputy Premier George Smitherman. Smitherman observed, "The Exton site has the significant advantage of fitting with the territorial expectations of First Nations and is economically feasible."

The Municipality of Greenstone asked that three major themes be addressed:

1. The Exton site must mesh with First Nation aspirations;
2. The viability of supplying adequate power; and
3. Sustainability considerations.

The specific request to review sustainability was made because developing any project of this scale has impacts – and there needs to be an awareness of how to avoid, minimize or mitigate them. If sustainability issues are not adequately addressed, there are risks to Ontario's natural environment and reputation and to the corporate evaluations of participating companies.

"The prospect of moving massive amounts of unrefined ore hundreds of kilometers past Exton (the terminus of the proposed north-south rail link to the Ring of Fire) is unnecessary, costly and undercuts sustainability principles," added Don Huff, President of Environmental Commutation Options, an environmental consulting firm with decades of experience in Ontario's environmental, energy and natural resources sectors.

"An Exton location minimizes impacts and contributes the most to project sustainability," Huff added. "It also has the significant attribute of following the principles laid down by area First Nations, who appropriately insist that the value-added exercise of refining must be done in close proximity to the point of extraction. Refining the ore at Exton also saves at least 28 million dollars per year in transportation costs."

Ferrochrome refinery arc furnaces consume large amounts of electricity. They also result in significant power quality concerns for other customers connected to the system. In Ontario it is

the responsibility of the load customer creating the power quality issue to pay for any mitigation required. Given that (at least initially) there would be no other load customers connected to the 230 kV transmission within at least 100 km of the ferrochrome facility, the need for mitigation measures and hence the related costs may be significantly delayed or reduced at the Exton site compared to the other sites (Thunder Bay, Sudbury, Timmins) being considered for the ferrochrome facility. However the basic question was can the Exton site be supplied with adequate electricity. The task of answering this question was undertaken by Larry Doran of Imperium Energy Ltd. Mr. Doran, who is extremely knowledgeable about transmission issues and specifically the northern Ontario electricity grid, indicates it can be done.

Mr. Doran stated, "Not only is it technically feasible to get the required electricity to Exton, it can be done in a timely and cost-effective manner". He added, "In fact, my analysis shows that supplying electricity to Exton will provide electricity system benefits for the region. The associated benefits of a stronger expanded and reinforced energy supply system will generate economic and social benefit across northwestern Ontario."

Greenstone Mayor Ron Beaulieu, on receiving the report from Smitherman, Huff and Doran observed, "What began as a research project to assist Greenstone has emerged as a very real opportunity to build a new backbone for the economy of northwestern Ontario. It is clear that a decision to site a refinery in Greenstone will do the most to accelerate opportunity throughout our region."

"Area First Nations will not stand by and watch our economic opportunities being shipped out of the region or to another jurisdiction," said Chief Sonny Gagnon of Aroland First Nation. "This report provides Cliffs and the Governments of Canada and Ontario with a game plan for moving forward."

Standing with Raymond Ferris, Ring of Fire Coordinator for Matawa First Nations, Mayor Beaulieu concluded, "We will continue to work with the First Nations as we make our case to Cliffs and to the Governments of Canada and Ontario."

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**For additional information or to schedule an interview contact:**

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**Greenstone** ([Canada 2006 Census](#) population 4,906) stretches 200km along TransCanada [Highway 11](#) from [Lake Nipigon](#) to Longlac. It is one of the [largest incorporated municipalities in Canada](#). Formed in 2001, it combined the Townships of Beardmore and Nakina, the Towns of Geraldton and Longlac with large unincorporated portions of [Crown Land covering an area in excess of 3,000 sq.km.](#)

The **Ring of Fire** is the area in the [James Bay Lowlands](#) in [Northern Ontario](#), currently the site of major [mining](#) exploration projects (over 30,000 Claims have been staked). It has the potential to be the most significant mineral development in Ontario in over a century. It is centered on [McFaulds Lake](#), 286 km from Greenstone on First Nation traditional lands.