

Plan Nord: 1 billion dollar project in Sept-Iles

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Le Soleil

February 22, 2012. (Quebec) The Port of Sept-Îles could be getting an iron ore pellet plant, worth over a billion dollars in investments and representing hundreds of jobs for the Côte Nord capital.

This new mega-project, connected to Plan Nord, is the subject of a (Quebec) lobbying mandate registered in the name of two representatives of Century Iron Ore Mines Corporation, lawyer Marcel Aubut and Chinese-Canadian businessman Sandy Chim.

A company source says there are still many uncertainties around the building of an industrial complex that would transform iron ore into pellets for export to China. However, negotiations with the government have been under way for several months, for a mine the developers aim to put into production by 2017.

A first meeting was held April 11, 2011. Jean Charest, Premier of Quebec, met with Sandy Chim, CEO of Century Iron Ore Mines Corporation, and Mr. Aubut, then acting as an advisor to the company in the matter. Sandy Chim also had discussions with Quebec officials in June and August.

At the end of August, during a visit to Beijing, China, Jean Charest discussed the Plan Nord with senior directors of WISCO, and attended the announcement of the equity agreement between WISCO and Century regarding the Quebec mining projects. WISCO, a huge Chinese conglomerate, holds 25% equity in Century and has committed to take 60% of the company's iron ore production. According to the publication *Pro Investors*, the firm is the fifth-largest steelmaker in the world.

Mr. Aubut was appointed Century's Chairman of the Board of Directors in September. He and the CEO of Century Iron Mines met with Clément Gignac (Natural Resources) on January 19th and his colleague Sam Hamad (Economic Development) on February 8th.

Pointe-Noire

According to the lobbyist registry, the company has submitted an application to the Ministry of Natural Resources to lease public lands for the pellet plant. The application was submitted at the end of December 2011. The proposed location is near the recently announced \$220 million new wharf at Pointe-Noire. Century will be one of several users.

The industrial lands would include the pellet factory, railway development, a shipping station, storage areas and an administrative building. It would have a processing capacity of 21 million tonnes of ore.

The firm's early projections call for the creation of 950 jobs during the period of construction and 450 jobs to run the plant. The projections are based on similar facilities elsewhere in the mining world. In

January, *Le Soleil* reported on Century's proposal to develop a new railway from Sept-Îles to Schefferville, at a projected cost of at least \$2 billion.

The company is also committed to the idea of developing a full-scale iron mine in Radisson, James Bay. This is a joint venture with the Quebec group Augyva, which has been developing this ore body from the start.

The lobbyist registry states that the ore will be move via a slurry pipeline in which it will be mixed with water and pumped into large bulk carriers, to supply Chinese steel mills. The cost of such facilities has not been made public, and their route remains to be confirmed. No plan has yet been submitted to the government.