

ECONOMIC BENEFITS OF THE BELLEDUNE IRON PROCESSING FACILITY

In July 2019, Strategic Concepts Inc. completed an independent economic study of the Belledune Iron Processing Facility being advanced by Maritime Iron. An overview of findings is provided below.

Project Economics

The Belledune Iron Processing Facility represents a capital investment of approximately C\$1.5 billion and will introduce modern ironmaking technology to New Brunswick. As a result of this investment, this project will potentially supply up to 28% of the demand for merchant pig iron required by electric arc furnace steel mills in the United States, supplanting imports from Russia, Ukraine, and Brazil.

The company will also spend a forecasted \$16.8 billion in operating expenditures over a 30-year period for an annual average operating expenditure on goods and services of \$570 million. An additional \$300 million in sustaining capital will also be required to maintain the facility.

Contribution to the Economy

It is anticipated that Maritime Iron's Belledune Iron Processing Facility will make a significant contribution to Canada's Gross Domestic Product (GDP) throughout its construction and operations. The total expected GDP impact for Canada over a 30-year period of the project is \$14.4 billion, generating:

- **\$2.5 billion in incomes**, including over \$800 million in direct incomes primarily paid out in wages to workers
 - New Brunswick will receive almost \$1.4 billion in labour incomes and profits, including \$750 million in direct income
 - The rest of Canada will receive \$1.1 billion in labour incomes and profits
- **\$0.5 billion extra in income contributed to Canada's GDP** as a result of NB Power's Belledune Generating Station remaining operational after 2029
- **\$1.8 billion in corporate and income taxes** to the Federal government and an additional estimated \$1.5 billion in corporate and income taxes to the New Brunswick government



Employment

The project is expected to generate significant employment opportunities. Maritime Iron is committed to working with local colleges and universities to develop training programs and help create employment for local residents, including Aboriginals. Given the size of the project, there will be a number of direct jobs on-site at the Iron Processing Facility. Additional jobs will be created as a result of indirect employment through service providers to the project as well as induced employment in the broader community resulting from income being spent in local and regional businesses.

During the 3-year construction period, direct employment at the Belledune Iron Processing Facility will peak at approximately 1,300 full-time equivalent jobs. During operations of the Iron Processing Facility approximately 200 full-time equivalent jobs will be created. A dedicated oxygen plant will also be constructed and operated by a third-party resulting in even more employment opportunities.

Furthermore, as a result of integrating the Iron Processing Facility with NB Power's Belledune Generating Station, its current 120 jobs will be maintained beyond 2029. The project will bring considerable opportunity to New Brunswick businesses both in direct support for construction and operation of the facility and through indirect spin-offs as a result of economic value-add.

Average Annual Jobs *

Maritime Iron Construction (2020-2022)		
	New Brunswick	Canada Total
Direct	1330	2130
Indirect	860	1750
Induced	1140	1840
TOTAL	3330	5720

Maritime Iron Operations (2023-Onwards)		
	New Brunswick	Canada Total
Direct	185	195
Indirect**	105	335
Induced	125	255
TOTAL	415	785

Oxygen Plant Construction (2020-2022)			NB Power Belledune Operations (2030-Onwards)		
	New Brunswick	Canada Total		New Brunswick	Canada Total
Direct	95	105	Direct	120	120
Indirect	95	185	Indirect	105	115
Induced	110	175	Induced	110	175
TOTAL	300	465	TOTAL	335	410

* All figures rounded ** Includes operations of the Oxygen Plant