

Inter-Agency Meeting
ON
NORTHERN GRAPHITE LTD.'S
BISSETT CREEK GRAPHITE MINE CLOSURE PLAN
MARIA TOWNSHIP, RENFREW COUNTY

Meeting Minutes

Date: Wednesday, February 23, 2011

Place: Best Western (Pembroke) Grenville-Whitney Room

Time: 1:00 p.m. to 3:00 p.m.

Minutes by: Tim Ruthenberg, MNDMF

Attendance: **Northern Graphite:** Greg Bowes, Stephen Thompson, Don Baxter; **Knight Piezold:** Steve Aiken; **Algonquins of Ontario:** Lynn Cloutier, Katherine Cannon, Jim Meness (Pikwàkanagàn); **MOE:** Brad Eckert; **Township of Head Clara Maria:** Melinda Reith; **Deep River Area:** John Watson; **MNR:** Tom Giesler; **MNDMF:** Ramesh Mandal, Tim Ruthenberg; **Other:** Mark Walden

By Teleconference: **MOL:** Glen Staskus; **MNDMF:** Pam Sangster; **DFO:** Sing-Yee Low

Regrets: Jim Hunton (representing Algonquins of Ontario), David Laverdière (Env. Canada), Bob Barclay, Allan Gerald (MOL).

1. Introduction – Tim Ruthenberg, MNDMF; introduction of everyone in attendance and calling into the meeting.

2. Northern Graphite Introduction by Greg Bowes:

- Mines are made: not found. This deposit has go through different attempts and hands to develop it. It will take the corporation of the government, First Nations and the public to develop the mine.

Mr. Bowes gave a summary of the history of the site,:

- The Graphite deposit was found in 1980, feasibility was completed and a decision was made to develop the mine, but the graphite market collapsed;
- The property was controlled by IMI. In 2002, IMI was acquired by a US company with the assets held by its Canadian subsidiary IMC. IMC is called Northern Graphite with 42% of Northern Graphite owned by IMI
- An attempt to reopen the mine in 2004 failed due to technical difficulties in the dry milling process.. Limited material was processed before abandoning the idea of the dry process
- New management took over the project in 2007 to test a wet process, but was unable to put the property into production. Again, a change in management occurred
- The current management has extensive experience in mining and in graphite.
- The graphite market has improved. Mr. Bowes explained that graphite is an industrial mineral used primarily in the steel and automotive industries. There has been a price increase due to growth of the Indian and Chinese economies. Demand for graphite has increased. To make an investment in a mine, there must be confidence in the market. China produces 70-80% of world's graphite supply, but doesn't want to ship raw graphite. The USA is beginning to produce ever-increasing numbers of electric cars. Hybrid vehicles use lithium ion batteries requiring 25 to 55 kg of graphite per car.
- The resource at Bissett Creek has been proven, and may be mined in the next 2 to 3 years' requiring capital expenditures of about \$60 million, and employing 70 people. Plans are to list Northern Graphite on the Toronto Stock Exchange

Project presentation – Steve Aiken (Knight Piesold) and Don Baxter (Northern Graphite): KP involved with the project on and off, primarily for data collection and were engaged in 2010 to assist in the development of the project. The project site covers an area of 1174 hectares of leases and claims and additional claims to the north east. The project is expected to have a mine life of 15 years at 2500tpd production rate

PowerPoint presentation (attached) addressed the following:

- Mine site location, & project overview
- Recent site activities and status of project site
- Current and future environmental monitoring activities and studies
- Project Scope & description
 - Conceptual site & mining plan
 - Surface infrastructure,- roads, 3.4kv power line, waste stock piles, mill etc.
 - Processing of ore and tailings disposal facility. ARD tailings to be stored separately
 - Project schedule- production in 2013
 - Proposal for Site Rehabilitation upon closure
 - Permit status (Federal/ Provincial)

3. Algonquins of Ontario concerns:

- Care of the environment and archaeology are serious concerns.
- Algonquins find it necessary to be involved early, and in every step along the process.
- Economic considerations will result in economic benefits.
- They would like an early review of all environmental and archaeological studies.
- Clearing and construction jobs should be contracted locally.

4. MNR comments/concerns: MNR will need a separate meeting with all involved staff. The Provincial Species of Risk Act also applies here. New roads, new hydro, relocating of the snowmobile trail and LUPs will require provincial EA. Some of these will require information session as part of EA, and this could be combined with other information session requirements (i.e. for closure plan). MNR will have to consider the segregation of lands, what lakes have been stocked, and involve engineering staff for review of the tailings dams. All of this will require consultations with the Algonquins also.

MOE comments/concerns: Previous permits and approvals are essentially nullified due to the scale of changes in the project. As soon as details are in, recommend application for PPTW and CofA for industrial sewage works be submitted. The sulphur content of the rock is a big issue with the discharge. Pre-consultation with Tech Support people will save time. Air issues will be minor since it will be a wet process.

DFO comments/concerns: Need a map to see what is at stake.

MOL comments/concerns: Role will be more important at a later date.

Township of Head Clara Maria comments/concerns: none. Recreation Centre in Stonecliffe would be an appropriate location for an information session; contact is Melinda Reith.

Deep River Area comments/concerns: 70 direct job in this area is significant. Anything Northern Graphite doesn't have may be a business opportunity for someone in the community. Please contact if they need anything.

MNDMF comments/concerns: Algonquin practices/interests in the mine area need to be determined and will be through consultations. A new closure plan will be required. Review of closure plan, MNDMF response time constraints for filing of CP and everyone's response time to MNDMF correspondence necessitates thorough pre-consultation with all parties. The Company must submit a NPS to change project status and hold a public information session

prior to submission of the closure plan. The Algonquin Consultation Office will be the primary contact for consultation with the Algonquins of Ontario.

5. Northern Graphite concerns:
Don Baxter and Steve Aiken (consultant) will be primary contacts for Northern Graphite Ltd.
6. Schedule for future meetings (FN/Company/government): consultations with Algonquins of Ontario will be initiated by required parties; Ontario Graphite will arrange required meetings with agencies to move forward with proposal.
7. Closing remarks – Meeting adjourned at 3:05 p.m.