

# Partnership to create new iron mine in Labrador

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*Francis MacKenzie with Grand River Ironsands says the company is excited about a \$25 investment from Petmin Limited, a South African mining company interested in the iron sands project. (CBC)*

A private company from Nova Scotia that has been drilling and exploring in Happy Valley-Goose Bay has received \$25 million from a mining company which says it hopes to be producing iron ore in the area in the next three years.

Grand River Ironsands, which plans to extract the iron ore from the iron sands of Labrador, wants to mine and smelt the ore in Happy Valley-Goose Bay using cheap hydro electricity.

"We've done an extensive amount of work investing nearly \$7 million in the area just in the exploration, the drilling and the testing," said Francis MacKenzie with Grand River Ironsands.

"Mother Nature has done all this crushing, grinding, blasting for us, and given us a gift here. It's a very low cost feedstock, perhaps not to be used in a blast furnace, but a low cost feedstock called iron sands that becomes the feedstock for making a very high purity iron product."

On Friday the company received an endorsement and \$25 million from Petmin Limited, a South African company interested in the project.

The companies plan to mine the iron sands of the Churchill River to make a refined pig iron product that will be transported to steel markets in the United States and elsewhere.

"This project stood out on the basis that it has access to very, very cost effective electricity. It's a large resource and it's infrastructurally unchallenged. It's close to a port," said Bradley Doig, business development director for Petmin Limited.

The South African company is advertising the project as a green project as it plans to use hydro electricity instead of coal for smelting.

If the project is successful, the company hopes to be in the first phase of mining in 2014, and said the project could create up to 200 jobs. The mining company said the speed at which the project moves forward depends on the level of support from the community.