

JOINT PRESS RELEASE

Société Internationale Métallique selects Midrex and Primetals Technologies to build new HBI plant in Quebec

Bécancour will host the 2 MTPY HBI plant set to begin operations in 2019

January 28, 2016 – (Bécancour, QC – Canada) Société Internationale Métallique (SIM) has chosen Midrex Technologies, Inc. and its construction licensee Primetals Technologies to furnish the equipment and oversee the technological aspect of its project to build a 2.0 million ton-per-year (MTPY) hot briquetted iron (HBI) plant in the Bécancour Waterfront Industrial Park, a public-owned industrial park on the shores of the Saint-Lawrence River (Quebec, Canada); the site is a year-round deep water port and connected to major North American rail and road infrastructure.

“The MIDREX® Process is the technology responsible for nearly two thirds of the world’s annual DRI production and the primary technology behind most HBI produced today, thus it was a logical choice for us,” stated Mr. Daubeny B. Cooper III, President of Société Internationale Métallique. “SIM will produce the best HBI in the world by merging this state of art technology with high quality and strategically located iron ore. Coupled with a friendly business environment and historically-proven performance, SIM’s new plant is positioned to be a leader in clean iron-reducing and in the secondary transformation processing of iron ore in the province of Quebec.”

Midrex and Primetals Technologies will be responsible for providing the principal equipment of the plant, in coordination with a construction and engineering firm that remains to be selected. Using the MIDREX NG™ Process, Midrex and Primetals Technologies are designing the plant to have a rated capacity of 2.0 million metric tons per year of HBI, making it one of the largest HBI modules in the world. MIDREX® Technology is also being used in a similar plant currently under construction in Texas in the United States.

“Midrex built two of its first ironmaking plants in Quebec nearly 40 years ago, so it is a pleasure for us to come back to Canada with our latest technology advances,” said James D. McClaskey, President and CEO of Midrex Technologies, Inc.. “HBI is a raw material that allows a clean, efficient way for many steelmakers to augment their steel production. HBI demand continues to grow, and with this new plant SIM will be in a prime position to supply various steelmakers worldwide by capitalizing on the expertise and natural resources of the local region.”

“Primetals Technologies (formerly Siemens VAI) has been a licensee for the MIDREX® Direct Reduction Process for more than 30 years and in co-operation with MIDREX has built more than 20 MIDREX® Plants worldwide,” said Heiner Röhrli, CEO of Primetals Technologies Austria. “From the development of the first HBI plant in Malaysia in the 1980s up to the HBI plants currently under construction in Russia and the world’s largest HBI plant in Texas, USA, Primetals Technologies played a major role in building most of the HBI plants and contributed with its expertise in the iron and steel industry to the development of this technology.”

Iron ores are first ground and concentrated and then processed to direct reduction (DR) grade pellets. These pellets are fed into a MIDREX® Shaft Furnace where they are reduced to metallic iron. The hot pellets are malleable, and are fed into briquetting machines, producing hot briquetted iron (HBI) with a metallization degree exceeding 93 percent. The briquettes have an apparent density exceeding 5.0 g/cm³ and are well suited for safe waterborne and rail transport due to the density and the low amount of fines generated during handling. HBI is used to supplement EAF charge material and the physical and chemical characteristics of HBI also make the metallic easier to charge to blast furnaces.

Construction is expected to begin in 2017 for a 2-year period, enabling the plant to start operations in 2019, according to planning.

About Société Internationale Métallique

Société Internationale Métallique (Canada) Ltée is a company incorporated 2014 for the development of the proposed HBI manufacturing plant in the Bécancour Waterfront Industrial Park in Quebec. The project developer is International Metallics Corporation Inc., (IMC) - an American project development company, formed to develop a North American merchant HBI plant. IMC's sponsoring investors have a track record of developing similar projects of scale in the natural resources area. The primary project developers are based in the United States and travel regularly to Quebec. Their first involvement with DRI dates back to the 1980s. For more information, visit www.imetallics.ca.

About Midrex

Midrex Technologies, Inc. is an international process technology company providing steelmakers with commercially proven ironmaking solutions for greater profitability; it has been the leading innovator and technology supplier for the direct reduction of iron ore for more than 40 years. The company offers eco-friendly technologies for ironmaking that provide high productivity, outstanding product quality, and cost competitiveness. Midrex has built its foundation upon the MIDREX® Direct Reduction Process that converts iron ore into high-purity direct reduced iron (DRI) for use in steelmaking, ironmaking and foundry applications. Each year, MIDREX® Plants produce about 60 percent of the world's DRI. Midrex is owned by Kobe Steel of Japan. For more information, visit www.midrex.com.

About Primetals Technologies

Primetals Technologies is a joint venture between Mitsubishi Heavy Industries (MHI) and Siemens. As announced in May 2014, Mitsubishi Heavy Industries (MHI) and Siemens have established a new joint-venture company named Primetals Technologies, Limited for the metals industry. With this joint venture both partners are forming a globally-operating complete provider of plants, products and services for the iron, steel and nonferrous industries. Mitsubishi-Hitachi Metals Machinery (MHMM) - an MHI consolidated group company with equity participation by Hitachi, Ltd. and IHI Corporation - holds a 51% stake and Siemens a 49% stake in the joint venture. The predecessor company, Siemens VAI is the oldest MIDREX® licensee and has built more than 20 DRI plants using the MIDREX® Process. For more information, visit www.primetals.com.



SIM

SOCIÉTÉ INTERNATIONALE MÉTALLIQUE (CANADA) LTÉE

MIDREX



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