



3402 15th Ave East, Hibbing MN 55746

October 30, 2023

Clean Sustainable Energy Authority
North Dakota Industrial Commission
Bismarck, ND

Dear Commission Members:

Scranton Holding Company and our North Dakota subsidiary North American Iron, Inc. are pleased to submit this application for grant funding from the Clean Sustainable Energy Authority (CSEA).

Included electronically with this letter are our application and supporting documents. We have not included any loan guarantee documents as we are not seeking any loans. We hereby authorize the CSEA to use the confidential Business Plan included herein for the purposes of reviewing the application (but for no other purposes).

We are excited to be working with North Dakota on our green pig iron processing project. The combination of geography and energy resources are critical drivers to making the project viable. We see a multi-faceted beneficial outcome to the state, the state's energy industry and our shareholders. Additionally, the project's intention is to replace high-carbon emission imported iron with a near neutral carbon, domestic source which benefits the entire country.

Please contact us as needed during your review of the application and we welcome the opportunity to meet further to present our plans.

Sincerely,

A handwritten signature in black ink that reads "Jim Bougalis". The signature is written in a cursive, flowing style.

James G. Bougalis
CEO

Attachments

Clean Sustainable Energy Authority

North Dakota Industrial Commission

Application

Project Title: "Green" pig iron production facility

Applicant: Scranton Holding Company/North American Iron, Inc.

Date of Application:

October 30, 2023

Amount of Request

Grant: \$12,000,000

Loan: -0-

Total Amount of Proposed Project:

Feasibility/permitting phases - \$27 million

Construction/operation - >\$2 billion

Duration of Project:

First production of pig iron - 2029

Point of Contact (POC):

James Bougalis

POC Telephone:

218-969-6551

POC Email:

jimbougalis@gmail.com

POC Address:

3404 15th Ave. East Unit #1

Hibbing Minnesota 55746

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ABSTRACT

Objective: The mission of North American Iron, Inc. (NAI)¹ is to produce “green” merchant pig iron by replacing today’s internationally sourced high carbon emission iron with a profitable, near carbon-neutral, United States-based solution. NAI is seeking deep decarbonization that significantly lessens carbon intensive industrial production processes leading to sustainable steel; timeliness by accelerating processes that may lead to green steel with much lower emissions; and market viability by transacting with some of the largest steel buyers in the U.S. Moreover, NAI seeks to address the waste stockpiles created through mining via reclamation.

Intended Results:

- **Commercialization:** NAI intends to construct a processing facility in North Dakota that produces 2 million tons of “green” pig iron for use in U.S. foundries and steel operations. Construction will involve up to 1,000 jobs for two to three years and plant operations will involve up to 500 employees on an ongoing basis.
- **Emissions Reduction/Resource Synergies**
 - NAI intends to reform the natural gas used in the process by removing the carbon for ultimate sequestration back into the earth and utilize hydrogen for its iron making process.
 - Relative to foreign sourced pig iron with an average 2.3 ton of carbon emissions per ton of pig iron produced, NAI intends to have a footprint of .1 ton of carbon emissions per ton of pig iron produced; over a 96% reduction.
 - NAI intends to reduce United States dependence on foreign imports.
- **Reduced Environmental Impacts**
 - The process is intended to produce minimal CO₂ emissions and only two repurposed available byproducts, one of which is aggregate or concrete additive, and the other which is a farmland soil additive.
 - Initial ore extraction is intended to occur through reclamation of existing iron ore residue stockpiles in Northern Minnesota, with the intention of future use as forests, wetlands, parks or development.
- **Increased Energy Sustainability and Synergy**
 - NAI intends to use locally produced electricity and natural gas with the objective of minimal impacts to the existing transmission system.
 - NAI natural gas use and carbon sequestration will help sustain and allow increased North Dakota energy production and contribute to reduction of emissions and flaring.
 - NAI carbon capture intentions may help North Dakota oil production through enhanced oil recovery with 1.6 million tons of CO₂ produced for every 2 million tons of pig iron produced.

Duration: The project involves approximately 21 months to go through the design and permitting phase. Upon permitting, construction will commence and take approximately 3 years. First production of pig iron is anticipated in 2029.

¹Scranton Holding Company (SHC) is the parent company of NAI. Since 2020, SHC has been working to develop a process that produces merchant pig iron in a manner that, after a hydrogen based iron making process and sequestration, generates nominal net carbon emissions and reduces U.S. dependency on foreign iron.

Total Project Cost: The cost to bring the project through its feasibility, design and permitting phase is approximately \$27 million. The cost to construct the processing facility and put other logistics in place is expected to exceed \$2 billion.

Participants: SHC/NAI has involved experts in the feasibility phase of the project including Kiewit Corporation (Kiewit) and Tenova, Inc. (Tenova). When permitting is imminent, SHC will seek strategic relationships in the metals processing industry to assist in project completion. SHC has also begun discussions with investment firms on the financing of the processing facility.

PROJECT DESCRIPTION

Objectives:

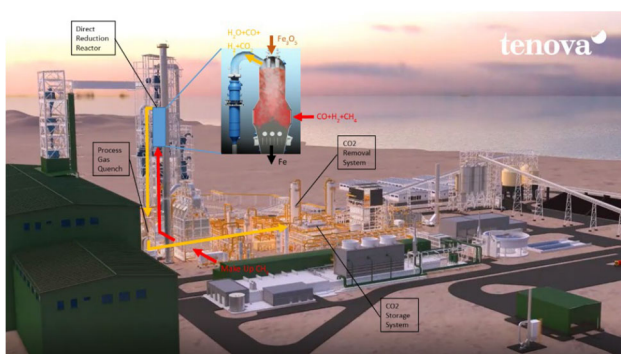
NAI's mission is to promote "green" production of merchant pig iron by replacing today's internationally sourced high carbon emission iron with a profitable, near carbon-neutral, United States-based solution. NAI is seeking deep decarbonization that significantly lessens carbon intensive industrial production processes leading to sustainable steel; timeliness by accelerating processes that may lead to green steel with much lower emissions; and market viability by transacting with some of the largest steel buyers in the U.S. Moreover, NAI seeks to address the waste stockpiles created through mining via reclamation.

Methodology:

SHC has also developed a proprietary mining plan for the Calumet reserve and intends to construct a facility in North Dakota to utilize pre-processed mine waste and convert it to pig iron. This conversion process is intended to eliminate the use of coal or coke, reduce carbon emissions substantially, and capture and sequester the remaining carbon.

Conversion Process: Current iron making processes require iron ore and coke to form pig iron in a blast furnace. Contaminants within the iron ore are removed by adding different fluxes, such as limestone or feldspar. The flux converts the impurities in the iron to meltable slag. A typical blast furnace is used in this process. Hot air is blown through water cooled pipes into the lower part of the furnace known as the bosh. The floor of the furnace has discharge apertures that are typically sealed with refractory clay and may be opened to tap the molten iron. Above the apertures are additional skimmer openings to release the slag. A double bell system is used at the top of the machine to seal gases inside while providing the furnace with iron ore, coke and flux. Gases exit the top of the furnace through dedicated pipes.

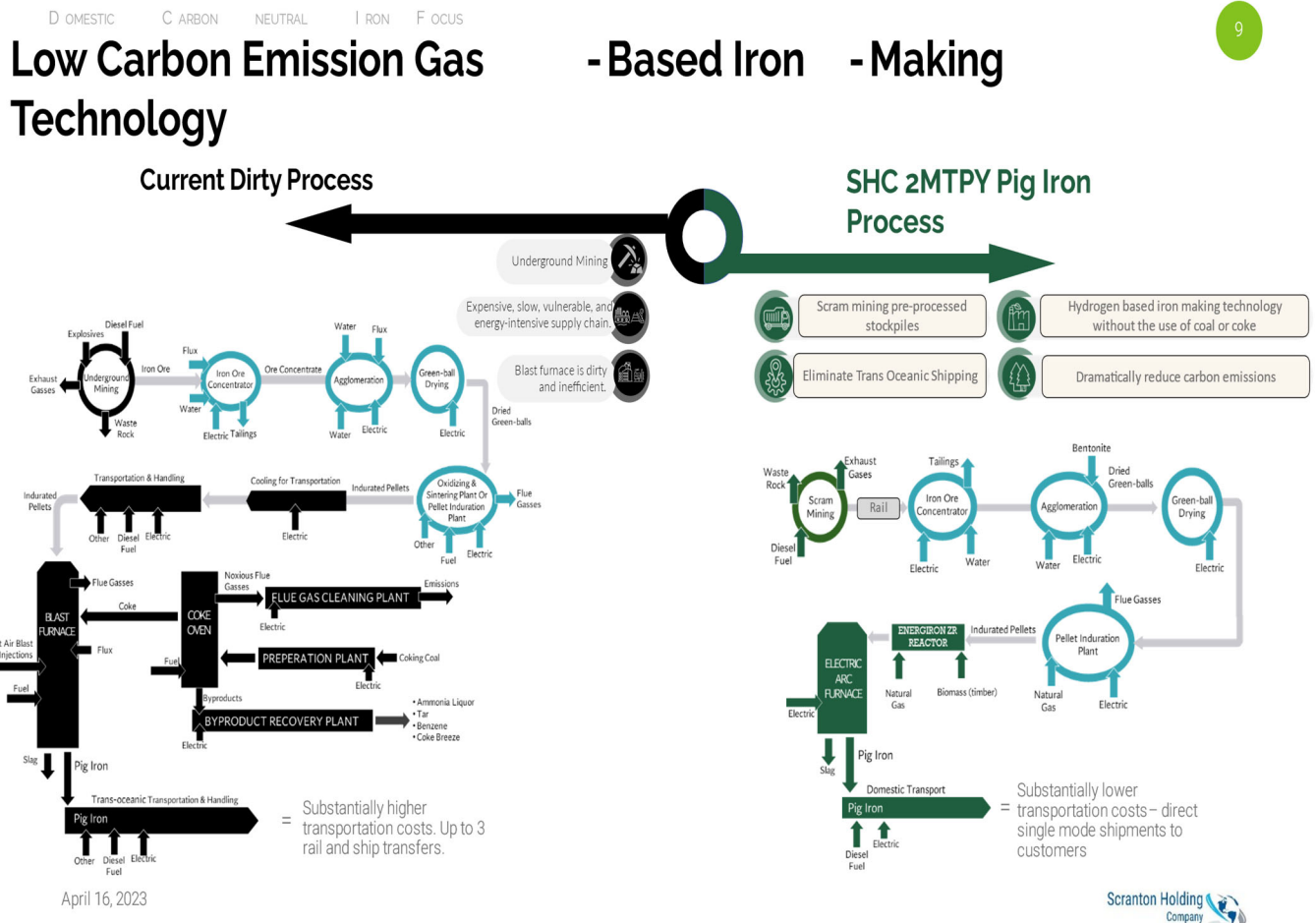
New Production Strategies for Near Zero Emissions: Beyond the large number of emissions, this process causes current pig iron merchants to also face challenges and limitations, such as 1) logistics – multiple transloading, intermodal storage, trans-oceanic shipping, and a vulnerable supply chain; 2) high carbon emissions – coke/coal process with toxic byproducts; shipping related emissions, and product cooling, handling, and reheating; and 3) domestic barriers – such as political challenges.



Given the noted challenges with current iron making processes, NAI is proposing to use the Tenova hydrogen-based HYL iron making process (pictured to the left), which includes a complete amine carbon capture system. This system takes carbon emissions and converts them to CO₂. The CO₂ conversion results in a food grade CO₂, available to provide to the domestic CO₂

industry with any surplus CO₂ being sequestered. Tenova's Open Slag Bath Furnace ("OSBF") produces a low Sulfur and Phosphorus pig iron product, which may be used by U.S. steel mills and foundries. Figure 1 shows the differences in the current and green steel making processes. NAI's ultimate goal is to develop a large-scale plant to process pig iron (2 MTPY by 2029) that is low cost, has near net zero emissions, and greatly reduces the U.S.' dependency on foreign iron.

Figure 1: Difference between the Current Steel Making Process and the Low Carbon Emission Gas-Based Iron-Making Technology



Moreover, through this process, Calumet Reclamation Company, a Minnesota corporation (“CRC”), a wholly-owned subsidiary of SHC, intends to take waste stockpiles and utilize mining reclamation, so land can be reshaped. For the proposed project, CRC plans to process mine waste stockpiles on site at the reserve in Calumet, Minnesota, converting them into usable acreage. CRC intends to remove the iron from the stockpiles and reform the land to a usable condition for forest, wetlands, recreational use, or other purposes.

Anticipated Results:

- Emissions Reduction/Resource Synergies
 - **The process requires large amounts of natural gas usage (63 MMCF per day)**, however NAI intends to reform the natural gas by removing the carbon for ultimate sequestration and utilizes hydrogen for its iron making process. **Alternatively, NAI’s process for natural gas may be replaced with up to 100% direct hydrogen** (a video outlining this process may be viewed at the following link: <https://www.youtube.com/watch?v=r-T0ypH9qDY&t=2s>)

- NAI intends to reduce United States dependence on foreign imports, with the goal of lowering the need for increased mining and processing in other countries which may not hold as strong environmental impact standards as the United States.
- Reduced Environmental Impacts
 - The process is intended to produce two by products, one of which is a slag rock (~400k tons per year) utilized as an aggregate or a concrete additive, and the other of which is a tailings sand (~1.4 million tons per year) that can be utilized in fertilizer or as a farmland soil additive.
- Increased Energy Sustainability
 - Energy sustainability is an objective of the process. While natural gas is planned to be utilized in large quantities, the carbon will be removed from the natural gas and sequestered back into the earth, then utilize the remaining hydrogen to fuel the iron making process.
 - The electric arc furnaces require over 70MW of electrical input with peak levels over 120MW. NAI intends to use locally produced electricity with the objective of more production and minimal impacts to the existing transmission system, which is intended to help grow and sustain North Dakota energy production.
- Commercialization
 - NAI intends to manufacture 2 million tons of pig iron for use in the United States reducing the need for foreign imports. NAI's process is intended to yield a competitive manufacturing cost profile relative to the current low-cost providers.
- Value and Synergies for North Dakota
 - The use of natural gas and carbon sequestration in the NAI process is intended to work synergistically with the oil and gas business sector, as well as the groundbreaking carbon sequestration business sector in North Dakota. **This scale of natural gas usage is intended to contribute to North Dakota's goals of reduction of emissions and flaring.** This scale of natural gas usage East of the Bakken is intended to promote gas pipeline infrastructure improvements. (See chart attached as "Other Appendix")
 - **NAI plans to produce 1.6 million tons per year of CO2 for sequestration.** Further, in the long term the project has the capability to expand and provide CO2 for use in enhanced oil recovery ("EOR").
 - The soil additive by product may assist in the logistical fertilizer challenges in the State and may be synergistic with future fertilizer facilities as an additive. This may positively impact the North Dakota agricultural sector by helping to source products locally in the state.
 - NAI may employ up to 1,000 North Dakota residents for construction of its plant. In addition to the intended preservation of existing jobs in the area (from the use of resources and byproducts), NAI initially plans to employ up to 500 people for the operation of its 2 million ton per year iron manufacturing facility. However, with the feedstock reserves in Minnesota, NAI may be able to expand its operations to employ over 1,500 people.

Facilities:

The facility is planned to be constructed in Underwood, North Dakota and NAI has a non-binding letter of interest dated April 28, 2023 from the land holder (Rainbow Energy Center) to enter into a real property lease. This location has ready access to water supply and power supply, and is located near existing rail lines.

Resources:

SHC, NAI and CRC are in discussions with industry leaders, including Kiewit Corporation, a corporation specializing in mine management, production, infrastructure construction, maintenance and contract mining ventures, and Tenova, a vendor/engineer for the provision of hydrogen-based iron making processes.

Techniques to Be Used, Their Availability and Capability:

See methodology above.

Environmental and Economic Impacts while Project is Underway:

There is a trend to move towards carbon-reducing technologies for steel production. As discussed, given the noted challenges with current iron making processes, NAI is proposing to use the Tenova hydrogen-based HYL iron making process which includes a complete amine carbon capture system. This system takes carbon emissions and converts them to CO₂. The CO₂ conversion results in a food grade CO₂, available to provide to the domestic CO₂ industry with any surplus CO₂ being sequestered onsite. Tenova's OSBF produces a low Sulfur and Phosphorus pig iron product, which may be used by U.S. steel mills and foundries (see "Methodology" above).

Ultimate Technological and Economic Impacts:

The domestic demand for merchant pig iron is currently being met by importing this product from foreign countries – Brazil, Russia/Ukraine, India, China, and others. The cost and logistical advantages achieved by this project may give NAI an advantage over global competitors, including large steel companies. The objective is to: 1) utilize hydrogen-based iron making technology to produce pig iron from mine waste; 2) develop green domestic merchant pig iron, eliminating trans-oceanic shipping; 3) potentially create an estimated 1,000 North Dakota construction jobs, and long-term approximately 500 North Dakota plant operation jobs in North Dakota and an additional estimated 150 jobs in Minnesota; 4) expand on available land in Minnesota's Northland for environmental or recreational use; 5) develop a plant for the production of pig iron, and 6) allow increased energy production in North Dakota through natural gas consumption and carbon sequestration and contribute to enhanced oil recovery.

Why the Project is Needed:

SHC views the project as vital for reducing reliance on high-carbon emission foreign imports while best leveraging natural resources in the region. It is SHC's belief that this project is only viable due to the combination of existing underused iron resources in Minnesota in close proximity to North Dakota and its energy industry output and input needs to create a low-carbon footprint product.

STANDARDS OF SUCCESS

The standards by which the success of the project is to be measured. This may include:

- *Emissions reduction.*
- *Reduced environmental impacts.*
- *Increased energy sustainability.*
- *Value to North Dakota.*
- *Explanation of how the public and private sector will make use of the project's results, and when and in what way.*
- *The potential commercialization of the project's results.*
- *How the project will enhance the research, development and technologies that reduce environmental impacts and increase sustainability of energy production and delivery of North Dakota's energy resources.*
- *How it will preserve existing jobs and create new ones.*
- *How it will otherwise satisfy the purposes established in the mission of the Program.*

As discussed above, the project will be measured by achieving the key outcomes below while also being a profitable business that produces an acceptable return to investors.

Key outcomes:

- Emissions Reduction/Resource Synergies; relative to imported iron
- Reduced Environmental Impacts; reclamation, byproduct use
- Increased Energy Sustainability; carbon sequestration
- Commercialization Success; produces acceptable profitability
- Value and Synergies for North Dakota; jobs, benefits to energy industry

BACKGROUND/QUALIFICATIONS

*Please provide a summary of prior work related to the project conducted by the applicant and other participants as well as by other organizations. **This should also include summary of the experience and qualifications pertinent to the project of the applicant, key personnel, and other participants in the project.***

See below for a copy of all biographies and resumes of the current project team.

James Bougalis

Mr. Bougalis is the CEO of Scranton Holding Company, North American Iron, Inc., and Calumet Reclamation Company. Mr. Bougalis is the Lead Project Manager for this initiative. Mr. Bougalis is the founder of Bougalis Companies, a civil construction firm located in Hibbing Minnesota. This firm specializes in underground utilities, road and site construction, demolition, and scrap processing. Mr. Bougalis also founded Scranton Iron, Inc., a full-service recycling hub located in the center of Minnesota's Iron Range.

Johann Grobler

Mr. Grobler is SHC's chief engineer. He has 40 years of experience in project management and engineering in iron ore, specifically in preliminary processing methods. Mr. Grobler's unique expertise and original contributions fall in two distinct areas: technical innovation and business management. Mr. Grobler has made original contributions in the development of three innovative technologies, including iron ore characterization, Ultra-High Dense Medium Separation, and ferrosilicon production. While each of these innovations may be used individually to solve various challenges in the mining industry, these technologies are also used in tandem to process low-grade iron ore dumps, such as those found in Minnesota, into sellable iron ore.

Dale Hintsala

Mr. Hintsala is the former President of Noramco Engineering Company, Hibbing, Minnesota. Mr. Hintsala graduated from Michigan Technological University with a Bachelor of Science degree with honors in Civil Engineering. Mr. Hintsala previously worked for Davy McKee in the position of Manager of Engineering for the Hibbing, Minnesota branch. More recently, Mr. Hintsala was one of the founders and President of Noramco Engineering Company, Hibbing, Minnesota.

Dan Hintsala

Mr. Hintsala has been in the mining engineering field for over 50 years. Mr. Hintsala founded and operated U.P. Fabricators for 25 years. Mr. Hintsala graduated from Michigan Technological University in 1964 as a Mechanical Engineer. He began his career in the mining industry with Hanna Mining Company in Iron River, Michigan. In 2005, Mr. Hintsala became part of a new Michigan company called UP Steel. With UP Steel, Mr. Hintsala received a \$550,000 grant from Michigan State to design and build a rotary hearth furnace to turn iron ore into an iron nugget using microwave as the heating source. Mr. Hintsala designed the system used as a pilot project to process iron ore to manufacture iron nuggets.

Bruce Kettunen

Mr. Kettunen spent nearly 30 years as the Senior Process Engineer for Noramco Engineering Corporation. In this role he worked in mineral process engineering for projects in iron ore, industrial minerals, base metals, precious metals, and the chemical and pyro processing industries. Prior to taking on this role, Mr. Kettunen spent 10 years working as a Senior Engineer for United States Steel Corporation. He has his Bachelor of Science in Metallurgical Engineering from Michigan Technological University.

Gary Liubakka

Mr. Liubakka serves as a member of the Board of Directors and will provide oversight of mineral resources and characterization. As a fee representative of Great Northern Iron Ore Properties for over 25 years, he has logged and recorded the iron deposits across the Mesabi Range. Mr. Liubakka has been involved in the development of numerous technologies in the field of mining and oil. He has provided assistance to multiple mining operations on the Iron Range to include geological exploration and mining process evaluations.

James Sellner

James Sellner PE, PG, Sellner is SHC's mineral leasing and permitting specialist. He has been an engineer for 40 years and has worked in various aspects of mining engineering. For the past 4 years, he has served as a Mining and Geological Engineering consultant. In this role, he has performed lease negotiations and drafted mineral and surface leases for clients. Mr. Sellner also has experience performing mineral and surface title research. Mr. Sellner is a licensed professional engineer and geologist in the state of Minnesota.

Intended Industry Relationships

SHC, NAI and CRC are in discussions with industry leaders, including Kiewit Corporation, a corporation specializing in mine management, production, infrastructure construction, maintenance and contract mining ventures, and Tenova, a vendor/engineer for the provision of hydrogen-based iron making processes.

Kiewit Corporation

According to www.Kiewit.com, Kiewit is one of North America's largest construction and engineering organizations (described as a \$13.7 billion organization with over 25,700 staff and craft employees). Kiewit has developed a permitting plan for the proposed project. SHC/NAI intend to utilize Kiewit to serve as the general contractor for construction of the processing facility in North Dakota.

Tenova, Inc.

According to www.tenova.com, Tenova is a \$1 billion multinational organization and a leading designer and developer of technological solutions for metal processing that reduce costs, save energy, decarbonize steel production and reduce environmental impacts (wholly owned by the Techint Group, a \$25.5 billion (2022) multinational conglomerate with 52,000 employees globally dedicated to steel making, building of complex infrastructures, technologies for the metals and mining industries and several other related industries). SHC/NAI intend to utilize Tenova's hydrogen-based HYL iron making process (see "Methodology" above).

MANAGEMENT

*A description of **how** the applicant will manage and oversee the project to ensure it is being carried out on schedule and in a manner that best ensures its objectives will be met, **and a description of the evaluation points to be used** during the course of the project.*

The existing team will oversee the feasibility and permitting phase to fruition.

When permitting is imminent, NAI will seek strategic relationships in the metals processing industry to assist in project completion and ongoing operations. At such time, NAI intends to recruit executive talent with extensive large plant operation skillsets. SHC has also begun discussions with investment firms on the financing of the processing facility.

TIMETABLE

Please provide a project schedule setting forth the starting and completion dates, dates for completing major project tasks/activities, and proposed dates upon which the interim reports will be submitted.

Begin FEL-2 phase (design and permitting)	Q423
Determine financing plan	Q324
Complete FEL-2	Q225
Begin procurement and delivery	Q225
Begin construction	Q126
End construction/begin commissioning	Early 2029
Begin operations	Summer/Fall 2029

NAI is willing to provide regular updates to the CSEA to match this timetable or as otherwise requested.

BUDGET

*Please use the table below to provide an **itemized list** of the project's capital costs; direct operating costs, including salaries; and indirect costs; and an explanation of which of these costs will be supported by the financial assistance and in what amount. The budget should identify all other committed and prospective funding sources and the amount of funding from each source. **Please feel free to add columns and rows as needed.** Higher priority will be given to projects with a high degree of matching private industry investment.*

Project Associated Expense	NDIC Grant	NDIC Loan	Applicant's Share (Cash)	Other Project Sponsor's Share	Total
Engineering/permitting	3,600		3,600		7,200
Wages/benefits	1,300		1,300		2,600
Mineral exploration/testing	550		550		1,100
Capital equipment	300		300		600
Legal/accounting/tax	450		450		900
G&A/office/other	400		400		800
Contingent FEL-2	400		400		800
Stock offering expenses			1,200		1,200
FEL-3/early next phase activity	5,000		6,800		11,800
Total	12,000		15,000		27,000

Dollars in 000s; for current phase of project (feasibility, design and permitting; approximately 2 years)

Please use the space below to justify project expenses and discuss whether the project's objectives will be unattainable or delayed if less funding is available than requested.

The budget presented above mainly supports the FEL-2 (front end loading) phase where SHC's design and permitting contractors will perform full scale engineering work on the process and facility (including equipment) and apply for all permits. The remainder of the budget is intended to be utilized for consultants and internal support staff needed to complete this phase. Additionally, continued mineral exploration, testing and acquisition work will be required. SHC believes the budget is reasonable for other related administrative expenses.

However, SHC believes that without grants under CSEA that the project could be slowed. Although SHC is seeking equity financing in a Series B round, there are no assurances that SHC will achieve a full subscription. SHC also wishes to get a head start on post FEL-2 activities that will support achieving operational functionality in 2029. Without grant funds, the timing could be further delayed.

CONFIDENTIAL INFORMATION

A person or entity may file a request with the Commission to have material(s) designated as confidential. By law, the request is confidential. The request for confidentiality should be strictly limited to information that meets the criteria to be identified as trade secrets or commercial, financial, or proprietary information. The Commission shall examine the request and determine whether the information meets the criteria. Until such time as the Commission meets and reviews the request for confidentiality, the portions of the application for which confidentiality is being requested shall be held, on a provisional basis, as confidential.

If the confidentiality request is denied, the Commission shall notify the requester and the requester may ask for the return of the information and the request within 10 days of the notice. If no return is sought, the information and request are public record.

Note: Information wished to be considered as confidential should be placed in separate appendices along with the confidentiality request. The appendices must be clearly labeled as confidential. If you plan to request confidentiality for **reports** if the proposal is successful, a request must still be provided.

To request confidentiality, please use the template available at <http://www.nd.gov/ndic/CSEA-app-doc-infopage.htm>.

NOTE ON BUSINESS PLAN IN APPENDIX TO THIS APPLICATION. SHC HEREBY AUTHORIZES THE COMMISSION TO COPY OR REDISTRIBUTE THE BUSINESS PLAN AT THE COMMISSION'S DISCRETION AS REQUIRED TO EVALUATE AND PROCESS THIS APPLICATION (BUT NOT FOR ANY OTHER PURPOSE).

PATENTS/RIGHTS TO TECHNICAL DATA

Any patents or rights that the applicant wishes to reserve must be identified in the application. If this does not apply to your proposal, please note that below.

None noted.

STATE PROGRAMS AND INCENTIVES

Any programs or incentives from the State that the applicant has participated in within the last five years should be listed below, along with the timeframe and value.

SHC has applied with the North Dakota Development Fund for an investment. This is currently contemplated as an equity investment of \$3 million.

**Industrial Commission
Tax Liability Statement**

Applicant:


Application Title:

Program:

- Lignite Research, Development and Marketing Program
- Renewable Energy Program
- Oil & Gas Research Program
- Clean Sustainable Energy Authority

Certification:

I hereby certify that the applicant listed above does not have any outstanding tax liability owed to the State of North Dakota or any of its political subdivisions.

Signature  _____

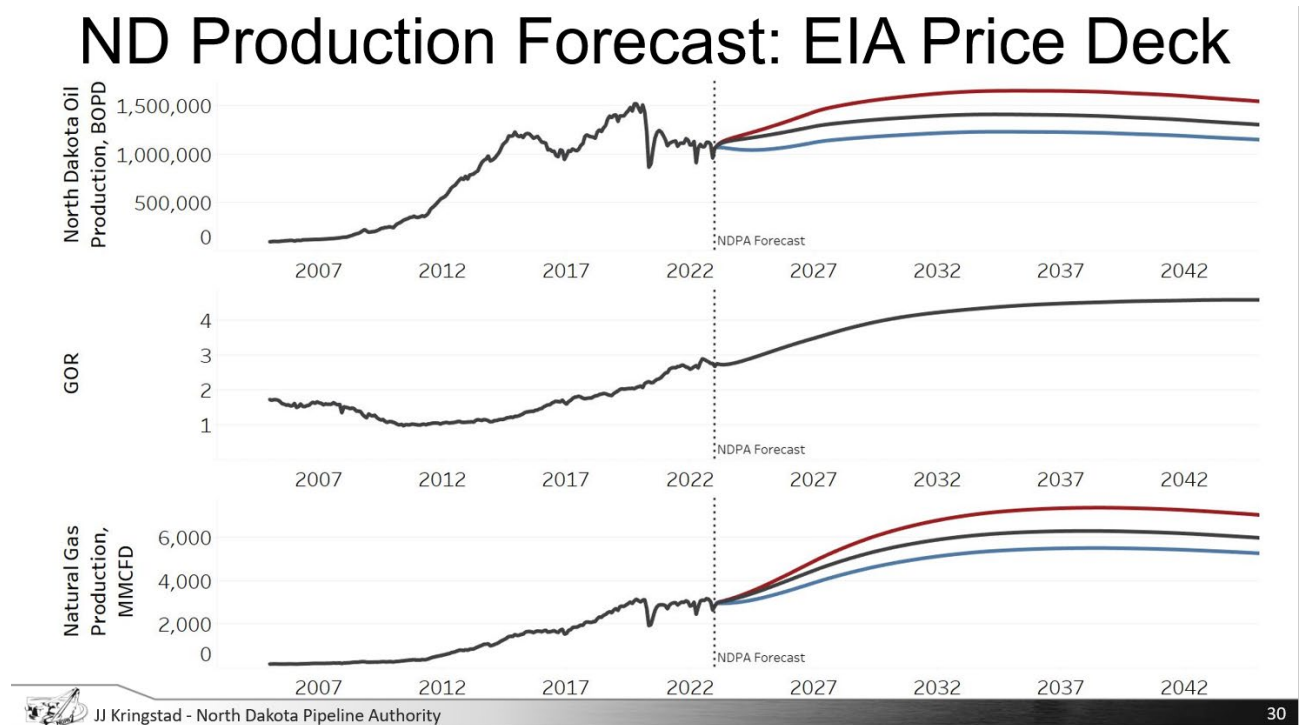
Title

Date

Other Appendix

Scranton Holding Company Green Pig Iron Processing Facility

Natural Gas Production Forecast North Dakota





2875 Third Street SW
Underwood, North Dakota 58576
701.207.9988
rainbowenergycenter.com

October 26, 2023

Mr. Jim Bougalis
Scranton Holding Company
jimbougalis@gmail.com

By Electronic Mail

Re: Letter of Support for Scranton Holding Company

By this letter, Rainbow Energy Center, LLC ("REC") offers its support for Scranton Holding Company ("Scranton") and its continued development of a business plan to produce merchant pig iron in a manner that, after a hydrogen based iron making process and carbon sequestration, generates nominal net carbon emissions and reduces US dependency on foreign iron (the "Project").

REC and Scranton are engaged in ongoing discussions regarding the Project and remain excited about the potential for this Project to develop at REC's Coal Creek Station located near Underwood, North Dakota. As we continue to execute our vision to reduce carbon emissions at Coal Creek Station, we welcome the opportunity for potential partnerships with companies such as Scranton that complement our vision.

Specifically, Scranton is seeking results such as commercialization, emissions reduction, resource synergies, reduced environmental impacts and increased energy sustainability, all of which align with REC's goals. Furthermore, REC has the ability to provide Scranton adequate water supply, power supply and existing rail, making Coal Creek Station an attractive site for the Project. Finally, the Project has the potential to foster development and growth for local communities such as Underwood, North Dakota that are exceedingly important to REC, our employees and their families.

We look forward to continuing our discussions regarding the Project and a potential partnership with Scranton. Please feel free to contact me if you have any questions.

Regards,

A handwritten signature in blue ink, appearing to read "Stacy L. Tschider", is written over a light blue horizontal line.

Stacy L. Tschider



TELEPHONE 701-223-9282
FAX NUMBER 701-223-4147

3501 E ROSSER AVE
BISMARCK, ND 58501

October 30th, 2023

Mr. Jim Bougalis

Scranton Holdings Company

DMVW, a locally owned and operated shortline railroad company offers its full support for Scranton Holdings Company potentially building their new facility at the Rainbow Energy Center. The economic impact that this will have on the local area will assure that North Dakota will remain strong for generations to come.

Scranton Holdings will create 100's of new jobs both during the construction and ongoing plant operations that will insure that the local communities will thrive even during tough economic conditions. We at DMVW will need to substantially increase our own workforce to be able to serve the needs of Scranton Holdings which will be excellent, long term careers.

At DMVW we feel that with the new carbon sequestration that is happening at Coal Creek Station and the ability to get natural gas produced at North Dakota oil wells, this project will make Scranton Holdings a key producer in the pig iron industry which will reduce the overall need for foreign sourced materials.

We look forward to this opportunity and feel strongly in the goals and long-term outcome for North Dakota and thus DMVW fully supports this project.

Sincerely,

Mark Trottier

DMVW Railroad

Bismarck ND