



CONTACT:

Char Kinzer
Manager of Public Relations
218-829-2827
1-800-648-9401
24 hr cell number: 218-831-1180

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Proposed Manganese Project Moves Forward

City of Emily Approves Fee Agreement for Demonstration Project

EMILY, Minn. – Plans to test a new way to mine manganese have passed another important milestone. The City of Emily approved an agreement that will allow the city to collect a fee and Cooperative Mineral Resources (CMR) to move forward with plans for the demonstration project. Under the terms of the agreement, Emily will receive a payment of one-half cent for every pound of manganese that CMR recovers and sells as part of the bulk sample demonstration project slated to start this fall. As a regulatory body, the city has the right to recover its reasonable costs incurred as a result of regulating a land use.

The agreement is related to the Interim Use Permit approved by the Emily Planning and Zoning Commission three weeks ago, which allows CMR to continue to move forward with plans for the bulk sample demonstration project. CMR will use a water-based process to extract manganese and ore from a site just north of the main city. The five-acre site where the manganese is concentrated is owned by CMR, a subsidiary of Crow Wing Power (CWP).

CMR has a permit to remove up to 12,000 cubic yards of ore during the demonstration project. The ore contains a mixture of silicon, iron and manganese. As part of the demonstration project, a lab in Coleraine, Minnesota, will refine the recovered material to extract the manganese. The mineral will then be sold as a commodity. The City of Emily, which has the largest known deposit of manganese in North America, would receive its fee when the material is actually sold. All of the known manganese currently used in North America is imported.

"If the demonstration project is successful and we are able to secure permits for a commercial operation," said Bruce Kraemer, president of CMR and CEO of CWP, "We've estimated an opportunity to extract up to 1 billion pounds of highly concentrated manganese. Right now we are focused on conducting the demonstration project to test the water-based process. This will give us the information we will need to decide if it makes sense to pursue a commercial removal of the large deposit of manganese."

CMR estimates that the demonstration project will take two to three months to complete. The company will then examine data from the site and lab in Coleraine to determine if the water-based process meets environmental and financial standards needed if the company decides to pursue a full-scale commercial operation.

If CMR moves forward with plans for a commercial operation, the company will need to complete an intensive Environmental Impact Statement and reapply for permits to extract more manganese. The City of Emily will need to sign another fee agreement with CMR to continue receiving the one-half cent per pound payment.

"This opportunity is important for the people who live and work in the area who could share the benefits of a Minnesota resource," Kraemer said. "We have found the best way to recover the manganese using a water-based technology that is the most environmentally friendly method to extract the mineral. The demonstration project will test our plan to see how it works, what the numbers look like, and if we think it could work on a larger scale. This is a special part of Minnesota that we also call home. Any decisions we make will be done with this in mind."

CMR has been working closely with the Minnesota Department of Natural Resources, the Minnesota Pollution Control Agency, the U.S. Environmental Protection Agency, Minnesota Department of Health, Minnesota Department of Transportation, the Emily City Council, and the Emily Planning and Zoning Commission to secure permits and other approvals needed for the demonstration project.

CMR is awaiting approval from the EPA for a permit to construct and operate the injection well that will be used for the demonstration project.

To learn more about the proposed manganese project, please visit www.cwpower.com.

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