



NorthStar Pellets



Seeking a \$25 per metric ton production incentive for an industrial wood pellet plant.

Support S.F. No. 1163 and H.F. No. 1486

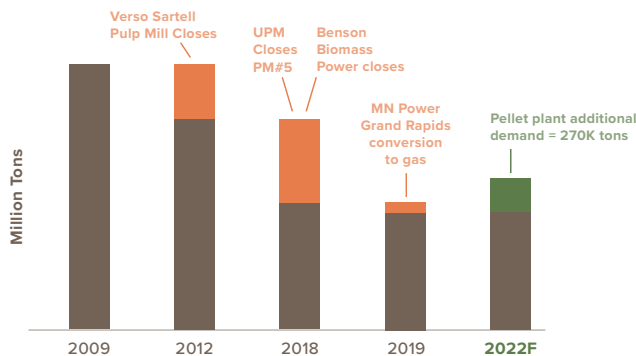


GREAT FOR MINNESOTA

- **45 Direct Jobs / > 245 Total Job Impact** (Source: Minnesota Department of Employment and Economic Development)
- **\$17 Million Per Year** of Export Revenue
- **\$14.7 Million in Wages and >\$56 Million in Annual Economic Activity**
- **Diversifies Forest Products Industry and Creates New Residual Market**
- **Does Not Limit Residual Availability for Pulp & Paper Industry**
- **Benefits School Trust Lands Through Additional Revenue**
- **Improves Forest Health and Landowner Economics - Broader Species Mix**
- **Opens Minnesota to a Growing Global Renewable Energy Market**

Why a Wood Pellet Plant in Minnesota?

Readily Available Residual Fiber Source Minnesota Sawmill Residual Demand

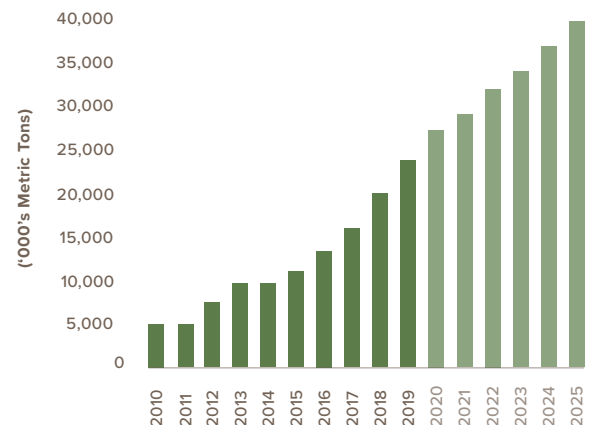


Over 1.2 Million Ton Decline in Wood Fiber Demand Due to End User Closures

- // Ample supply of sawmill residuals resulting from a decade of demand decline.
- // Wood pellet plant would use only a small fraction of total wood fiber demand.
- // Nearly 250,000 cords of Minnesota DNR timber sales unsold in FY2019.

Growing Global Industrial Wood Pellet Demand

Average Growth = 2.5 Million Metric Tons/Year

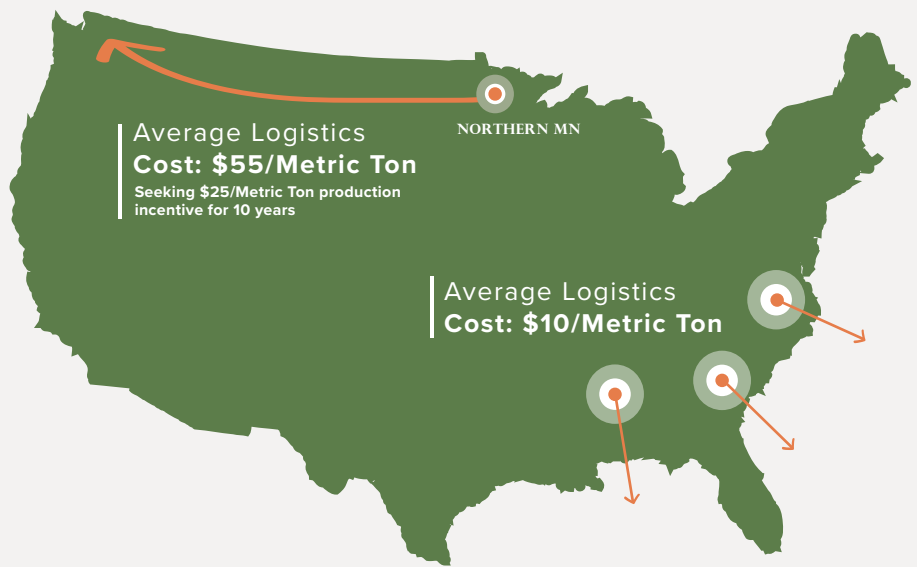


- // Growing global demand for use in renewable energy market.
- // Wood pellets have a substantially lower carbon footprint than coal.
- // Welcome diversification for sawmill residuals to counter secular decline in pulp & paper.

Project Details

NorthStar Pellets Faces Freight Disadvantages

- // Location: Bemidji and/or Grand Rapids, Minnesota
- // \$45 Million Investment per plant
- // No Technology Risk
- // 100% Residual Fiber
- // 330,000 Tons Residuals = 150,000 Metric Tons Pellets
- // Dryer Fuel = 50,000 Tons bark
- // Minor Source Air Permit
- // Transport: BNSF Mainline
- // Port: Vancouver, BC - Leading Wood Pellet Handling Port
- // Export to Asia (15-20 Year Take-or-Pay Agreement)



HIGH ROI FOR STATE OF MN >20-1 IN FIRST DECADE AND > BEYOND

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“Diversifying school trust revenues is a major goal for the Office of School Trust Lands. The NorthStar Pellet facility proposal is a prime example of how to create a new revenue stream while also addressing climate change.”

Aaron Vande Linde // School Trust Lands Director, Minnesota
Department of Natural Resources

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“Wood pellets provide additional utilization markets and energy sources for Minnesota’s economic and environmental future.”

Brian Hubert // Minnesota Forestry Association



Questions?

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