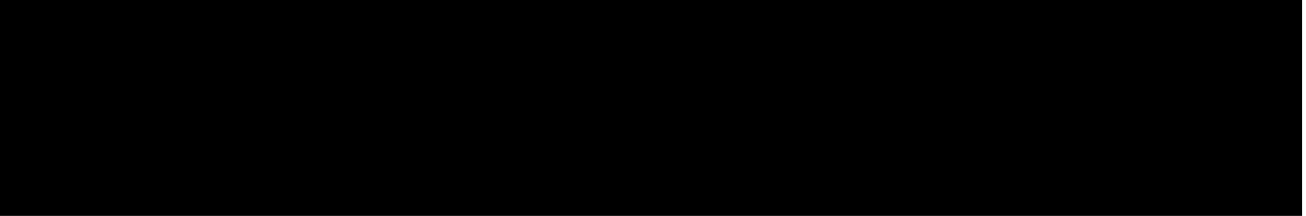


Decision Note
Department of Industry, Energy and Technology

Title: 2024 Call for Bids– Fundamental Decision 2024.01

29.(1)(a)

Decision / Direction Required:



Background and Current Status:

- On March 1, 2024, the Board submitted to the Minister FD 2024.01 respecting the making of Call for Bids NL24-CFB01 (see Attachment A).
- Pursuant to the Accord Acts, Ministers are required to approve or reject a FD within 30 days after receipt of notice, which is no later than **March 31, 2024**.
- A Call for Bids is the legislated process for the issuance of rights to explore for oil and gas in the NL offshore area.
- Pursuant to ss 57(2) and ss 58(2) of the Accord Acts, the Board has decided to issue one Call for Bids – NL24-CFB01. The areas covered by the Call are within the scope of the *C-NLOPB Eastern Newfoundland Strategic Environmental Assessment (2014)*, as well as the *Regional Assessment of Offshore Oil and Gas Exploratory Drilling East of Newfoundland and Labrador*. The Call will offer 41 parcels encompassing a total of 10,287,196 hectares.

29.(1)(a)

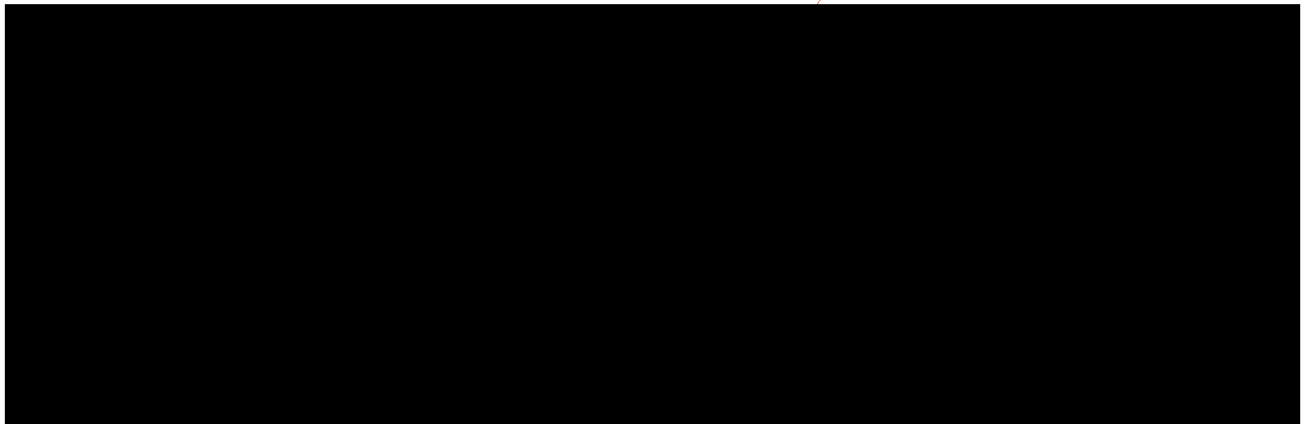
Analysis:

- The 2023 Call for Bids for the Eastern Newfoundland Region and South Eastern Newfoundland Region yielded no bids. [redacted] offering of 47 parcels covering 12,204,826 hectares.

29.(1)(a)

- [redacted] The Board has decided not to proceed with a Call in the Jeanne d'Arc Region again this year. Future Calls in this area will continue to be assessed on annual basis consistent with the Scheduled Land Tenure System.

29.(1)(a), 35.(1)(d)



Prepared/Approved by: R. Janes, R. Montague / D. Corkey, J. Petrovic, C. Carter / N. Abundo / C. Martin

Ministerial Approval:

March 19, 2024

A large, stylized handwritten mark or signature, possibly representing the letter 'A', consisting of a large loop on the left and a vertical stroke on the right.A smaller, cursive handwritten signature, likely belonging to one of the individuals listed in the 'Prepared/Approved by' section.

ATTACHMENT A
Fundamental Decision 2024.01

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SCHEDULE "A"

I - FUNDAMENTAL DECISIONS RELATED TO NL24-CFB01

A. ISSUANCE OF CALL FOR BIDS

Fundamental Decision 2024.01

Pursuant to section 58 of the *C-NLAAIA* and section 57 of the *C-NLAAINLA*, the Board has decided to proceed with the issuance of Call for Bids No. NL24-CFB01 (Eastern Newfoundland), as annexed hereto, subject to Ministerial Approval.

Dated March 1, 2024

DocuSigned by:

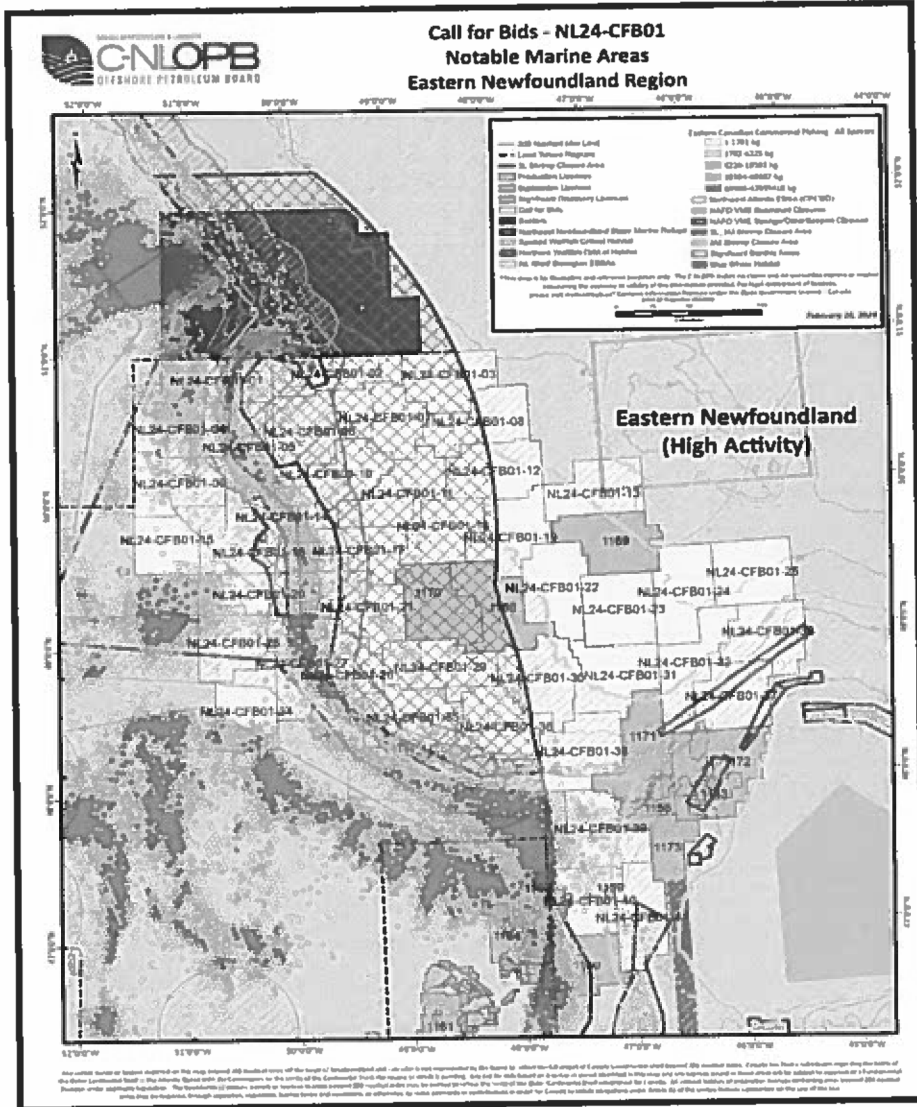
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Roger Grimes
Chair
On behalf of the Board

Map delineating FD 2024.01

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MAP A Parcel Configuration with Notable Marine Areas Call for Bids No. NL24-CFB01 Eastern Newfoundland Region



The Tower Corporate Campus ■ 240 Waterford Bridge Road
West Campus Hall ■ Suite 7100 ■ St. John's, NL A1E 1E2

T. 709 778 1400
F. 709 778 1473

WWW.CNLOPB.CA

Meeting Note
Department of Industry, Energy and Technology (IET)
Minister and Matador Mining Ltd.
Monday, March 25, 2024 at 11:30 am
Minister's Boardroom

Attendees:

Sam Pazuki, CEO and Management Director, Matador Mining Ltd. (Matador)
(See Bio in Annex A)

Andrew Parson, KC, Minister, IET
John Cowan, Deputy Minister, IET
Alex Smith, ADM, IET

Purpose of the Meeting:

- Matador requested a meeting to discuss current exploration project.

Background:

- Matador is an exploration company focused primarily on the discovery of precious and critical metals. It holds mineral claims covering 27 kilometres of continuous strike at its Hermitage property on the southwest portion of the Island.
- In 2016, Matador and Benton Resources registered the Cape Ray Gold Partnership Project for Environmental Assessment (EA). It was determined that an Environment Impact Statement (EIS) was required but the company did not file an EIS resulting in the registration expiring. Matador subsequently registered the Cape Ray Gold Mine Project for EA in November 2022 but subsequently withdrew the project in December 2022.
- In May 2023, Matador released its updated mineral resource estimates for the Cape Ray Gold Mine Project. The 2023 estimate is 9.7 million tonnes of ore grading an average 1.96 grams per tonne for a total of 610,000 ounces of gold.
- In December 2023, Matador announced it had raised approximately \$9.5 million in 2023 between its share purchase plan and equity raising. The capital collected will be used to further advance exploration, general working capital, and drill programs.
- Matador currently has three exploration approvals from IET for drilling and an airborne survey, and they also have the necessary permits for water crossings, including for the Isle Aux Morts River, required under the *Water Resources Act*.
- In October 2021, an inspection was completed by IET officials on the Cape Ray Project in reference to five exploration approvals (drilling, trails, camp) the company worked on between 2019 and 2021. The inspection report identified concerns associated with the poorly planned access trails/roads in combination with the boggy/wetland terrain. Ground disturbance was noted to be significantly higher than industry standards and a requirement for better planning and rehabilitation was noted throughout the report.

- Matador prepared a follow-up report documenting action that was taken to address non-compliance for their diamond drill locations (via their then environmental consultant). This report illustrated that the drill sites were rehabilitated in accordance with the terms and conditions.
- IET met with Matador several times through 2023 to discuss planning and mitigation measures at the site(s).
- In February and March 2024, IET received several complaints regarding ground disturbance and lack of remediation and rehabilitation that had been done by Matador since acquiring the Cape Ray Property in 2018.
- IET officials are meeting with Matador prior to the Minister's meeting and will inspect the Project during this year's field season.

Prepared/Approved by: S. Brewer / T. Walters / K. Bradbury/A. Smith
Ministerial Approval:

March 21, 2024

A handwritten signature in black ink, appearing to read "John Leon". The signature is written in a cursive style with a large, stylized initial "J" and a long, sweeping underline.

Annex A - Biography**Sam Pazuki, CEO and Management Director, Matador Mining Ltd.**

Mr. Pazuki is based in Toronto and has over 20 years of mining industry experience in senior leadership positions. He joined Matador as CEO / MD after nearly ten years with dual-listed OceanaGold Corporation where he led the Investor Relations and Corporate Development functions most recently as Senior Vice President, Corporate Development.

Prior to OceanaGold, Mr. Pazuki advised major mining companies, including BHP Billiton, as a management consultant within Ernst & Young's Advisory Services practice in Toronto, and was part of a team that helped establish a Climate Change and Sustainability practice for the firm.

Mr. Pazuki is a member of the Professional Engineers of Ontario and has a Bachelor's Degree in Engineering and a Masters of Finance.

Mr. Pazuki's extensive global capital markets network and gold industry leadership expertise will assist Matador in leveraging its current and future success as it grows the business, successfully advances the Cape Ray Gold Project and expands the Company's shareholder base in North America.

Backgrounder: ATLANTIC WOMEN'S ANGEL FUND
March 22, 2024

Company Background:

- The Atlantic Women's Angel Fund is managed by partners Andrea King, Laurie MacKeigan, Kathryn Lockhart and Lauren Ledwell. Several limited partners at Sandpiper Ventures are also volunteering their time.
- The fund has a mission to create a platform to engage women as founders, investors and mentors with the goal of nurturing women investors while empowering women founders to drive growth in the Atlantic Canadian startup ecosystem. The fund focuses on early-stage, innovative companies with a technology-enabled solution.
- The fund is associated with the Women's Equity Lab (WEL), an initiative of the Atlantic Women's Venture Foundation, which operates across North America and shares resources and expertise with other female entrepreneurs looking to move into angel investing. WEL Atlantic is the only pan-Atlantic angel fund investing across all four Atlantic provinces. Other WEL groups can be found in Manitoba, Toronto, Vancouver, Victoria, and Silicon Valley.
- The Atlantic Women's Angel Fund will be open to startups anywhere in Atlantic Canada and will be sector agnostic.
- In January of 2023, the fund was worth approximately \$150,000, with 30 investors contributing \$5,000 each. Investments made by the fund will be between \$25,000 and \$50,000 for three to six portfolio companies in total. Once the first fund is depleted, the partners will start a second fund with the option for new investors to join.

GNL Support:

- To date, there has been no funding given to the Atlantic Women's Angel Fund from the Province.

A handwritten signature in black ink, appearing to read 'J. King', is located in the lower right quadrant of the page.

Appendix A**Andrea King**

- Andrea King is the Director of Media & Government Relations with Nasdaq. She has been in this role since January 2021.
- From August 2019 to December 2021, she was the Head, Government Relations & Strategic Partnerships with Verafin.
- She has worked in 25+ countries and with international organizations, and has experience in government relations, new market exploration, communications, operations, strategy and marketing.
- She is passionate about entrepreneurship, anti-financial crime, leveraging the power of financial markets, and angel investing, and is a Managing Partner for the Atlantic Women's Angel Fund.

Information Note
Department of Industry, Energy and Technology

Title: Status Update on the Standing Committee Proceedings for Bill C-49.

29.(1)(a), 34.(1)(a)(i)

Issue: [REDACTED]

Background and Current Status:

- Bill C-49 – *An Act to amend the Canada-Newfoundland and Labrador Atlantic Accord Implementation Act and the Canada-Nova Scotia Offshore Petroleum Resources Accord Act and to make consequential amendments to other Acts* has passed through second reading in the House of Commons and has been referred to the Committee.
- Testimony and submissions to the Committee to date have focused on issues related to the competitiveness of the offshore oil and gas and renewable energy industries; regulatory certainty; the economic benefits of developing the industry; and the impact on the fisheries.
- With witness testimony now concluded, the Committee is undertaking a clause-by-clause consideration of the bill, and members have proposed amendments. The proposed amendments aim to address the impacts of the Supreme Court of Canada decision on the Impact Assessment Act (IAA) as well as respond to concerns with the Bill that have been raised to the Committee by stakeholders.
- The Committee has completed two meetings with a third currently scheduled for March 18, 2024. At that time, they will continue with clause-by-clause consideration. Once all the clauses of the Bill have been considered and adopted with or without amendment, the committee votes on the Bill as a whole and sends the amended or unamended Bill to the House of Commons.
- After the Committee sends the Bill back to the House, there is an opportunity for further study of the Bill during the report stage. Members may, at this stage, propose motions to amend the text of the Bill as it was reported by the committee. Members can accept those changes, propose new amendments, or reject the committee amendments.

Analysis:

- IET officials received a copy of the proposed Committee amendments after they had been tabled. [REDACTED]

29.(1)(a), 34.(1)(a)(i)

**Information Note
Department of Industry, Energy and Technology (IET)**

Title: Mineral Regulations

29.(1)(a)

Issue: Amendment of Mineral Regulations

Background and Current Status:

- Section 4(1) (b) of the **Mineral Act** (the **Act**) allows areas of the province to be “exempted from the application of the **Act** by the regulations”. This prevents anyone from obtaining the mineral rights to these areas.
- Section 41.1 of the **Act** gives the Minister authority to make regulations under Section 4(1) (b) of the **Act** to designate areas as EML. The amendment to the regulations requires the signature of the Minister for approval and would come into effect upon being published in the Newfoundland and Labrador Gazette. Cabinet approval is not required.

29.(1)(a)

- Legislative Counsel has drafted the regulations.

29.(1)(a), 30.(1)(a), 30.(1)(b)

Analysis:

Action Being Taken:

29.(1)(a)

- Once the regulations are signed by the Minister, they will be Gazetted so that they come into effect.

Prepared/Approved by: A. Smith

Ministerial Approval:

March 19, 2024



Decision/Direction Note
Department of Industry, Energy and Technology

Title: Cellular Connectivity Call for Proposals Next Steps

Decision/Direction Required:

- Seeking direction on next steps following Cellular Expression of Interests.

Background and Current Status:

- While the federal government has constitutional jurisdiction for telecommunications, the Government of Newfoundland and Labrador is committed to working with partners through strategic investments to improve connectivity services to address public health, safety, and economic development concerns. This was recently raised at the Council of Atlantic Premiers in December 2023 where a joint letter was written to the federal government.
- In March 2022, Government released a three-year Connectivity Strategy, guided by actions related to three pillars: invest, partner, and optimize. The strategy prioritizes access to affordable and scalable 50/10 Mbps broadband Internet service, as well as improved mobile wireless coverage through strategic infrastructure investments.
- Over the past five years, IET has initiated three cellular improvement calls to assist in reducing service gaps. Government provided 25 per cent support during the first two calls, increasing its support to 40 per cent per approved project for the third call to offset increased costs for rural connectivity projects.
- In 2018, IET committed nearly \$1.5 million to ten (10) cost-shared cellular service projects, leveraging over \$4.4 million from partners.
- In 2021, IET announced over \$875,000 in cellular initiatives for 11 communities, leveraging \$2.65 million from partners.
- In 2023, IET announced a third cellular call through Expression of Interest (EOI) based on a cost share model of 40 per cent (IET), 10 per cent (communities), and the remaining 50 per cent to be contributed by the provider. The initiative was completed in two phases.

Phase 1 EOI for Communities

- Phase 1 EOI for Communities closed September 2023. 34 submissions were received, representing 75 areas that were identified as underserved.
- Communities that responded expressed willingness to contribute financially to a project if selected, dependent on affordable project costing received through Phase 2 EOI for Providers.

Phase 2 EOI for Providers

- Phase 2 EOI for Providers closed February 2024. Submissions were received from two providers: [REDACTED]

35.(1)(d)

**Decision/Direction Note
Department of Industry, Energy and Technology (IET)**

Title: Energy NL Conference and Exhibition 2024

Decision/Direction Required:

- It is recommended that approval be provided to secure and service a booth for the Energy NL Conference and Exhibition.

Background and Current Status:

- The Energy NL Conference and Exhibition is considered a premier national event to highlight NL's supply and service capabilities, technologies, and resource potential. The conference is scheduled for June 4 – June 6, 2024.
- Since 1984, Energy NL's annual conference has offered a program that focuses on emerging issues and opportunities related to eastern Canada's energy industry. The conference ran concurrently with the Atlantic Canada Petroleum Show (ACPS) until 2019. Energy NL then absorbed the trade show portion into its own program.
- Energy NL is a longtime partner of the department for participation in local and international service and supply trade shows and conferences. The 2023 conference saw over 1000 visitors and 70 exhibiting companies.

Analysis:

- IET is currently an associate member of Energy NL, which includes a directory listing on their website and access to the daily Conduit newsletter, among other benefits. Cost for this annual membership is \$1351.
- Participation in the exhibition creates networking opportunities and increases the visibility and activities of IET and the provincial government overall.
- The total cost for a 10'x20' booth floor space is \$6,800 and is included in Marketing and Promotion's zero-based budget. The booth structure utilized is proprietary to IET. Some minimal additional transportation costs are associated with attending this event. The booth would be staffed primarily from Marketing and Promotions team and supplemented by other divisions.

Alternatives:

Option 1: Provide approval for IET to secure floor space for Energy NL Conference. (RECOMMENDED)

Advantages:

- In-person exhibitor attendance provide an opportunity to engage in local promotion. The Energy NL conference and exhibition is considered a premier national event to highlight NL's supply and service capabilities, technologies, and resource potential.

Disadvantages:

- IET to incur approximately \$6800 to secure floor space for booth and \$1500 per official to attend the conference.

Option 2: Do not provide approval for IET to secure floor space for Energy NL conference. (NOT RECOMMENDED)

Advantages:

- IET would create some savings.

Disadvantages:

- IET risks missing the opportunity to display its product locally and a loss continuity in supporting the work of a longtime industry partner, Energy NL

Prepared/Approved by: A. Coates/M. Power/M. Nesbitt
Ministerial Approval:

March 7, 2024

A handwritten signature in black ink, appearing to read 'John Coates', is written over the 'Ministerial Approval' line.

Decision/Direction Note
Department of Industry, Energy and Technology

Title: H₂O: Home to Overseas Conference and Oceans 2024 Conference and Exposition

Decision/Direction Required:

- It is recommended that approval be provided to secure and service booth space at the H₂O: Home to Overseas Conference (H₂O) and Oceans 2024 Conference and Exposition (Oceans 2024).

Background and Current Status:

- H₂O: Home to Overseas Conference will be held in Halifax, Nova Scotia June 3-4, 2024. H₂O is Canada's premier event for ocean technology with significant international participation. The exhibition is expected to host 65 exhibitors and 600 delegates. The conference will include an exhibition, presentations, and business to business meetings. IET's Investment Attraction team hosted a booth at H₂O in 2023 which was followed by an international delegation travelling to Newfoundland and Labrador (NL) for an OceansAdvance event showcasing ocean tech R&D facilities. This event was a huge success and plans are underway for an enhanced NL event immediately prior to H₂O.
- Oceans 2024 will be held in Halifax September 23-26, 2024. Oceans 2024 is an internationally recognized ocean technology conference and exhibition that alternates locations globally. With approximately 2000 attendees and 100 exhibitors, the event includes plenary sessions with leaders from industry, academia, military, and government as well as training sessions, workshops, demonstrations, government listening sessions, networking opportunities and professional excursions. The show also provides self-driven business-to-business matchmaking for all participants.
- Oceans 2024 will have an ATIGA-funded pan-Atlantic Canadian pavilion, matchmaking for Atlantic Canadian participants, event coordination, and networking events.
- The cost of a 10'X20' booth space at Oceans 2024 (if purchased by April 30, 2024) is \$9,000 and an 8'X20' booth space at H₂O is \$4,600. While IET has premium booth locations reserved at both events pending approval, IET will need to confirm as soon as possible to secure both booths.
- Funds for both booth spaces are available in the Business Analysis Division (which holds the funds for Investment Attraction) budget and are within the Zero-Based Budget allotments. It is proposed that one booth be constructed for both events and the cost will be shared between the Accelerated Growth and Sector Diversification Divisions.

Analysis:

- Both events are an ideal venue to promote the province's ocean technology sector from an investment attraction, internationalization, and sector diversification perspective. Staff from the respective divisions have been working jointly on planning IET's presence at the events. The booths will also provide IET and NL companies and organizations with a space to have one-on-one meetings and act as a home for NL delegates registered as walkers.
- Booths at H₂O and Oceans 2024 will promote NL's competitive advantages and build upon the momentum from participation in Oceanology London in March 12-14, as well as last year's H₂O conference and NL showcase event, and will complement the OceansAdvance event.

Alternatives:

Option 1: Provide approval to secure booth space for Oceans 2024 and H₂O (RECOMMENDED)

Advantages:

- Proximity of the events allow an affordable opportunity for IET's Investment Attraction, Accelerated Growth, and Sector Diversification divisions to collaboratively and comprehensively market and promote the province as a place to relocate or expand businesses, purchase products or services, or utilize existing resources and infrastructure in the ocean tech sector.
- Builds on the momentum of Oceanology 2024 and last year's ocean tech event held after H₂O.
- The total expenditure of the two booths is very reasonable and maximized given only one booth build will be required.

Disadvantages:

- IET incurs expenditures related to the booth.

Option 2: IET does not purchase booth space (NOT RECOMMENDED)

Advantages:

- IET does not incur the expenditures related to the booth.

Disadvantages:

- IET does not capitalize on proximity of the events to allow an affordable opportunity for IET's Investment Attraction, Accelerated Growth, and Sector Diversification divisions to collaboratively and comprehensively market and promote the province as a place to relocate or expand businesses, purchase products or services, or utilize existing resources and infrastructure in the ocean tech sector.
- IET does not build on the momentum of Oceanology 2024 and last year's ocean tech event held after H₂O.

Prepared/Approved by: D. Murphy/ B. Norman/ G. Chatman/ S. Butler/ M. Cluett-Fizzard/
D. Grant/ K. Youden/ R. Mansour/ J. Ludmer

March 14, 2024

A handwritten signature in black ink, appearing to be 'John Norman', written in a cursive style.

Decision/Direction Note
Department of Industry, Energy, and Technology

Title: Designation of Operational Safety Officer

Decision/Direction Required:

- Seeking Minister's approval to designate an employee of the Canada-Newfoundland and Labrador Offshore Petroleum Board (the Board) as Operational Safety Officer.

29.(1)(a)

•

Background and Current Status:

- Ministerial designation of Operational Safety Officers is a requirement resulting from amendments to the Accord Acts made on December 31, 2014 to establish a comprehensive occupational health and safety regime.
- A Memorandum of Understanding (MOU) on November 25, 2014 established, among other things, the necessary educational qualifications, experience, demonstrated competencies, and certification and training that officers must have to be designated (**Attachment A**).
- Pursuant to subsection 188(1) of the *Canada-Newfoundland and Labrador Atlantic Accord Implementation Act*, for the administration and enforcement of Part III of the Accord Acts, the Provincial Minister and the Federal Minister shall jointly designate an Operational Safety Officer recommended by the Board within 30 days of receiving the name of the recommended individual from the Board.
- The Board sent IET a letter dated February 29, 2024 (**Attachment B**) recommending that Jaunty Aidamenbor be designated as an Operational Safety Officer, and in a separate letter to ServiceNL, also recommended his designation as Occupational Health and Safety Officer.

Analysis:

- Mr. Aidamenbor is an employee of the Board, under the supervision of the Chief Safety Officer. The Board has advised that Mr. Aidamenbor has met the necessary qualifications required and has submitted all required certificates and training documents.

29.(1)(a)

- Ministers shall make the designation jointly within 30 days after they receive the name of the individual from the Board. The 30-day timeline expires on **March 30, 2024**.

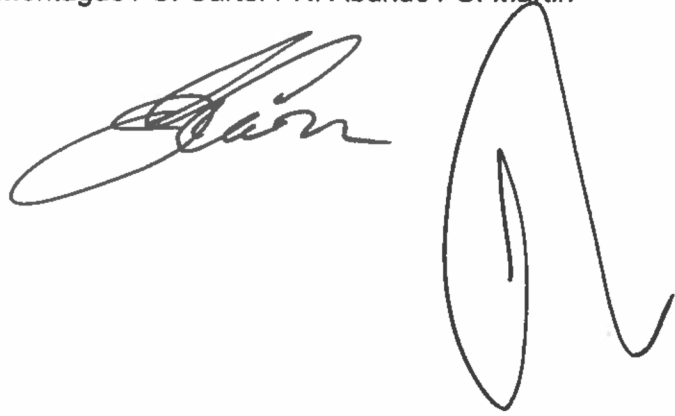
29.(1)(a)

Alternatives:

29.(1)(a)

Prepared/Approved by: M. Puddicombe, R. Montague / C. Carter / N. Abundo / C. Martin
Ministerial Approval:

March 19, 2024

Two handwritten signatures in black ink. The signature on the left is a cursive name that appears to be 'Sam'. The signature on the right is a large, stylized letter 'N'.

Attachment A

MOU Established Qualifications for Operational Safety Officers

EXPERIENCE

- (a) Minimum five (5) years petroleum and/or safety and health related experience
- (b) Professional Engineer or a recognized safety designation, or
- (c) An equivalent combination of (a) and (b).

DEMONSTRATED COMPETENCIES

- Completion of six-month probationary period
- Candidates must possess sufficient qualifications (experience, competencies, certifications and training) to carry out their functions efficiently and effectively

CERTIFICATIONS & TRAINING

- Law Enforcement Investigation Training
- Regulatory Inspection Training

If offshore travel is to be included

- Basic Survival Training
- Hydrogen Sulfide Safety (e.g. H2S Alive)
- WHMIS- First Aid/ CPR
- Offshore Medical Fitness Certification

OTHER CONSIDERATIONS

Act as co-lead, or lead accompanied by an appointed Operational Safety Officer, for at least two onsite compliance verifications (i.e. audits or inspections).

Temporary appointments of Operational Safety Officers may be required in specific circumstances (e.g. for incident inspections, inquiries and investigations, as a result of staff resignations, etc.). Such appointments may include external consultants.

Qualification requirements for a candidate for temporary appointment as an Operational Safety Officer shall be determined on a case by case basis. The appointment process will be the same as for any Operational Safety Officer; however the specific circumstances and recommended qualifications shall be clearly described.

Attachment B

Letter Received from CNLOPB

February 29, 2024

Confidential

The Honourable Jonathan Wilkinson, P.C., M.P.
 Minister of Natural Resources
 Government of Canada
 21st Floor, 580 Booth Street, , Room C7-1
 Ottawa, ON K1A 0E4

The Honourable Andrew Parsons, K.C., MHA
 Minister of Industry, Energy and Technology
 Government of Newfoundland and Labrador
 7th Floor – Natural Resources Building
 50 Elizabeth Avenue
 St. John's, NL A1B 4J6

Dear Ministers:

Re: Designation of Operational Safety Officer

Pursuant to subsection 184(1) of the *Canada-Newfoundland and Labrador Atlantic Accord Implementation Newfoundland and Labrador Act* and subsection 188(1) of the *Canada-Newfoundland and Labrador Atlantic Accord Implementation Act*, the Board shall recommend Operational Safety Officers for designation jointly to the Provincial Minister to the Federal Minister responsible for Part III.

In this regard, I write to advise that an assessment has been undertaken of Jaunty Aidamenbor and has confirmed that he meets the necessary qualifications required for an Operational Safety Officer, which are described in Annex 3 of the Memorandum of Understanding between Newfoundland and Labrador Department of Natural Resources, Natural Resources Canada and the Board. Supporting documentation is attached for your review.

If you have any questions in regard to these qualifications, please do not hesitate to contact Mr. Paul Alexander, Chief Safety Officer by telephone at (709)-699-8875 or email at palexander@cnlopb.ca. We look forward to receiving the requisite certificates of designation in due course.

Sincerely,

DocuSigned by:

 Roger Grimes, Chair

Information Note
Department of Industry, Energy and Technology

Title: 2024 Exploits Capital Plan

Issue: To provide an overview of Newfoundland and Labrador Hydro's (NLH) 2024 Exploits Capital Plan.

Background and Current Status:

- In 2008, Government expropriated the Exploits Generation Assets (EG Assets) under the Abitibi-Consolidated Rights and Assets Act. The assets included dams and generation stations at Star Lake (18 MW), Buchans (2 MW offline), Grand Falls (70 MW), and Bishop's Falls (18 MW) as well as other related infrastructure. Government paid \$54 million in compensation to Enel and Fortis and assumed \$104 million in existing loans.
- Government assigned the assets to Nalcor Energy, which assigned them to NLH to operate and purchase the output under a Power Purchase Agreement (PPA) at 4 cents/kWh.
- Until 2016, the PPA provided [REDACTED] revenue to maintain the assets, including capital costs and loan payments. However, in 2018, Government provided \$38.1 million to Nalcor to cover capital and operating expenses through 2019. Upon reconciliation of 2023 actuals (actuals through November 2023; December 2023 is forecast), the excess in PPA sales and government's contribution over operating, capital, debt and other expenses results in a forecast cumulative payable to Government as of December 31, 2023 of \$16.7 million.
- NLH advises the anticipated [REDACTED] in 2024 operating and capital expenditures, as well as debt payments [REDACTED] in PPA sales revenue, resulting in a forecast annual surplus for 2024 of \$3.6 million. As a result, as of December 31, 2024, the net payable to government is forecast to be [REDACTED]

Analysis:

- [REDACTED] Annex A provides an overview of cash flow reconciliation/planned capital projects and Annex B summarizes the various capital projects.
- The Assets are over 40 years old [REDACTED]

[REDACTED]

29.(1)(a)

29.(1)(a)

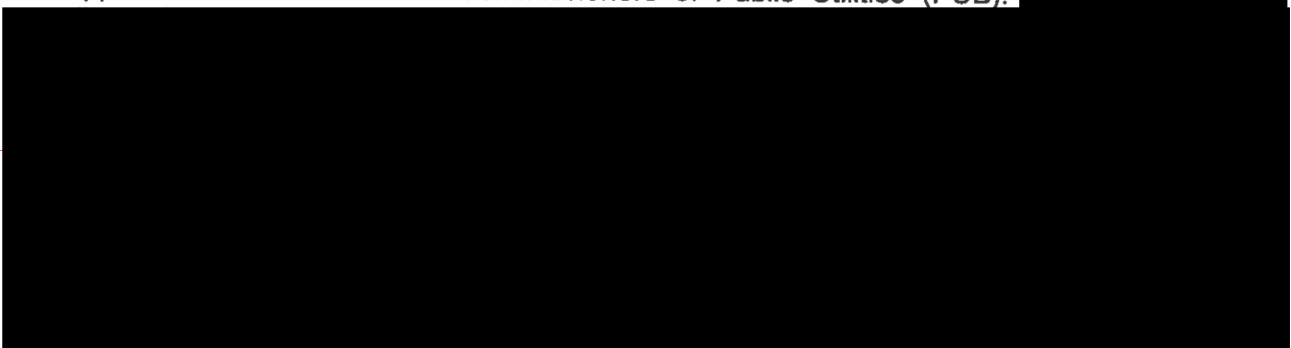
29.(1)(a), 35.(1)(g)

29.(1)(a), 35.(1)(g)

29.(1)(a)

29.(1)(a)

- In 2018, approval was provided for the transfer of the EG Assets to NLH, to be executed via application to the Board of Commissioners of Public Utilities (PUB).



29.(1)(a)

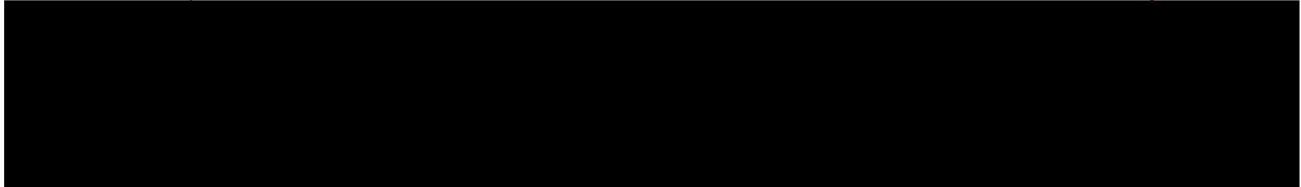
- Reliability of the electrical system is currently under PUB review and must be considered prior to any asset sale/transfer. The Exploits Generation Assets provide 755 GWh/year of energy on average and 81 MW of firm capacity, which NLH relies on for system reliability.
- NLH has confirmed its January 2024 Long Term Financial Forecast assumes the Exploit capital expenditures will proceed as proposed.

29.(1)(a)



Action Being Taken:

29.(1)(a)



Prepared/Approved by: R. Bates / C. Snook / C. Martin
Deputy Minister Approval:

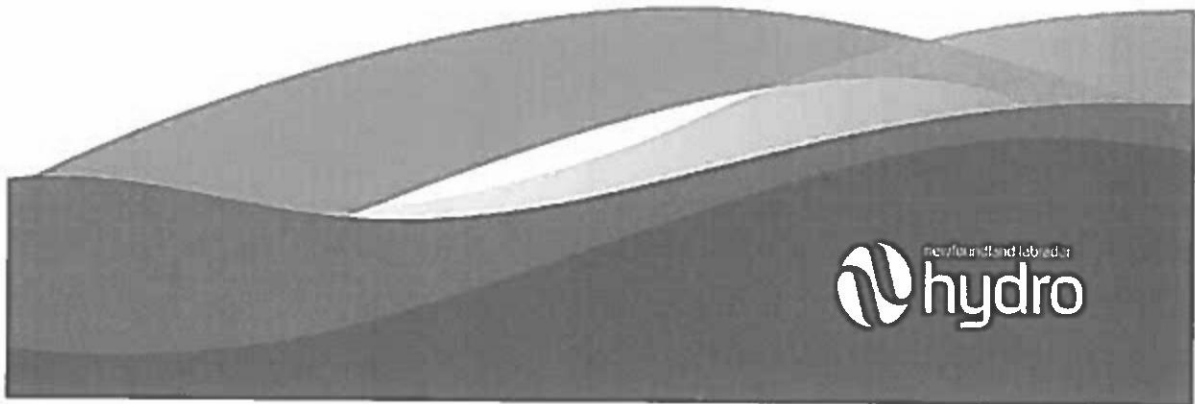
March 19, 2024

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Annex A
NLH 2024 Exploits Capital Budget Presentation

Exploits Generation
2024 Capital Budget Package

January 2024



Agenda

Purpose

2024 Funding Position

- Exploits Generation: 2009-2023 Cash Flow
- Exploits Generation: 2024 Budget
- Exploits Generation: 2024 Budget Payable to Government

2024 Capital Details

- Exploits and Star Lake: [REDACTED] 29.(1)(a)
- Exploits and Star Lake: [REDACTED]

2023 Capital Summary

- Exploits and Star Lake: 2023 Forecast Expenditures

PURPOSE

Purpose

- To report budgeted Exploits Generation funding position at December 31, 2024.

29.(1)(a)



- To receive approval from the Department of Industry, Energy and Technology for the proposed 2024 capital budget.



2024 FUNDING POSITION

Exploits Generation 2009–2023 Cash Flow

Table 1: Exploits Forecast Cash Flow Summary (\$Millions)¹

	2009–2017	2018	2019	2020	2021	2022	2023 Forecast ²	Forecast Total
Power Purchase Agreement Sales	232.7	28.4	28.0	28.0	28.5	28.7	29.9	404.2
Operating and Capital Expenses	(136.1)	(30.7)	(26.1)	(14.2)	(13.2)	(14.4)	(17.4) ³	(252.1)
Debt and Other	(108.8)	(11.4)	(11.4)	(11.4)	(11.4)	(11.4)	(7.7)	(173.5)
Funding Received from GNL ⁴		38.1						38.1
Total								\$ 16.7

**Cumulative Forecast Payable to Government as of December 31, 2023:
\$16.7 million.**

Footnotes:

1. Numbers may not add due to rounding
2. 2023 values were not complete at the time of this submission; the data provided here is forecasted for the year.
3. Operations and maintenance costs are based on actual data until end of November 2023, with a forecast number for December 2023 of the same year. Capital Expense costs are based on actual data until end of October 2023, with forecast numbers for November and December 2023.
4. In December 2018, the Government of Newfoundland and Labrador ("GNL") paid Nalcor Energy \$38.1 million based on the cumulative cash flow requirement for the period 2009–2019.

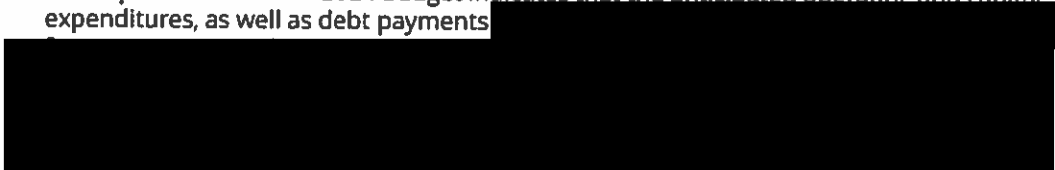
Exploits Generation 2024 Budget

Table 2: Exploits 2024 Budget (\$Millions)

	Total
Power Purchase Agreement Sales	
Exploits Operating and Removal Costs	
Star Lake Operating and Removal Costs	
Exploits and Star Lake Capital	
Exploits and Star Lake Capital Carry-Forward	
Debt Payments	
Surplus	

29.(1)(a),
35.(1)(f),
35.(1)(g)

- The Exploits Generation 2024 budget indicates that the anticipated operating and capital expenditures, as well as debt payments



29.(1)(a), 35.(1)(f), 35.(1)(g)



Exploits Generation 2024 Budget Payable to Government

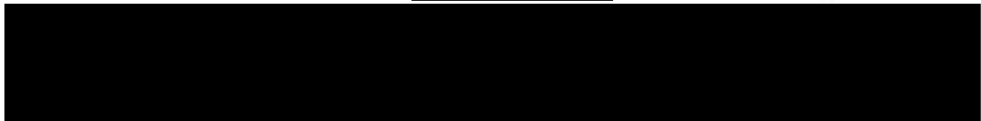
Table 3: Exploits 2024 Budget Payable to Government (\$Millions)

	Total
2023 Forecast Closing Cumulative	[REDACTED]
2024 Budget Surplus	[REDACTED]
2024 Closing Cumulative	[REDACTED]

35.(1)(f), 35.(1)(g)

- Forecast payable to the Government of Newfoundland and Labrador as of December 31, 2024: [REDACTED]

35.(1)(f), 35.(1)(g)



29.(1)(a), 35.(1)(f), 35.(1)(g)



2024 CAPITAL DETAILS

2023 CAPITAL SUMMARY

nlhydro.com



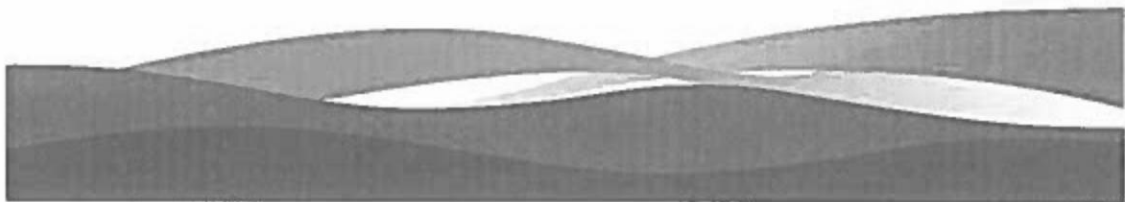
Annex B
Final Exploits 2024 Capital Budget Project Summaries

Exploits Generation

2024 Capital Budget Package

Project Summaries

January 2024



Information Note
Department of Industry, Energy and Technology

Title: Canada's Clean Electricity Regulations (CER) Update Paper

Issue: To provide information on CER Update Paper published by Environment and Climate Change Canada (ECCC) and IET's proposed response.

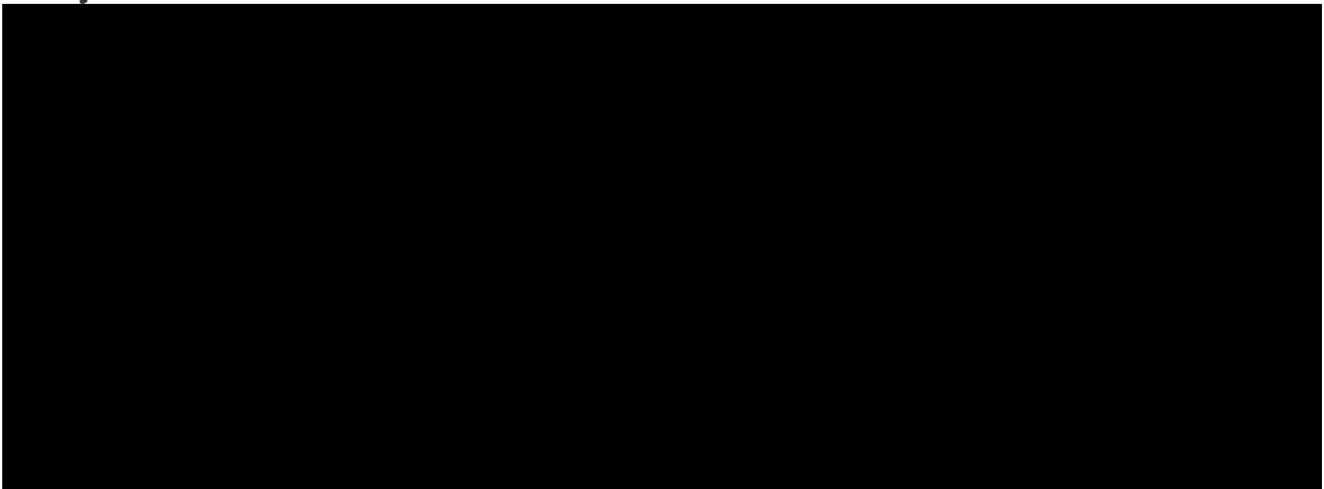
Background and Current Status:

- In August 2023, ECCC released for consultation the draft CER via Canada Gazette 1 (CG1) that applied to fossil fuel generating units and set a GHG emission standard of 30 tonnes of CO₂ per Gigawatt hour of electricity (t/GWh) annually per generating unit starting January 1, 2035. IET reviewed the CG1 version and provided feedback. See Annex A.
- On February 16, 2024, ECCC published an Update Paper on the CER outlining what it heard during the consultation and directions being considered for the final regulations. The paper proposes significant changes to the regulations. Feedback on the Update Paper was due March 15, 2024. IET has indicated to ECCC that it will require additional time. The final version of the CER is expected later this year.
- The core change being considered is to move from an emissions intensity standard uniformly applied to all units to an annual emissions limit tailored to each unit's capacity. A unit's limit would be set at the level of emissions in a year from a natural gas unit of the same size that operates full time and at an emissions intensity prescribed by the regulations, which is to be determined. ECCC notes it is considering increasing the emissions intensity above 30 t/GWh. At a webinar on the Update Paper ECCC used 40 t/GWh for example purposes. Under the new approach there would be no peaker provisions. The CER would set the emissions limit for each unit according to the following formula:

$$\begin{array}{ccccccc} \textit{Unit} & & \textit{Performance} & & \textit{MW} & & \textit{8760 hours} \\ \textit{Emission limit} & = & \textit{standard} & \times & & \times & \textit{(total hours in} \\ \textit{(t/year)} & & \textit{(t/GWh)} & & \textit{(capacity of unit)} & & \textit{a year)} \\ & & & & & & \times \left(\frac{1 \textit{ GW}}{1000 \textit{ MW}} \right) \\ & & & & & & \textit{(unit} \\ & & & & & & \textit{conversion)} \end{array}$$

- ECCC is considering allowing offsets up to a maximum percentage above each unit's annual emissions limit in the Update Paper. Details of the maximum percentage and how it would be determined are not provided. Contravening CER rules could result in increased fines and jail time which was unchanged in the Update Paper.

Analysis:



Annex B – Part 1

Summary of Changes Being Considered and Analysis

	Draft Regulations (CG1)	Changes Being Considered in Update Paper	IET Analysis
Performance Standard	30 t/GWh Equivalent to 95% capture rate	Not directly regulated but considering slightly changing the underlying performance standard used to calculate the emissions limit (see below).	
Emissions limit	N/A	<p>Unit-specific annual emissions limit. Based on annual emissions from unit of same size operating 100% of the year at [X] t/GWh (TBD—considering increasing above 30 t/GWh).</p> $\text{Unit Emissions Limit (t/year)} = \text{Performance standard (t/GWh)} \times \text{MW (capacity of unit)} \times \text{8760 hours (total hours in a year)} \times \left(\frac{1 \text{ GW}}{1000 \text{ MW}} \right) \text{ (unit conversion)}$ <p>This is the core change being considered. The paper notes in this approach, a unit's limit would be set at the level of emissions in a year from a natural gas unit of the same size that operates full time and at an emissions intensity prescribed by the regulations.</p>	

Pooling	Not allowed	Allow responsible parties owning multiple existing units in the same jurisdiction to combine the emissions limits of individual existing unit into a pooled emissions limit.	
Offsets	Not allowed	Considering allowing up to a specified maximum percentage above each unit's annual emissions limit.	
Peaker provisions	450-hour limit (= capacity factor of roughly 5%)	No peaker provisions. Each unit's capacity factor would depend on its efficiency and its annual emissions limit.	
End of Prescribed Life (EoPL) for existing units	20 years	TBD. The Update Paper notes EoPL provisions are intended to allow natural gas-fired units that were financed, approved and brought into operation before the CER comes into force in 2025 to continue operating past 2035 for a limited period of time relative to their age and notes that consideration is being given to slightly extending the EoPL, compared with maintaining the EoPL as proposed.	

New units under development	Units commissioned by Dec 31, 2024 are existing units and exempt until EoPL	Units with substantial investment and work underway before January 1, 2025 and that start selling electricity to the grid by [TBD] would also receive an EOPL. However, the EOPL would be shortened so that the unit would become subject to an annual emissions limit no later than a unit commissioned by January 1, 2025.	
Cogeneration units	Any unit with net exports to the grid must meet the emissions intensity performance standard at the end of its EoPL.	<p>Existing cogeneration with net exports:</p> <ul style="list-style-type: none"> • Considering distinguishing treatment of emissions associated with "behind the fence" generation from generation exported to the grid. <p>New cogeneration units with net exports:</p> <ul style="list-style-type: none"> • Considering treating new cogeneration units the same as new utility units. 	
Emergencies	<p>System operator declares emergency.</p> <p>Federal Minister must approve</p>	<p>System operator declares emergency.</p> <p>Emissions not counted against the unit's annual emissions limit for a reasonable period of time (duration TBD) to enable operators to respond</p>	

	retroactively for emissions to be exempted.	<p>to emergencies.</p> <p>Minister must be notified.</p> <p>Considering requiring Minister's approval to continue operating under emergency provisions beyond the exemption period.</p>	
Minimum size threshold	25 MW	<p>All new units at the same facility whose capacities collectively amount to 25 MW or greater, as well as single units 25 MW or greater.</p> <p>The Update Paper notes this would avoid the unintended incentive identified during consultations for a facility to aggregate multiple small units, each of which would not meet the threshold to be subject to an emission limit on its own. The Update Paper also notes that consideration is being given to how to continue to exempt remote communities in this context.</p>	

29.(1)(a)

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Annex B - Part 2

Further Analysis on Unit Emissions Limit

• [Redacted]

29.(1)(a)

Information Note
Department of Industry, Energy and Technology

Title: Canada-Germany Hydrogen and Ammonia Producer-Offtaker Conference

Issue: To provide an overview of the Canada-Germany Hydrogen and Ammonia Producer Offtaker Conference in Hamburg, Germany on March 18, 2024.

Background and Current Status:

- On March 18, 2024, two representatives from Industry, Energy and Technology (IET) participated in the “Canada-Germany Hydrogen and Ammonia Producer-Offtaker Conference” (the Conference) in Hamburg, Germany. See Annex A for Conference Agenda.
- The Conference consisted of approximately 160 businesspeople and other experts in the field of renewable energy development. This included Canadian hydrogen and ammonia producers, German off-takers, the Federal Ministry for Economic Affairs and Climate Action (BMWK), NRCan, Atlantic Canada Opportunities Agency (ACOA), Government of Nova Scotia, financial experts and other hydrogen stakeholders. Representatives from all five NL wind-hydrogen projects were in attendance.
- Indigenous representatives were also present at the Conference, including former Miawpukek First Nation Chief Mi’sel Joe and Qalipu First Nation Chief Jenny Brake. Mi’sel Joe, who recently retired as administrative chief in his community, is a strategic adviser for World Energy GH2.
- After opening remarks, the Conference was split into two concurrent programs: a Ministerial Program and an Industry / Stakeholder Program.
- The Ministerial Program included group site visits to German companies, Aurubis and Mabanft. Attendees included: Ministers and staff, the Embassy of Canada (Ambassador/Deputy Ambassador), Senator of Hamburg, and provincial and German government executives. This was followed by a Ministerial Roundtable with CEOs, government and finance. See Annex C for Ministerial Roundtable Participants.
- For the Industry / Stakeholder Program, multi-stakeholder roundtables were organized with Canadian hydrogen and ammonia producers, German off-takers, government, financial experts, and other hydrogen stakeholders to prepare themes for the Ministerial Roundtable. Canadian producers were also assigned dedicated meeting spaces to conduct business meetings with German off-takers.

Analysis:

- Themes reported back to the Ministerial Roundtable from the Industry / Stakeholder roundtables were focused mainly on infrastructure readiness in Europe and project financing

29.(1)(a) [REDACTED]

- During the Conference and building on the commitment to implement a transatlantic hydrogen corridor, the governments of Canada and Germany signed a Memorandum of Understanding (MOU) to speed up commercial-scale hydrogen trade between the two countries in a first-of-its-kind bilateral program.

- The MOU, signed by Jonathan Wilkinson, Canadian Minister of Energy and Natural Resources, and Robert Habeck, German Vice-Chancellor and Minister of Economic Affairs and Climate Action, seeks to establish a bilateral program to support hydrogen trade and secure early access for clean hydrogen producers in the German market. Furthermore, the agreement aims to bolster the two countries' efforts to fight climate change and enhance energy security. Details on the program will be released within the next three months.
- The bilateral program will be administered by the German H2Global Foundation, whose mandate is to promote environment and climate protection with the production of green hydrogen and other climate-neutral energy carriers. They will conduct coordinated supply/demand side auctions that will connect Canadian hydrogen exporters with German buyers to facilitate the completion of commercially binding contracts for sale of clean hydrogen/derivatives within established timelines.
- The MOU delivers on commitments made under the Canada-Germany Hydrogen Alliance signed by Prime Minister Justin Trudeau, and German Chancellor Olaf Scholz in Stephenville, NL, in August 2022. This alliance includes the shared objectives of catalyzing investments in hydrogen products, supporting the development of secure hydrogen supply chains, and establishing a Canada–Germany supply corridor.
- The MOU also confirms Canada's place, and strengthens Newfoundland and Labrador's position, as a provider of choice to like-minded global allies. The bilateral program will help secure early market access for competitively priced clean energy products by Canadian industry and ensure good jobs, clean economic growth and emission reductions in the Atlantic Canada region while strengthening energy security abroad.
- In addition to the MOU between German and Canadian governments, two agreements to support the commercial trade of hydrogen between the two countries were signed.
- The Port of Argentia and Germany's Hamburg Port Authority signed a Letter of Intent (LOI) to collaborate on the export and import of green hydrogen from Canada to Germany.
- Pattern Energy, together with German company Mabanaf, signed another LOI that seeks to underpin the German-Hydrogen Alliance program.
 - The two companies intend to consider a potential transaction for the supply of green ammonia to Mabanaf. The green ammonia would be produced by Pattern Energy at the Port of Argentia, in Newfoundland and Labrador, starting in 2027.
 - As part of the LOI, Mabanaf also plans to evaluate the opportunity to potentially become a co-investor next to Pattern Energy and share ammonia and infrastructure expertise.
- The Conference was a new event that kicked off the Berlin Energy Transition Dialogue Conference. Hamburg officials advised that conferences typically take place in Berlin, signifying the prominence of the existing relationship between Canada, Newfoundland and Labrador, and Hamburg. Hamburg officials referenced the NL - City of Hamburg partnership and outcomes thus far as the "model for cooperation on hydrogen development between Canada and Germany".

- Pattern echoed this sentiment in relation to their LOI signed at the Conference [REDACTED]

Action Being Taken:

29.(1)(a)

- IET will continue to advance the NL-Hamburg partnership and work with its Federal counterparts, German partners, and NL wind-hydrogen developers as details of the new bilateral program are developed.

Prepared/Approved by: W. Skinner/ K. Day/ S. Wilkins / C. Martin

Ministerial Approval:

March 27, 2024

A handwritten signature in black ink, appearing to be 'S. Wilkins', written in a cursive style. The signature is positioned to the right of the 'Ministerial Approval' text.

Annex A
Canada-Germany Hydrogen and Ammonia Producer-Offtaker Conference
Agenda

Canada-Germany Hydrogen and Ammonia Producer-Offtaker Conference March 18, 2024 – Handelskammer Hamburg, Adolphsplatz 1, 20457 Hamburg		
9:15 am	Arrival of participants at conference venue (security check-in with valid government-issued ID)	
10:00 am	Ministerial opening (in the Forum) Speakers: <ul style="list-style-type: none"> • Norbert Aust, Praeses Hamburg Chamber of Commerce • Robert Habeck, Federal Minister for Economic Affairs and Climate Action • Jonathan Wilkinson, Minister for Energy and Natural Resources • John Horgan, Ambassador to Canada in Germany • Melanie Leonhard, Senator for Economy and Innovation 	
	Ministerial Program	Industry / Stakeholder Program
10:45 am	Site Visits to: <ul style="list-style-type: none"> • Aurubis Aurubis AG is a global supplier of non-ferrous metals and one of the world's largest copper recyclers. The company processes complex metal concentrates, scrap, organic and inorganic metal-bearing recycling materials, and industrial residues into metals. The Hamburg location is the biggest site with more than 2,000 employees producing cathodes, wire, continuous cast shapes, precious metals, and specialty products such as sulfuric acid and iron silicate stone. 	Multi-Stakeholder Roundtables preparing Ministerial roundtable in the afternoon, with Canadian hydrogen and ammonia producers, German off-takers, BMWK, NRCan, financial experts and other hydrogen stakeholders. There will be several parallel discussion groups. Participants can find their group number on their name badge.
11:45 am	<ul style="list-style-type: none"> • Mabanaft Hamburg-based energy company, aiming to be one of the first companies in Germany and Europe to supply customers with CO₂-neutral E-Fuels through its extensive network of service stations and wholesale supply locations. 	Networking and matchmaking with Canadian producers and German off-takers (with each producer being provided a private meeting space for B2B meetings). Networking can extend until after lunch.
1:00 pm		Lunch (in the Forum)
2:30 pm	Ministerial Roundtable with CEOs, government and finance (Plenary Hall) Ministers speak with Canadian hydrogen and ammonia producers, German off-takers,	Conference Program (in the Forum) <ul style="list-style-type: none"> • Regional economic opportunities and social license for hydrogen projects.

	<p>government, financial experts and other hydrogen stakeholders about challenges to implementing projects and concluding supply contracts, as well as about potential solutions.</p>	<ul style="list-style-type: none"> • Support mechanisms for international hydrogen projects.
4:00 pm	<p>Conference reception (in the Kaisersaal of the Mayor's Office), with remarks by:</p> <ul style="list-style-type: none"> • Peter Tschentscher, First Mayor of Hamburg • John Horgan, Ambassador to Canada in Germany • Robert Habeck, Federal Minister for Economic Affairs and Climate Action • Jonathan Wilkinson, Minister for Energy and Natural Resources 	
6:00 pm	End of program	

Information Note
Department of Industry, Energy and Technology

Title: Delegation from Embassy of the Netherlands (Ottawa) Visit March 19-20, 2024.

Issue: To inform of the upcoming visit from the Embassy of the Netherlands in Ottawa.

Background and Current Status:

- In April 2020, Netherlands released its hydrogen strategy. The strategy has four pillars: (1) legislation and regulation of the future hydrogen market; (2) cost reduction and scaling up green hydrogen; (3) sustainability of final consumption; and, (4) supporting and flanking policy.
- In October 2021, the Governments of Canada and the Netherlands entered into a Memorandum of Understanding (MOU) on cooperation in the field of hydrogen energy.
- On May 9, 2023, during the World Hydrogen Summit (WHS) in Rotterdam, NL, the Government of Newfoundland and Labrador (GNL) signed an MOU with the Port of Rotterdam (PoR). This partnership encourages the establishment of hydrogen supply chains to support Newfoundland and Labrador's export of green hydrogen to the Netherlands, and onward to other parts of Europe.
- Netherlands is actively supporting the hydrogen industry and believe hydrogen will play an essential role in meeting global energy needs in the context of energy security and the low/no carbon energy transition.

Analysis:

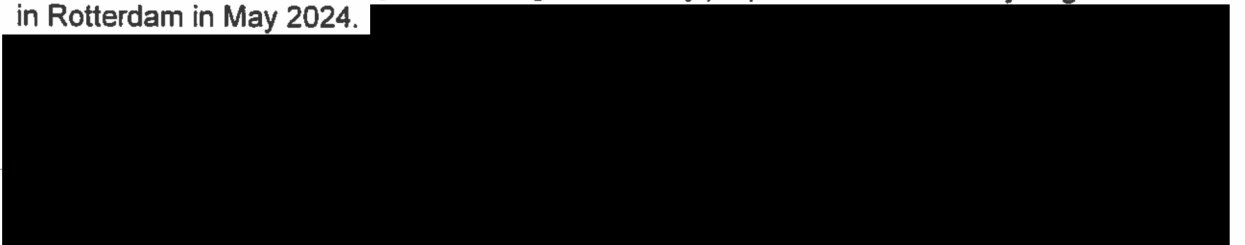
- On February 6, 2024, the Embassy of the Netherlands in Ottawa, upon recommendation from Port of Rotterdam (PoR) officials, requested a virtual meeting with the Department of Industry, Energy and Technology (IET) to discuss an upcoming visit to Newfoundland and Labrador in March 2024.
- The visiting Embassy delegation will include Mr. Jaap Jan Speelman, Deputy Ambassador and Head of Economic Affairs and Mr. Wouter Frencken, Senior Policy Officer, Economic Affairs. See Annex A for biographies.

•



34.(1)(a)(iii)

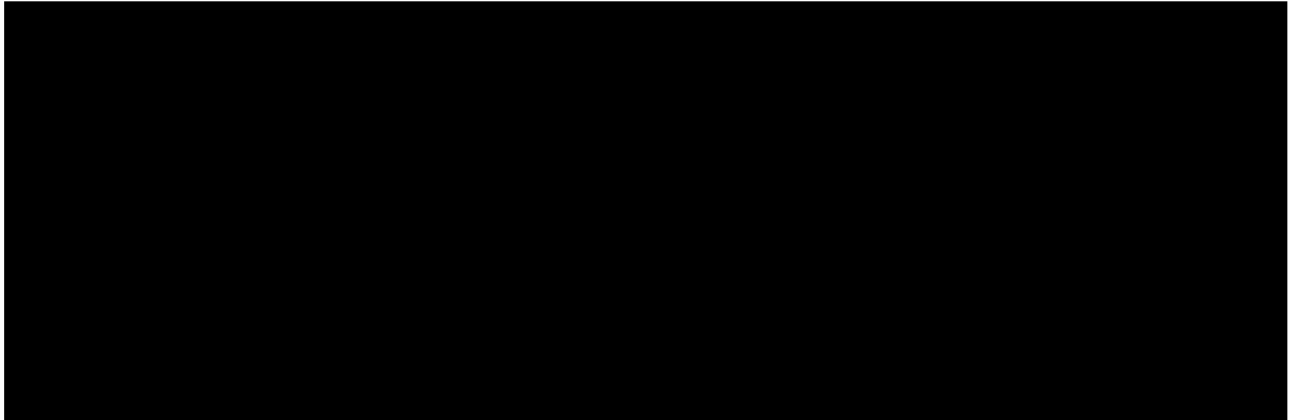
- The March 2024 visit is timely for both regions as they prepare for the World Hydrogen Summit in Rotterdam in May 2024.



29.(1)(a),
34.(1)(a)(iii)

- Newfoundland and Labrador is of global interest for its potential as a renewable energy hub to meet world demand for green energy. The Governments of Newfoundland and Labrador and the Netherlands are forging strong ties to foster successful renewable energy projects.

- The delegation visit provides an opportunity to inform the Embassy of the Netherlands of Newfoundland and Labrador's priorities for the renewable energy sector and showcase the strategic advantages the province holds in green hydrogen/ammonia production.



Action Being Taken:

29.(1)(a), 34.(1)(a)(iii)

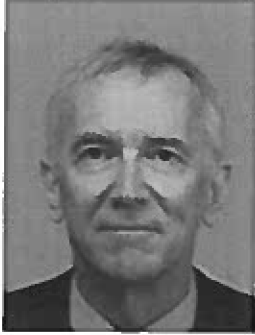
- IET is continuing to work with GNL departments, industry stakeholders, and officials from the Netherlands to finalize details of the upcoming visit.

Prepared/Approved by: W. Skinner / K. Day / S.Wilkins / C.Martin
Ministerial Approval

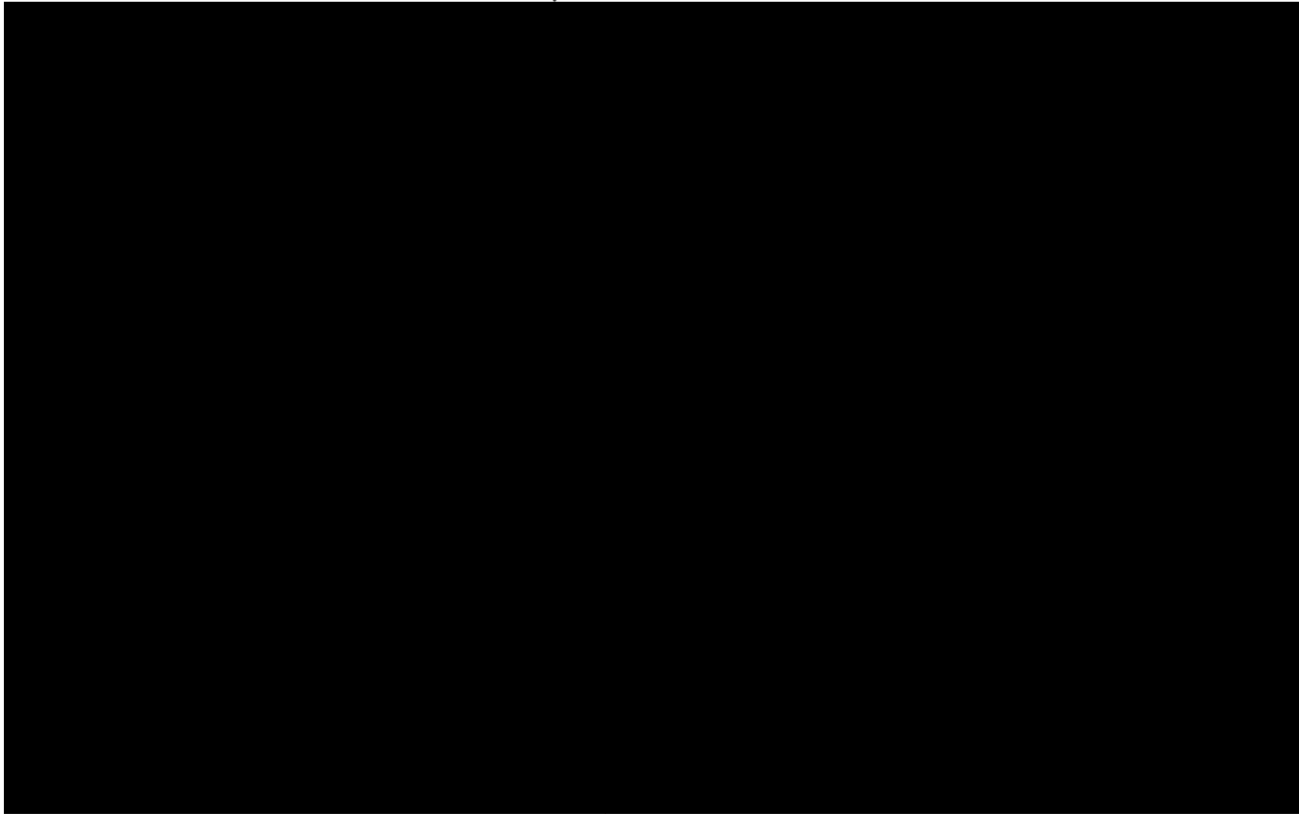
March 6, 2024

**Annex A
Biographies**

**Deputy Ambassador and Head of Economic Affairs
Embassy of the Netherlands in Ottawa/Canada**



Name: SPEELMAN, Jaap Jan



40.(1)

**Senior Policy Officer, Economic Affairs
Embassy of the Netherlands in Ottawa/Canada**



Name: Frencken, Wouter



40.(1)

Information Note
Department of Industry, Energy and Technology

Title: Rental Housing Development Loan Program

Issue: Phase I Results for applications to the Rental Housing Development Loan Program

Background and Current Status:

- The Rental Housing Development Loan Program (“RHDLP”) is a new \$50 million program designed to assist developers, contractors, and commercial property owners undertaking new purpose-built residential rental development projects in Newfoundland and Labrador by offering low-interest loan financing to encourage the construction of rental housing.
- The RHDLP was launched on January 31, 2024, with a Phase I expression of interest (“EOI”) process that invited applications until February 28, 2024. The application instructions, eligibility requirements, and evaluation methods that would be used to assess the EOI submissions were outlined in the Phase I EOI document that was published on IET’s website when the RHDLP was launched.
- In response to the call for EOIs, a total of 45 applications were received from developers requesting over \$157 million for the development of 1,222 rental housing units with total project costs of \$315 million.
- Applications outlined proposed projects from experienced developers for a wide range of new construction projects throughout the province. Funding requests from the RHDLP range from \$300,000 to \$10 million toward rental housing developments.

Analysis:

- A selection committee of members from IET, the Department of Finance, and the Newfoundland and Labrador Housing Corporation have held several meetings to evaluate the Phase I applications.
- The selection committee first assessed each application using pass/fail criteria with 10 key requirements that had to be satisfied to merit further consideration. If the applicant met all 10 requirements, the applicant was then evaluated based on a set of scored criteria that focus on areas such as: the applicant’s housing development experience and qualifications; the applicant’s financial capacities and the financial viability of the proposed project; the location, scope and nature of the project; and the cost/budget and timeline of the project. An evaluation form was completed by the selection committee for each applicant.
- As a result of its assessments, the selection committee recommends that **16 applications** be invited to submit a Phase II submission. The projects represent **556 units** and a total ask of **\$58,089,451** from the RHDLP.
- Of the 29 applications that will not be invited to Phase II, 19 were screened out of the initial Pass/Fail assessment for various reasons including not being in good standing with the Government of Newfoundland and Labrador, not having at least five years of residential development experience, and seeking more than 90% of eligible project costs. The other 10 applicants will not be invited also for a number of reasons, including the project proposed is not viable, where proposed monthly rental rate is less than the expenses to operate the rental units and cover repayment of the RHDLP loan.

- A list of the applicants that will be invited to submit to Phase II can be found in **Appendix A**, and a list that will be provided a letter indicating they are not invited to move forward to Phase II is attached as **Appendix B**.

Action Being Taken:

- The Phase I document indicates that applicants will be notified by **March 15, 2024**, whether they are invited to participate in Phase II of the assessment, which requires submission of a detailed application and project proposal. IET is preparing letters of invitation and letters of decline, and will be prepared to issue these as committed on March 15.
- IET is finalizing the Phase II document that provides instructions for the submission of the detailed application and proposal as well as the evaluation methods to be used by the selection committee. Applicants invited to participate in Phase II will receive this document with their invitation letters on March 15, 2024.
- According to the timeline in the Phase I and Phase II documents, Phase II submissions are due by April 26, 2024.

Prepared/Approved by: A. Natsheh / T. Parsons / J. Ludmer
Ministerial Approval:

March 13, 2024



Information Note
Department of Industry, Energy and Technology

Title: World Hydrogen Summit (WHS) Booth and Exhibition Services

Issue: To provide information on the selection process for WHS booth and exhibition services.

Background and Current Status:

- WHS 2024 will be held in Rotterdam, Netherlands May 13-15. In 2023, IET participated as a first-time exhibitor with a 50m² booth in a prime location. The Premier and the Minister of IET attended. Energy NL assisted with booth support and coordinating a delegation representing 15 companies and organizations and hosted a reception. The Canadian consulate also participated as an exhibitor. IET will again participate in WHS 2024 as an exhibitor in a stand-alone booth and will also have access to the Canadian Pavilion.
- In May 2023, to secure the same prime booth location for 2024, IET signed a contract with conference organizers at an early-bird rate of 24,750 euros (~\$37,000 CAD).
- Booth and exhibition management services are provided on a contractual basis, similar to the arrangement for the mining and OTC booths. Expo Display and Graphic Services provided booth and exhibition services for WHS 2023 at a total cost of 34,527 euros (\$50,061 CAD) which included booth panel printing costs, and booth panel storage services for an additional cost of 1898 euros (\$2,750 CAD).

Analysis:

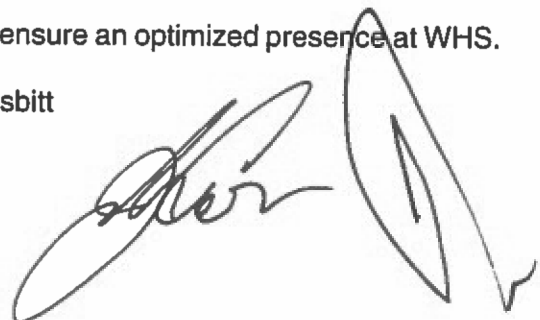
- Similar to the approach in 2023, a Limited Request for Quotes process was completed for booth and exhibition services for WHS 2024. All bids were tested against mandatory requirements then ranked on price (lowest cost).
- IET solicited and received bids from three established exhibition booth management companies - Expo Display and Graphic Services at a cost of \$40,496.69 (27,946 Euros):
[REDACTED]
[REDACTED] Costs are a little lower than 2023 given there are no booth panel printing costs for 2024. It is yet to be determined whether storage will be required this year.
- Energy NL has submitted a Regi project application to ACOA on behalf of Newfoundland and Labrador, Nova Scotia, and New Brunswick as part of a larger Atlantic Canadian presence. The Regi project funding may cover all remaining expenses not already incurred by IET, which includes the booth and exhibition costs noted above, internet, rigging, supplies, etc. (~\$70,000). [REDACTED]

Actions Being Taken:

- IET will inform Expo Display and Graphic Services they are the successful bidder for WHS 2024 booth and exhibition services.
- IET will continue to work with ACOA and Energy NL to ensure an optimized presence at WHS.

Prepared/Approved by: M.L. Granville/ M. Power/M. Nesbitt

March 13, 2024



29.(1)(a)

Information Note
Department of Industry, Energy and Technology

Title: Carbon Capture Utilization and Storage Innovation Challenge

Issue: Update on the RFP stage of the Challenge

Background and Current Status:

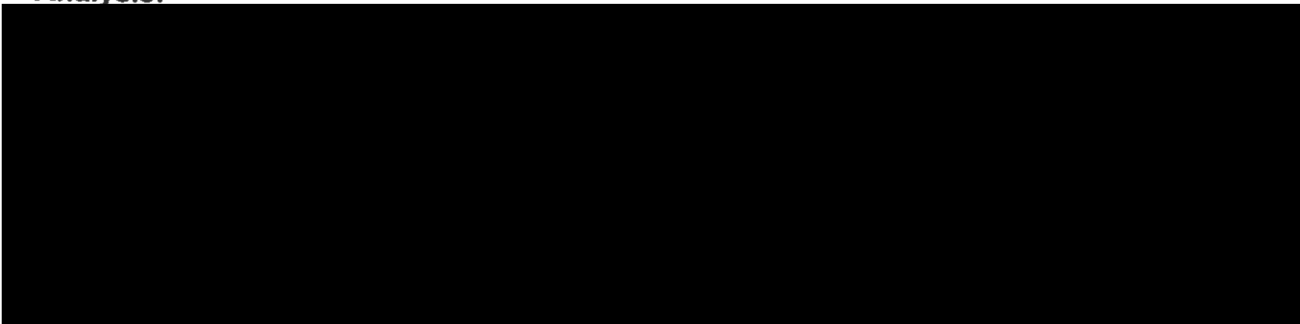
- The Carbon Capture Utilization and Storage (CCUS) Challenge (“the Challenge”) was launched on October 17th, 2023, to incentivize research and development that can demonstrate the feasibility of CCUS in Newfoundland and Labrador’s offshore.
- The Challenge has a total value of \$6 million to be awarded for two separate streams of work that can each provide up to \$3 million funding. The first stream will be awarded to projects studying the potential of employing CCUS in active offshore production and reservoir management to decarbonize ongoing operations. The second stream will focus on the study of NL’s offshore as a potential regional CCUS hub for the permanent storage of local and imported CO₂.
- Funding for the first stream will be provided by Green Transition Fund (GTF), and funding for the second stream will be provided by the Innovation and Business Investment Corporation (IBIC). The Challenge sets a maximum contribution from the Province of 50 per cent toward eligible costs, with proponents required to cover the remaining share of project costs. In a similar and concurrently running CCUS innovation challenge that has been issued federally by Natural Resources Canada, the federal government is covering up to 75 per cent of eligible costs.
- The eligibility requirements for the Challenge stipulate that applications must be submitted jointly by one lead industry and one lead academic partner, and that these two partners, combined, must provide at least 25 per cent of the total project funding.
- The deadline for submission of Expressions of Interest (EOI’s) was November 17th, 2023. The Province received three EOI’s that were deemed eligible and invited to submit detailed proposals under the Request for Proposal (RFP) stage of the Challenge:

35.(1)(d)



- The first two projects were submitted for funding under stream 1 of the Challenge, and the third under stream 2. The current deadline for RFP submissions is March 15, 2024.

Analysis:

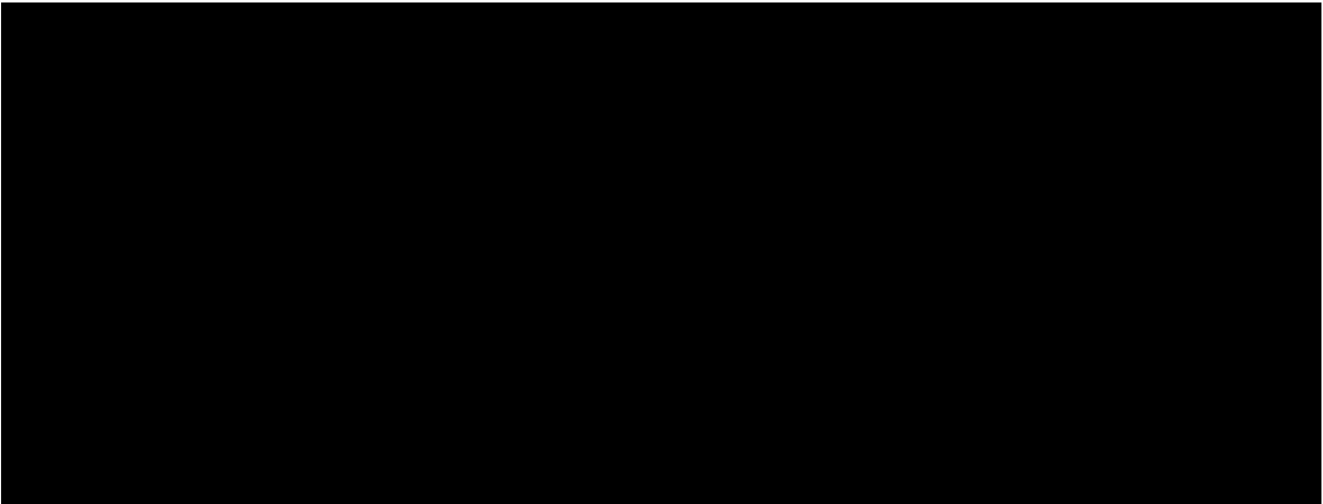


29.(1)(a), 35.(1)(d)

29.(1)(a), 35.(1)(d)



- In the Call for Proposals, IET reserved the right to negotiate changes to scope and funding with proponents, and also to revise the terms and conditions of the Challenge.



Prepared/Approved by: D.Grant/J.Ludmer/J.Cowan
Deputy Minister Approval:

29.(1)(a), 35.(1)(d)

March 13, 2024

Information Note
Department of Industry, Energy and Technology (IET)

Title: Rental Housing Development Loan Program

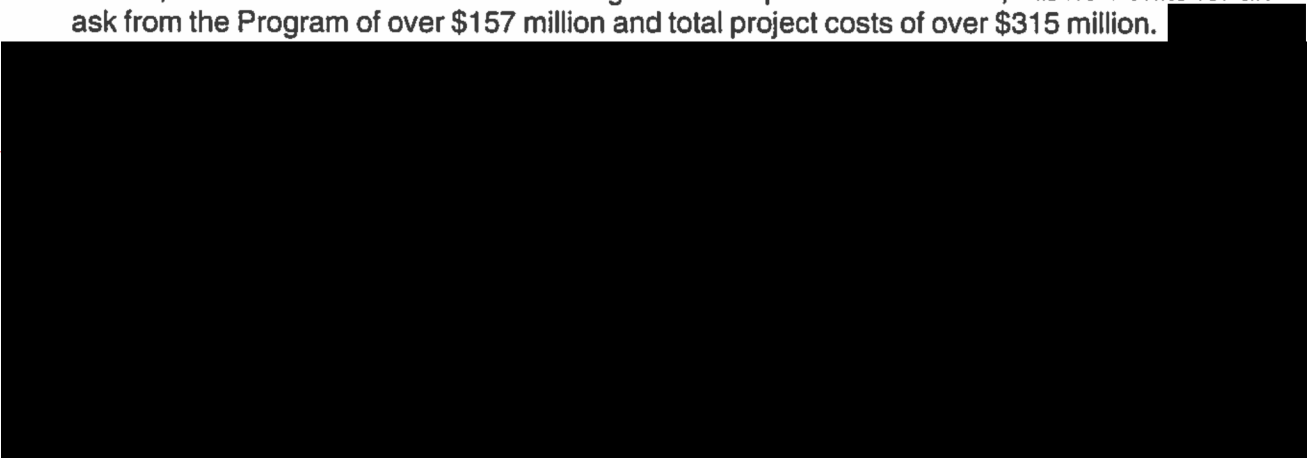
Issue: Update on progress in the assessment of applications for the program.

Background and Current Status:

- The province launched the Rental Housing Development Loan Program (“the Program”) on January 31, 2023 as part of its five-point plan to increase the availability of housing in Newfoundland and Labrador. The Program, which will be administered under the Innovation and Business Investment Corporation (IBIC), will provide up to \$50 million in reduced cost financing to incentivize the construction of new purpose-built rental units in the province.
- It will do so by offering up to \$10 million in financing for new developments that will create a minimum of four new units. Up to \$6 million in financing can be provided at Government’s cost of borrowing (presently 4.7 per cent), with any further funding up to a total amount of \$10 million to be offered at Canada’s bank prime rate (presently 7.2 per cent). The Program will finance up to 90 per cent of the cost of new developments.
- Applications for funding will be assessed in two stages. The first stage entails an open call for Expressions of Interest (EOIs) that provide summary proposals the selection committee can assess for eligibility, feasibility, and quality. Applicants that submit a successful EOI will be invited to submit a detailed proposal in the second, Request for Proposal (RFP) stage.
- The selection committee, which is comprised of officials from IET, the Department of Finance (FIN), and the Newfoundland and Labrador Housing Corporation, will assess EOI and RFP submissions. The committee will subsequently recommend projects to the IBIC Board for funding, after which IET will negotiate loan agreements with successful applicants.
- The deadline for the submission of EOIs was February 28, 2024, and the evaluation of EOIs is presently scheduled to be completed on March 15, 2024. The IBIC Board is scheduled to take funding decisions in mid-May 2024.

Analysis:

- In total, 45 EOIs were received from all regions of the province to build 1,222 new units for an ask from the Program of over \$157 million and total project costs of over \$315 million.



29.(1)(a)

Action Being Taken:

- IET will assess EOI submissions as part of the selection committee. In parallel, IET is finalizing the necessary documents for the RFP stage of the assessment and recruiting for new positions that are required for the planning and implementation of the Program.

Prepared/Approved by: J. Ludmer/

Ministerial Approval:

March 6, 2024

A handwritten signature in black ink, appearing to read 'J. Ludmer', is written over the 'Ministerial Approval' line. The signature is fluid and cursive, with a large loop at the end.

Information Note
Department of Industry, Energy and Technology

Title: Rio Tinto

35.(1)(d)

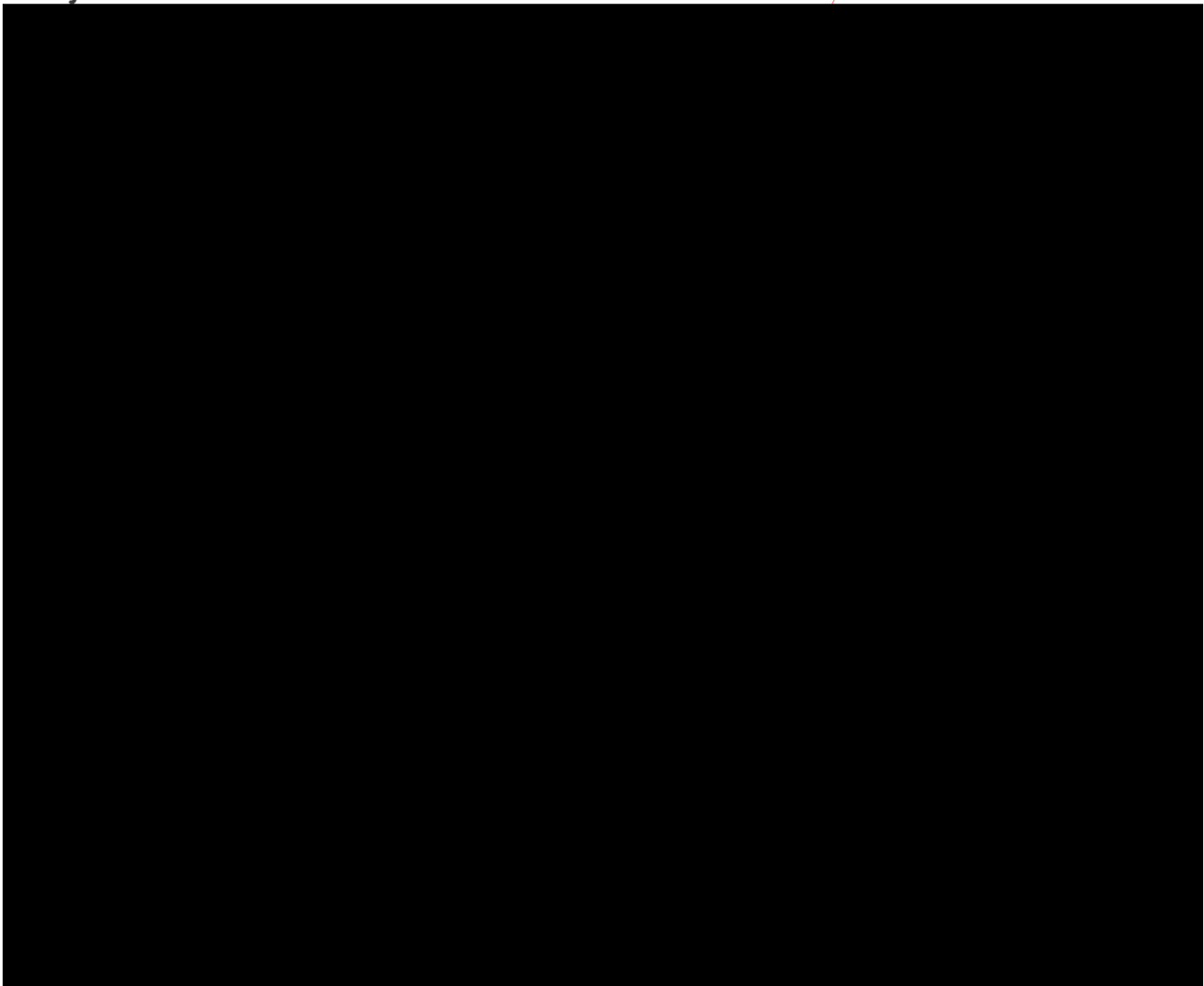
Issue: To provide an update on recent activity 

Background and Current Status:

- On April 5, 2022, industrial customers seeking to self-generate wind energy for their own consumption and industrial customers seeking to generate wind energy for export were exempted from the 2006 moratorium on Wind Energy Projects.
- On December 14, 2022, IET released a Call for Bids for Wind Energy Project (Call for Bids). Areas selected for inclusion Call for Bids were selected among those areas proposed during the Crown Land Call for Nominations (Land Nomination) for wind energy projects that would export energy (e.g. by conversion to hydrogen or hydrogen derivatives).
- On March 9, 2023, Rio Tinto (Rio) issued a news release, indicating they expect to use green hydrogen to process their minerals and metals.

29.(1)(a), 35.(1)(d), 35.(1)(g)

Analysis:



Meeting Note
Department of Industry, Energy and Technology (IET)
and IMEA Canada (ITOCHU Corporation subsidiary)
Prospectors and Developers Association of Canada Conference
Tuesday March 5, 2024 at 11:00 – 11:30 am
Newfoundland and Labrador Booth # 149

Attendees:

Mr. Daio Uehara, Vice President, IMEA Canada Inc. (Bio, Annex A)

John Cowan, Deputy Minister, IET
 Paul Carter, Executive Director, IET
 Keith Bradbury, Director, IET

Purpose of the Meeting:

To discuss mining opportunities in Newfoundland and Labrador (NL) including iron ore, nickel, and lithium.

Background:

- IMEA Canada is a wholly-owned subsidiary of ITOCHU Minerals and Energy of Australia Pty Ltd., which is a wholly-owned subsidiary of ITOCHU Corporation. IMEA Canada, was established in November 2022 as an iron ore investment management business.
- ITOCHU is one of the leading general trading companies in Japan. The Company engages in domestic trading, import/export, and overseas trading of various products such as textile, machinery, metals, minerals, energy, chemicals, food, realty, information and communications technology, and finance, as well as business investment in Japan and overseas.
- In December 2022, ITOCHU announced it acquired 49.6% shares of 9404-5515 Québec Inc. (Canadian SPC), an investment management company that owns 15% of shares of both ArcelorMittal Mining Canada G.P. (AMMC) and ArcelorMittal Infrastructure Canada G.P.(AMIC), through IMEA. Both are complementary companies operating in Québec's North Shore region.
- Japan has signed several agreements with other countries over the past few years to add resiliency to its supply chains and support the country's environmental targets (International agreements are outlined in Annex A).

Analysis

- AMMC operates the largest open-pit iron ore mine in Canada and produces 25 million tonnes of iron ore and pellets annually for the steel market. AMIC ensures the transportation of concentrate between Mont-Wright and Port-Cartier and operates a seaport at Port-Cartier, Québec, allowing transportation and shipping of AMMC's iron ore concentrate and pellets.
- Iron ore from AMMC is high-grade, low-impurity and can be a raw material of direct reduced iron (DRI). As demand for DRI increases, AMMC plans to expand its ability to produce high grade iron ore for producing DRI by enhancing its ore processing facilities.

Agenda item #1: Opportunities for Mineral Development Synergies

- NL is a top tier jurisdiction for mineral exploration and development.

Analysis

- In 2021, the Observatory of Economic Complexity noted that Japan imported \$15.1 billion in iron ore, making them the second largest importer of iron ore in the world; \$2.307 billion in nickel mattes making them the second largest importer of nickel mattes, and \$206 million in lithium carbonates making them the third largest importer of lithium carbonate globally.
- In 2023, NL exported 1.95 million tonnes of iron ore to Japan valued at \$307 million and 80 tonnes of finished nickel valued at \$2.58 million.
- Currently, 70% of steel production in Japan utilizes fossil fuels, such as coal and gas, as well as the use of coke to remove oxygen during ore smelting. IMEA Canada's Japanese parent company is looking to contribute to decarbonization of the steel industry, this is expected to require access to high-grade, low-impurity iron ore like that found in the Labrador Trough.
- The Julienne Lake iron ore deposit is a large undeveloped ore body in western Labrador. It is an Exempt Mineral Land (EML) with mineral rights residing with the Crown. Preliminary work suggests the deposit could be developed as an open pit mine, with minable resources of approximately 580 million tonnes.
- This is the type of high-grade low-impurity iron ore necessary as an input for green steel. Julienne Lake represents a significant strategic opportunity to further develop and building green steel supply chains.
- Other developing iron ore projects include Champion Iron's Kami Project, Joyce Direct Iron's Joyce DSO Project, and Labrador Iron Mines' Houston Project.
- Nickel production in the province is through Vale's Voisey's Bay mine with nickel rounds produced at Long Harbour being independently verified as low carbon. Nickel exploration in the province is being undertaken by Commander Resources through the south Voisey's Bay project, Maritime Resources Gull Ridge Project (Baie Verte) and Avante Mining Labrador West project.
- Lithium has recently been discovered in the province with multiple companies undertaking exploration programs including Benton Resources and Sokoman Minerals. The area of discovery, southwestern Newfoundland, is attracting interest by other exploration companies including Global Battery Metals, Caprock Mining and Azincourt Energy.

Potential Speaking Points

- During 2023, NL had \$4.5 billion in mineral shipments, employed over 8,500 workers and had \$218.5 million in exploration expenditures. NL was recognized as fourth globally in the Fraser Institute's 2022 ranking for mining investment and attractiveness. The province hosts 31 of 46 minerals identified as critical by the US, EU, Japan, Australia, US, and South Korea.
- The province also hosts significant high-grade, low-impurity iron ore resources and supporting infrastructure to help realize opportunities for developing green steel supply chains.

- The province's geology is favorable for nickel, copper and cobalt mineralization with one of the richest discoveries currently being mined at Voisey's Bay producing low carbon intensive nickel, copper and cobalt. There are several active exploration programs including Commander Resources (booth 2141) and Maritime Resources (booth 2816).
- Multiple companies are undertaking lithium exploration in the province. I would encourage you to visit Benton Resources (booth 2117 and 3111B) and Sokoman Minerals (booth 2432). Both companies are working with Piedmont Lithium, an active lithium miner, to advance the Killick Lithium Project in southwestern Newfoundland.
- The province has legal and regulatory, as well as environmental, social and corporate governance requirements that ensure responsible and sustainable production, while also ensuring that producers and operators can be commercially successful.
- NL would welcome the opportunity to further engage with IMEA on critical mineral development and strategic investment opportunities in the province.

Prepared/Approved by: S. Brewer / T. Walters / M. Cluett-Fizzard / K. Bradbury / P. Carter
Deputy Minister Approval:

March 1, 2024

A handwritten signature in black ink, appearing to read "John Brown", is written in a cursive style on the right side of the page.

Biography



Bio Daio Uehara, Vice President, IMEA Canada Inc.

Mr. Daio Uehara has worked with ITOCHU Corporation since 2011 in a variety of roles. February 2023, Mr. Uehara became the Vice President of IMEA Canada Inc. at the Montreal, Quebec office. Prior to this position Mr. Uehara held a variety of positions with ITOCHU in Tokyo, Japan including Team Leader, Strategic Planning Manager, and sales. Mr. Uehara was also a representative for ITOCHU Brasil S/A.

Annex A - International Agreements

- Like Canada, Japan is a signatory to the 2015 Paris Accord and is committed to reducing carbon emissions. The Japan Organization for Metal and Energy Security is contributing towards the implementation of the governmental energy policy to achieve carbon neutrality by 2050 and the ambitious target for greenhouse gas reduction by 2030.
- On December 30, 2018, Canada, along with Japan, Australia, Mexico, New Zealand and Singapore ratified the Comprehensive and Progressive Agreement for Trans-Pacific Partnership.
- Collaboration between Japan and Canada has expanded in recent years and aims to facilitate commercial engagement between the two countries, specifically targeting critical minerals value chain. Recent agreements include:
 - Indo-Pacific Strategy: Launched in November 2022, the strategy aims to grow Japan's private sector participation and interest in Canada's critical minerals value chain and the development of a value-added battery supply chain in Canada.
 - Sustainable Critical Minerals Alliance: In December 2022, Canada and Japan, along with Australia, France, Germany, the United Kingdom and the United States, launched this alliance to secure the responsibly sourced critical minerals needed to power the clean energy transition.
 - The Canada-Japan Sectoral Working Group on Critical Minerals purposes to facilitate commercial engagement between Canadian and Japanese businesses across the critical mineral value chain. This working group is part of the Canada-Japan Energy Policy Dialogue through which Japan is working to secure the critical mineral supply needed for its industrial base and broader green energy transition

Information Note
Department of Industry, Energy and Technology

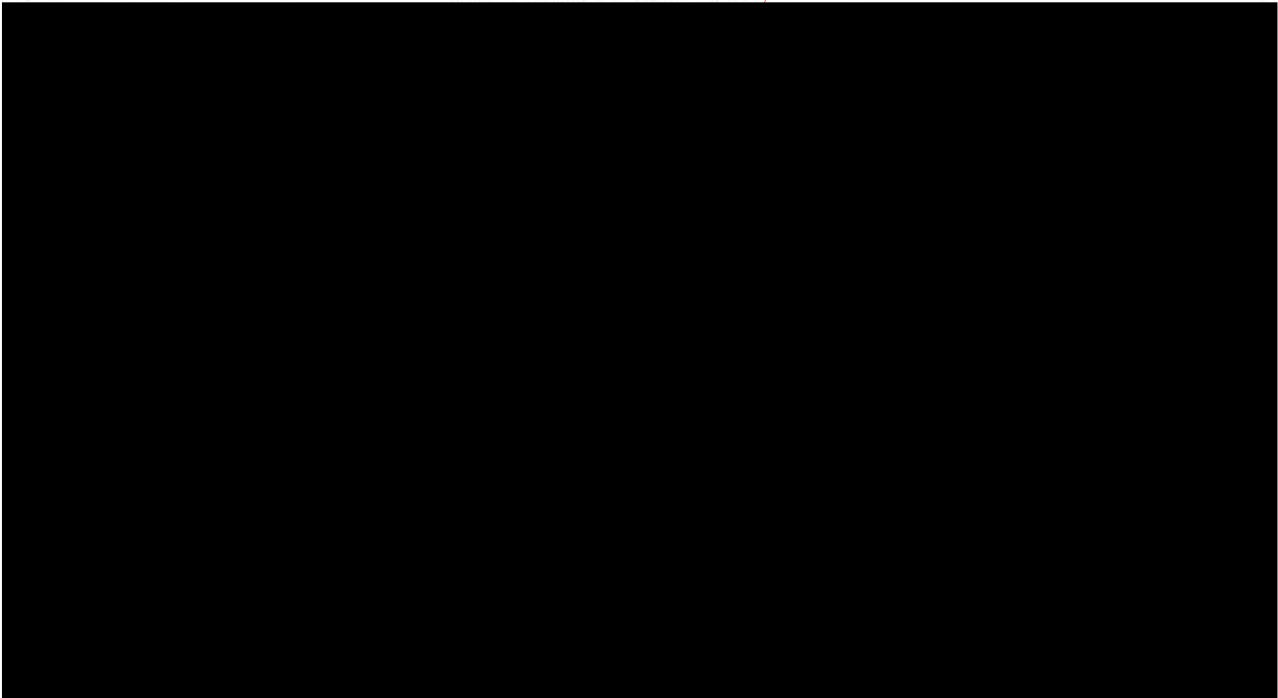
Title: Newfoundland and Labrador Hydro Q4 2023 Financial Results

Issue: To summarize Newfoundland and Labrador Hydro's (NLH) Fourth Quarter (Q4) 2023 Financial Statements and Management's Discussion and Analysis (MD&A)

Background and Current Status:

- The Q4 2023 report includes results for the NLH group of companies and subsidiaries and its share of investments in joint arrangements. The following table provides key financial highlights:

29.(1)(a), 35.(1)(d), 35.(1)(g)



29.(1)(a), 35.(1)(d), 35.(1)(g)

- In Q4 Nalcor recorded a [REDACTED] profit compared to \$37 million profit for the same period in 2022 driven by the net impacts of commissioning of the Lower Churchill Project (LCP) as well as the reversal of impairment of oil and gas assets recorded in the quarter as compared to an impairment expense in the same quarter of 2022.

29.(1)(a), 35.(1)(d), 35.(1)(g)

- Q4 capital expenditures were [REDACTED] down \$32 million from the same 2022 period. Capital expenditures for the twelve months ended December 31, 2023, were [REDACTED] compared to \$456 million in the same 2022 period. The decrease for the quarter and year was primarily due to substantial completion of construction of the LCP assets and reduction in Churchill Falls capital, partially offset by an increase in Hydro Regulated capital expenditures. NLH also notes its 2024 Capital Budget Application (CBA) of \$96.5 million was fully approved by the PUB.

- In Q4, total operating costs for the three months ended December 31, 2023 were \$78 million, an increase of [REDACTED] compared to the same period in 2022. Operating costs for the twelve months ended December 31, 2023 were [REDACTED] an increase of [REDACTED] compared to the same period in 2022. The increase for the quarter and year is primarily due to LIL

**29.(1)(a),
35.(1)(d),
35.(1)(g)**

commissioning resulting in certain LIL costs no longer being capitalized, and higher maintenance costs. Also contributing to the variance is an increase in salaries and benefits resulting from union and non-union salary increases.

- Assets totaled [REDACTED] as of December 31, 2023, up from \$21 billion as of December 31, 2022. The majority of assets as of December 31, 2023 include property, plant and equipment of [REDACTED] (December 31, 2022 - \$17.9 B). Total liabilities and equity of [REDACTED] and [REDACTED] respectively, as of December 31, 2023, were comparable to \$14.1 billion and \$7.2 billion as of December 31, 2022.
- Depreciation, depletion, amortization and impairment charges for the twelve months ended December 31, 2023 was [REDACTED] an increase of [REDACTED] from the same period in 2022. The significant increase was due to commencement of depreciation of the LCP assets which began in Q2, 2023 partially offset by a [REDACTED] reversal of impairment of oil and gas assets.
- With completion of the LIL and full commissioning of the LCP, NLH has increased the capacity at which the LIL is able to operate and deliver additional energy to the Island, Nova Scotia and other export markets. NLH will continue to take opportunities to optimize available generation and transmission assts/transmission rights.
- NLH notes it is continuing to support Phase III of the review of the Province's current offshore oil and gas interests (announced by Government on January 9, 2024), which are held by Oil and Gas. NLH's MD&A states "Although the Province is presenting its portfolio of oil and gas assets to potential buyers, it is not bound to any subsequent actions. The process will enable an informed decision on whether to proceed to detailed negotiations to sell those assets. No decisions with regard to these assets have been made at this time. Future decisions regarding Oil and Gas could materially impact Hydro's future profit and cash generated from operations."
- NLH is working closely with the Province on the remaining decisions and analysis required to finalize implementation of the Province's rate mitigation plan, which will inform NLH's next General Rate Application (GRA) filing, anticipated in 2025. Hydro Regulated states it will continue to provide regular quarterly updates to the PUB and will confirm a more definitive timeline for filing its next GRA when further information becomes available on rate mitigation plans.

Analysis:

- This note is for information purposes only.

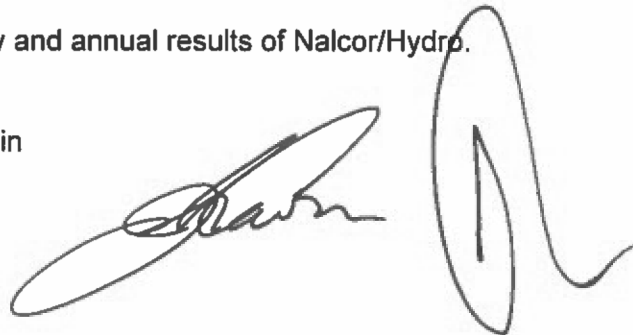
Action Being Taken:

- IET officials continue to monitor quarterly and annual results of Nalcor/Hydro.

Prepared by: R. Bates / C. Snook / C. Martin

Deputy Minister Approval:

March 15, 2024



29.(1)(a),
35.(1)(d),
35.(1)(g)

29.(1)(a),
35.(1)(d),
35.(1)(g)

29.(1)(a), 35.(1)(d), 35.(1)(g)

Information Note
Department of Industry, Energy and Technology

Title: Regional Oversight Committee on Oceans Management (ROCOM)

Issue: Overview of ROCOM's roles, deliverables, and status of work.

Background and Current Status:

- The ROCOM is the senior executive level forum for federal and provincial departments and agencies with coastal and ocean-related programs. ROCOM provides coordination at the intergovernmental and interdepartmental levels for planning, management and regulatory matters related to integrated coastal and ocean management as well as regional implementation of national policies and programs. The NL region includes the ocean, coastal and watershed areas of the Newfoundland and Labrador Shelves and the Gulf of St. Lawrence.
- ROCOM is the main governance body to advance coastal and ocean planning in the province. The committee provides high level strategic direction on current and emerging coastal and ocean issues in Newfoundland and Labrador and facilitates integration at the intergovernmental level. ROCOM meetings are held semi-annually or at the chair's call. See annex for current membership.
- The ROCOM is supported by the Canada Newfoundland and Labrador Committee on Oceans Management (CNLCOM), a managerial-level intergovernmental Integrated Ocean Management forum. The CNLCOM acts under the direction of ROCOM and is a forum to facilitate information exchange between governments and across departments, strengthen existing processes, and avoid duplication of efforts.
- The ROCOM recognizes the shared responsibility for coastal and oceans management in the region and provides strategic oversight and direction to implement Marine Protected Area (MPA) network decision-making processes through the relevant government departments, agencies, and boards.
- The CNLCOM will guide the development of an MPA Plan for the NL offshore; and will also support the development of an engagement strategy for the inclusion of industry, stakeholders, ENGO's, etc., in the MPA development process. The C-NLCOM also incorporates additional advisory and working groups to address MPA work that will allow targeted participation based on interest and expertise.

Analysis:

- The provincial Government has indicated its support for ROCOM as a mechanism of collaborative strategic oversight and direction to mandated decision-making processes in coastal and oceans management. It provides an important opportunity for provincial and federal officials to provide input on ocean management issues and to share views and opinions of issues related to the marine waters adjacent to Newfoundland and Labrador.

Current Areas of Focus

- Expansion of C-NLOPB Mandate - The C-NLOPB is preparing for the expansion by joining the Global Offshore Wind Regulators Forum, expanding their training and competency, advising governments on the amendments and associated regulations, supporting the RA for offshore wind, and developing regulatory processes.

- Marine Conservation Areas in Newfoundland and Labrador in support of the federal government's 25% target:

29.(1)(a),
34.(1)(a)(i),
34.(1)(a)(v)

- DFO is currently in the planning phase of a potential Mid-Labrador Coast MPA/Indigenous Protected & Conserved Area in partnership with Nunatsiavut Government (NG) by 2030.

- Parks Canada is currently engaged in the Torngat Area of Interest Feasibility Assessment: Next steps include concluding Indigenous, partner and key stakeholder engagement and consultations; finalize governance model and boundary proposal; negotiation and designation in 2025.
- Parks Canada (PC) is also moving forward with the South Coast Fjords Feasibility Assessment. In 2023, PC established steering committee and communications and engagement sub committees and informal consultation, and engagement is ongoing. Next steps include discussions with industry, formal engagement, assessments, indigenous and local knowledge studies, develop governance model and boundary determination, negotiation, and designation in 2025.
- Environment and Climate Change Canada is currently conducting feasibility studies/data gathering and overview assessments of two new study areas (Eastern Avalon and Southern Avalon) to be considered for marine National Wildlife Areas. Next steps include developing regulatory intent, establishing advisory committee, finalizing boundary and agreements with First Nations and/or other government departments in 2025.

- Marine Spatial Planning (MSP) Framework

- The regional MSP Framework is guided by internal DFO MSP Policy Directive and provides the foundation for advancing MSP.

Action Being Taken:

29.(1)(a), 34.(1)(a)(i)

- IET will continue to support the ROCOM and CNLCOM, participate in working groups as needed, and support the initiatives undertaken.

Prepared/Approved by: H. Simms / C. Carter / N. Abundo / C. Martin

Ministerial Approval:

Date: March 26, 2024



Annex**ROCOM Members**

DEPARTMENT / AGENCY
DFO – Fisheries and Oceans Canada
TC – Transport Canada
ECCC – Environment and Climate Change Canada
CCG – Canadian Coast Guard
PCA – Parks Canada Agency
NRCan – Natural Resources Canada
IAAC – Impact Assessment Agency of Canada
ACOA – Atlantic Canada Opportunities Agency
CNLOPB – Canada-NL Offshore Petroleum Board
FFA – Fisheries, Forestry, and Agriculture
IET - Department of Industry, Energy and Technology
LA - Labrador Affairs Secretariat
IAR – Indigenous Affairs and Reconciliation Secretariat
IGA - Intergovernmental Affairs Secretariat
ECC - Department of Environment and Climate Change

Decision / Direction Note
Department of Industry, Energy and Technology (IET)

Title: Teck Resources Limited

Decision / Direction Required:

- Whether to accept a reduction in the amount of financial assurance for Teck Resources Limited (Teck) Duck Pond Mine, under section 10(7) of the **Mining Act**.

29.(1)(a), 30.(1)(a)

Background and Current Status:

- Teck owns 100% of the Duck Pond Mine (Duck Pond) that is located approximately 30 km southeast of Millertown. Duck Pond consisted of an underground mine, two small open pits, a processing mill, tailings management area (TMA) and supporting infrastructure. Production started at the mine in 2007.
- Due to resource depletion, Duck Pond ceased production and permanently closed in 2015.
- Teck has been actively rehabilitating Duck Pond since 2015. The mine portal and ventilation raises have been backfilled and capped. The majority of the buildings, including the camp and mill buildings have been removed from the site. Teck will continue with site rehabilitation and water management and monitoring activities until approximately 2040 when it is expected that water treatment will no longer be required.
- The revised rehabilitation and closure plan for Duck Pond was accepted on December 04, 2023. The financial assurance currently on file with the department is \$25,272,895. Pursuant to section 10(2) of the **Mining Act**, the closure cost estimate was verified as being reasonable by WSP Canada Inc.
- Teck submitted a request on February 28, 2024 to reduce the financial assurance to reflect work that was completed at Duck Pond in 2023. This work included:
 - Removal of the polishing pond and the relocation of 90,000 cubic meters of sediment into the tailings pond;
 - The creation and spreading of 26,000 cubic meters of soil around the location of the former mill and the planting of 225,000 seedlings;
 - Construction of a new water treatment plant, including building and water slaking equipment;
 - 2023 operational and maintenance costs for the project.
- Teck will continue with site rehabilitation activities in 2024. The major project at Duck Pond will be the dredging and leveling of tailings above the 274.2 meter elevation within the TMA.
- Teck will employ minimal staff (estimated three people) at the site in 2024 but will use the services of contractors and consultants as required to support construction, monitoring and maintenance activities.

Analysis:

- Teck is compliant with the **Mining Act**. The financial assurance currently on file with the Department

29.(1)(a)

- Based on the rehabilitation activities that Teck completed in 2023, the estimated remaining rehabilitation and closure cost for Duck Pond is now \$19,469,976. Teck has requested the \$25,272,895 financial assurance be reduced to \$19,500,000 and would result in \$5,772,895 in excess financial assurance being held by IET.

29.(1)(a),
35.(1)(d)

[Redacted]

- Teck's calculation for the rehabilitation and closure cost estimate for Duck Pond details all activities required at the site per year up to 2040.

29.(1)(a)

[Redacted]

- Under the **Mining Act**, revisions to the closure costs due to completed rehabilitation work are routine in nature. It is normal practice to seek Ministerial acceptance of the revised closure cost under section 10(7) of the **Mining Act** to reflect completed rehabilitation work.
- Section 10(7) of the **Mining Act** states "The minister may consider an application by a lessee for a reduction of the financial assurance to an amount consistent with the financial requirements of the rehabilitation work remaining to be completed where the balance of the work has already been completed according to the requirements of the rehabilitation and closure plan."

29.(1)(a), 30.(1)(a), 35.(1)(d)

- A standard letter from the Minister accepting the reduced amount of financial assurance for Teck's Duck Pond Mine is provided.

[Redacted]

Alternatives:

[Redacted]

29.(1)(a)

Prepared/Approved by: P. Philpott / K. Bradbury/A. Smith
Ministerial Approval:

March 25, 2024