February 6, 2019

To whom it may concern:

Re: Your request for access to information under Part II of the Access to Information and Protection of Privacy Act, 2015 [Our File #: PRE/3/2019]

On January 9, 2019, the Premier’s Office received your request for access to the following records/information:

“All correspondence regarding the decision made involving the issuing of the wood permit to AEG/TL Incorporation, and location of wood pellet plant and operations of a sawmill between the following persons from January 2017 to present. - Christopher Mitchelmore - Gerry Byrne - Richards Spinks AEG/ TL Incorporation - Department of Fish & Land Resources to include Ted Lewis, George Gibbons, Colin Carroll, Stephen Balsam and Eric Young. - Premier Dwight Ball.”

Please be advised that a decision has been made by the Chief of Staff of the Premier’s Office to provide access to the information requested, with the exception of personal information, which has been removed in accordance with Section 40(1) of the Access to Information and Protection of Privacy Act (the Act), which states:

40.(1) The head of a public body shall refuse to disclose personal information to an applicant where the disclosure would be an unreasonable invasion of a third party’s personal privacy.

You may appeal this decision by asking the Information and Privacy Commissioner to review this response, as set out in section 42 of the Act (a copy of this section of the Act has been enclosed for your reference). A request to the Commissioner must be made in writing within 15 business days of the date of this letter or within a longer period that may be allowed by the Commissioner. Your appeal should identify your concerns with the response and why you are submitting the appeal. Contact information for the Information and Privacy Commissioner is as follows:

Office of the Information and Privacy Commissioner
2 Canada Drive
P. O. Box 13004, Stn. A
St. John’s, NL. A1B 3V8

Telephone: (709) 729-6309
Toll-Free: 1-877-729-6309
Facsimile: (709) 729-6500
You may also appeal directly to the Supreme Court Trial Division within 15 business days after you receive this response, pursuant to section 52 of the Act (a copy of this section of the Act has been enclosed for your reference).

This response will be published as outlined on the Completed Access to Information Requests website. (http://atipp-search.gov.nl.ca/) If you have any further questions, please feel free to contact me by telephone at (709)729-3570 or by e-mail at joybuckle@gov.nl.ca.

Sincerely,

Joy Buckle
ATIPP Coordinator
Enclosure
Access or correction complaint

42.(1) A person who makes a request under this Act for access to a record or for correction of personal information may file a complaint with the commissioner respecting a decision, act or failure to act of the head of the public body that relates to the request.

(2) A complaint under subsection (1) shall be filed in writing not later than 15 business days

(a) after the applicant is notified of the decision of the head of the public body, or the date of the act or failure to act; or

(b) after the date the head of the public body is considered to have refused the request under subsection 16(2).

(3) A third party informed under section 19 of a decision of the head of a public body to grant access to a record or part of a record in response to a request may file a complaint with the commissioner respecting that decision.

(4) A complaint under subsection (3) shall be filed in writing not later than 15 business days after the third party is informed of the decision of the head of the public body.

(5) The commissioner may allow a longer time period for the filing of a complaint under this section.

(6) A person or third party who has appealed directly to the Trial Division under subsection 52(1) or 53(1) shall not file a complaint with the commissioner.

(7) The commissioner shall refuse to investigate a complaint where an appeal has been commenced in the Trial Division.

(8) A complaint shall not be filed under this section with respect to

(a) a request that is disregarded under section 21;

(b) a decision respecting an extension of time under section 23;

(c) a variation of a procedure under section 24; or

(d) an estimate of costs or a decision not to waive a cost under section 26.

(9) The commissioner shall provide a copy of the complaint to the head of the public body concerned.
Direct appeal to Trial Division by an applicant

52.(1) Where an applicant has made a request to a public body for access to a record or correction of personal information and has not filed a complaint with the commissioner under section 42, the applicant may appeal the decision, act or failure to act of the head of the public body that relates to the request directly to the Trial Division.

(2) An appeal shall be commenced under subsection (1) not later than 15 business days

(a) after the applicant is notified of the decision of the head of the public body, or the date of the act or failure to act; or

(b) after the date the head of the public body is considered to have refused the request under subsection 16(2).

(3) Where an applicant has filed a complaint with the commissioner under section 42 and the commissioner has refused to investigate the complaint, the applicant may commence an appeal in the Trial Division of the decision, act or failure to act of the head of the public body that relates to the request for access to a record or for correction of personal information.

(4) An appeal shall be commenced under subsection (3) not later than 15 business days after the applicant is notified of the commissioner’s refusal under subsection 45(2).
My holiday was very good. Thank you so much for the follow-up. Looking forward to the feedback.

On Wed, Jan 4, 2017 at 9:21 AM, Gover, Aubrey <aubreygover@gov.nl.ca> wrote:

Chief Lasaga, thank you for your email. A meeting has been arranged of relevant Government of Newfoundland and Labrador officials to discuss the letter noted below of December 12, 2016. That meeting will likely occur today, and I will get back to you as soon as I can after that. I hope you all had a joyous Holiday Season.

Aubrey Gover
Deputy Minister
Labrador and Aboriginal Affairs Office
Government of Newfoundland and Labrador

This email is PRIVILEGED and contains confidential information intended only for the person(s) named above. Any other distribution, copying or disclosure is strictly prohibited. If you have received this email in error, please notify us immediately by return email and delete the original message.

From: Liz Lasaga
Sent: Tuesday, January 03, 2017 10:48 AM
To: Gover, Aubrey
Cc: Premier; Harvey, Brian; Weatherbie, Larry; Reid, Scott; English, Dana; Adams, Blair
Subject: Re: Thank you

Kwe!

Happy New Year to Everyone! 2017 will bless us all in history-making ways.
Minister Gover, as we are all back into the swing of things after holidays, we are anticipating any feedback you have on behalf of Premier Ball, regrading the go forward strategy with Active Energy that we submitted in Dec. 12th, 2016.

Respectfully, we will require permission and/or the steps to harvest the land as we reported, as soon as is reasonable possible.

On Mon, Dec 12, 2016 at 4:33 PM, Gover, Aubrey <aubreygover@gov.nl.ca> wrote:

Thanks for this. We will definitely have a looks at this. Appreciated you keeping us apprised of your efforts.

Aubrey Gover
Deputy Minister
Labrador and Aboriginal Affairs Office
Government of Newfoundland and Labrador

This email is PRIVILEGED and contains confidential information intended only for the person(s) named above. Any other distribution, copying or disclosure is strictly prohibited. If you have received this email in error, please notify us immediately by return email and delete the original message.

Good day Minister Gover!

As a follow-up from our meeting of Dec. 7th and the Northern Pen trip conducted by Richard Spinks and Phillip Scalzo, kindly see the attached letter outlining their discoveries and our collective plans forward.

While we plan to be in touch with you in the very near future, we greatly appreciate any feedback you might have following your perusal of our reported strategy.
On Fri, Dec 2, 2016 at 6:50 PM, Liz LaSaga wrote:

A thank you, **on the heels of the meeting held yesterday between our band, Active Energy & Affiliates and Dupty Minister Aubrey Gover and attending team** (Dana English, Research and Policy Analyst, Brian Harvey, Director of Aboriginal Affairs, LAAO, Clare Bustin, Senior Analyst, LAAO, Dr. Blair Adams, Director of the Centre for Forest Science and Innovation, Fisheries, Forestry, and Agrifoods and Larry Weatherbie, Director, Industry Adjustment, Business, Tourism, Culture and Rural Development).

Please note that Grand Chief, Mr. Ron Derrickson commented a number of times about the awe he felt in witnessing our government being so supportive of us. Your support is something that the Flat Bay Band Inc. (No'kmaq Village) has grown to become expectant of and reliant upon. On the same note, we are highly cognizant of the power of our mutual support, cooperation, and responsibility for the enrichment of this province and brotherhood of of our nation, and we are as devoted to our part in that.

I just wish to say THANK YOU for the meeting and for the prompt follow-up today by Dr. Blair Adams (whose email I do not have here, please forward). This is a true gesture of all we have asked for *diligence and *support.

Many blessings forward!

--

Ewipkek. (Calm Waters)

Chief Liz LaSaga

No'kmaq Village (The Flat Bay Band Inc.)
P.O. Box 15, Site 2
Flat Bay, NL A0N-1Z0

Tel: (709) 647-1370
Fax: (709) 275-3330

[www.flatbaynl.com](http://www.flatbaynl.com)

[www.healingournationnl.ca](http://www.healingournationnl.ca)
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12th December, 2016

Aubrey Gover, Deputy Minister for Premier Dwight Ball
Government of Newfoundland & Labrador (NL)

Kwe’,

Thank you again for the meeting with our committee and business associates from the UK, Active Energy Group (AEG) Plc, and for so promptly arranging for Mr. Spinks and Phillip Scalzo to visit to the Northern Peninsula.

Grand Chief Mr. Ron Derrickson, has told me that he has been using his visit as a positive example of cooperation between Provincial Government and Indigenous Peoples, high praise indeed. This makes me proud as it demonstrates exactly what our band wishes to model across our struggling nation, for the betterment of our nation.

Having had the opportunity to consider the results of their fact finding visit, the Active Energy Group has reported to us an expression of going forward with our band, with the support of the NL Government, with ideas that have great potential value to the forestry and biofuels industry for the long-term benefit of NL. The possibility realistically exists with AEG for a whole new export industry for the Province, opening the, to date, inaccessible European biomass markets, through a more appropriate technology and customer relationship model.

An indication, based on our summation of the AEG trip with Richard, of such a model is as follows;

1/ In 2014, Richard instructed his team to prepare a feasibility study for AEG to invest in production of MDF quality Wood Chip, for export to Turkey, it’s key business in Europe, but due to the high moisture content of the harvested timber found in Newfoundland this was not viable as a business opportunity. In the time since then, AEG have developed a technology which has now been proven with utilities and the University of Utah, to be able to utilize this high moisture material, in a high humidity environment and thus returned this past week to the Province to re-evaluate possibilities.
AEG’s long-term relationship with No’kmaq Village (Flat Bay Band Inc.), myself and our people naturally led them back to us asking via Grand Chief Mr. Ron Derrickson, a significant shareholder in AEG Plc, for their assistance in arranging the high level meeting in St. John’s which we all attended the week before last.

2/ Some of the projects that AEG are working on include collaboration with the Governor’s Office of the State of Utah, Utah Energy, the State of Utah’s Energy Regulator, and Power Generators in Utah, among them Rocky Mountain Power, a Pacificorp (Berkshire Hathaway) company. This has led to them raise funding in excess of USD$20m, for the first of a number of facilities to be constructed and commissioned in the state.

In addition, we are aware that following some complications involving the previous Provincial Government in Alberta, they have also raised a further US$56.4m to construct 3 larger facilities in partnership with the Metis Settlements of Alberta; namely Paddle Prairie, where the first CoalSwitch plant in Canada will be constructed, Peavine and East Prairie. This in keeping with the company’s and Richard’s desire to work with Indigenous Groups and their Provincial Governments on such projects.

Richard and his team have explained to us that the ‘fit’ between AEG CoalSwitch and the Province of Newfoundland and Labrador, is almost perfect, bearing in mind the specifics of both the climate, geography and logistics of our Province and the technical advantages, which negate difficulties for other options in the Province, or their system.

**General Outline Plan (subject to government support and feedstock availability):**

In general terms, we have been discussing with AEG over the past several months leading up to our meeting in St. John’s the possibility of creating a surrogate business sector for our Province, in partnership with AEG, which would enable our Province to become, once again, a major force in forestry management, processing and logistics, whilst at the same time, preserving existing and creating new workplaces across the timberland and processing supply chain. In addition, it would open up the ever increasing European marketplace for biomass fuel which most all eastern US and Canadian states and provinces benefit from, and which Newfoundland and Labrador has attempted, unsuccessfully to date, to also access.

**Step One:** Bring into commercial operation through the commissioning on the Northern Peninsula, of a smaller 5-10 Metric Tonne per hour CoalSwitch production unit, at Ted Lewis’ Holson site in Roddickton. This would mean that the investment made to date for all the right reasons, up on the Peninsula would be utilized, allowing the re-activation of the sawmill adjacent and therefore, due to a market for the ‘Pulp and Waste’ components of these forestry activities becoming reliably and sustainably present for the long term, allow the forestry and sawmill activities to become active on Management Areas 17 and 18.
Flat Bay Band Inc.

“A non-profit village council developing the native community of Flat Bay E. W. & St. Teresa, representing our Mi'kmaw people & citizenship. Our mission is to maintain a self-governance structure, to deliver Social Development, Environmental Heritage, Wellness & Community Economic Initiatives and to preserve the Mi'kmaw Culture by restoring identity, encouraging pride & unity & supporting spiritual & artistic expression.”

“Vibrant, Self-Determined Mi'kmaw Communities”

Step Two: Bring into commercial operation once Step One is proven both to AEG and to the Province; and commercial offtake developed into the United States and Europe, at the Grand Falls CPBB Pulp and Paper Mill Site an 80 Metric Tonne per Hour CoalSwitch production facility (600,000MT/Annum) based on the existing workforce in forestry, logistics and technical support at the existing Pulp Mill operation, to use the existing AAC in Central and to convert the local economy off Pulp and into 2nd Generation Biomass with deliveries into the European Fuel markets as is the strategic goal of the Province.

As supporting an economic activity, we would intend to engage and support the local academic institutions where possible to develop a Research & Development function, including testing, analysis etc. This will create a stream of employees with specificity in our fields of activity as future employees in the Province and further afield.

Additionally, it should be noted that our priority is to bring education, employment and training to the Mi'kmaw & Indigenous People in the Province, once operating, our goal would likely be to run a Scholarship Program, as part of AEG’s intended Social Responsibility Programme in Newfoundland and Labrador, in order that these peoples would have the opportunity for long term development of skills and employment within the global Renewable Energy industry, either with AEG CoalSwitch as we grow around the world or other 3rd party operators.

We plan to be in touch with you in the very near future, about this strategy. We would greatly appreciate any feedback and continued support in deriving information, connections and resources that can make such a process unfold as timely and as practically as possible.

Wela’lin,

[Signature]

Chief Liz LaSage

c/c
CEO of Active Energy Richard Spinks
Investor, Grand Chief Mr. Ron Derrickson
Hi Pam,

Attached, for your Minister and Deputy Minister's attention, is an email from [Redacted] to Premier Ball regarding the neglect of the Roddickton Pellet Plant when deciding on a plant for Hawke's Bay.

We are requesting a response on behalf of the Premier. Please copy the Premier on the response and email a copy to Premier@gov.nl.ca within 10 business days.

Thank you,
Kaitlyn

--------< HPE Records Manager record Information >--------

Record Number: ICOR2018/4745
Title : Email from [Redacted] to Premier Ball regarding the neglect of the Roddickton Pellet Plant when deciding on a plant for Hawke's Bay
Please see attached letter to the Premier
December 2, 2018

The Office of the Premier
Confederation Building, East Block
P.O. Box 8700
St. John’s, NL
A1B 4J6

Dear Premier;

I write to express my dire concerns regarding the recent announcement relating to AEG and the pellet plant for Hawkes Bay. Most people understand the nature of private business and the inherent decision-making process(s) they employ, and most people can also see through the smoke and mirrors in the announcements by Chris Mitchlemore and Gerry Byrne. Considering this, when you as Premier take the time to accompany Lisa Dempster to her district to announce a 1-million-dollar Internet initiative and Chris Mitchlemore couldn’t wait but to announce a $19 million-dollar pellet plant on Facebook. The optics are outright terrible sir! And, politicians who use facebook to disseminate information such as this are in denial about the impact they have on communities. All is not well in my community!

It is especially disconcerting and disappointing when the perception exists that Ministers of the Crown have negated their responsibilities by making backroom deals, while allowing communities to be misled just to achieve their own personal vindictive objectives. Roddickton officials were led to believe that this plant was slated for their community, and why wouldn’t they? There’s already a pellet plant here and a sawmill and other steel buildings previously used by the now defunct Canada Bay Lumber Company which are in excess of 30,000 ft². Both, ideal locations for the proposed new and similar developments. As a businessman yourself, does this sound logical and on the up and up to you? Does it sound logical to operate a sawmill in Roddickton and a waste wood plant in Hawkes Bay? This latest announcement amounts to little more than punishment based on infantile decision making. And to expect people to believe that Gerry Byrne and Chris Mitchlemore had nothing to do with AEG’s decision to set up shop in Hawkes Bay, amounts to little more than mockery!

I want further to correct a misconception that this community has received millions in government funding already for such projects. This community has received slim pickings, but greedy, conniving individuals have filled their pockets quite nicely with the help of incompetent government official, who did little more than write blank cheques with no accountability measures. And now Gerry Byrne and Chris Mitchlemore have decided that Roddickton has had
enough! Mr. premier, we have a serious problem when politicians start using a personal lens to
deetermine what’s best and what’s not for communities.

Here's a quote from your facebook post yesterday, “NL is a much better place today then it was
in 2015, that's what happens when people work together.” I'm astonished that these two
politicians have been allowed to broker this deal with AEG and not report a single piece of
information to the public and not allow for any discussion or input for the entire duration of
these project talks. So, my questions to you Mr. Premier, is this: Does this sound like an xercept
from your document, 'the way forward' or does this sound more like an xercept from the files of
'like it or lump it'?

The people of this area have been through hell in the past twenty years and when you take
people out of the equation and refer to us as the inanimate object of Roddickton, then we have
been shamefully unhumanised. It started with our Crab plant burning, and the licence gets
transferred out, The Hydro generating station closes, (which by the way closed because it was
destroying too much forest, the same scenario planned for AEG) Canada Bay Lumber closes and
the proposed Particle Board Plant scrapped, North Chip sawmill closes, Pellet Plant closes. The
single common denominator in all of this is incompetent government officials and spending
that was never accounted for. Granted, they were previous government mistakes as Gerry
Byrne so humbly articulated! But as you may or may not know, Mr. Byrne had a hand in dolling
out some of those millions to Canada Bay Lumber Company himself. The failures of the past
have nothing to do with the people of Roddickton and that is scary logic for any politician to
assume.

According to The Wall Street Journal, in 2001 Richard Spinks worked in a fish plant in Russia, he
then went on to sell pool tables for a living. A little while later, he gets drunk with two friends in
a bar somewhere in the Ukranine and walks out with nearly a million dollars to invest. Who is
Richard Spinks, what are his credentials and successes and what are his companies producing
today? What is he producing in Western Canada, where he has large swats of timber lands
leased from the Metis? Your government just signed over more wood than is actually available
to this guy and no one has told the people who he is? According to some locals, he is however
well known by Julian Either! I invite you to google the head office of AEG, 27-28 Eastcastle
Street, London W1W BDH United Kingdom.

An old man from[40(1)] by the name of[40(1)] once told me that government
people got thousands of ideas, but they haven't got much sense. All this mess and nonsense did
not have to happen, and it would not have happened had Gerry Byrne and Chris Mitchlemore
practiced what's been preached in 'The Way Forward' and work together with the
communities involved. Instead, they opted to play vindictive politics with Roddickton and
proceeded to plant the seeds and cut the path for AEG to follow! And like infants, they now try
to exonerate themselves by telling us the Mayor knew this three weeks ago.
The very life blood of this community is at stake! There is no sawmill for Roddickton, if it is, someone is still playing games! And for Gods sake Mr. Premier, don’t think that people like Richard Spinks don’t come with massive price tags.

This matter demands your most personal attention. I would hope you see it that way as well!

Yours truly

[40(1)]
Buckle, Joy

From: Hunt, Pam
Sent: Friday, December 21, 2018 11:53 AM
To: Premier of NL
Subject: Response to [REDACTED] from Minister Gerry Byrne / ICOR2018/4745 - concerning Active Energy Group (AEG)
Attachments: Ministerial Response to [REDACTED].pdf

Forwarded for your records

From: Hunt, Pam
Sent: Friday, December 21, 2018 11:48 AM
To: [REDACTED]
Cc: Balsom, Stephen <StephenBalsom@gov.nl.ca>; Carroll, Colin <ColinCarroll@gov.nl.ca>
Subject: Ministerial Response to your Correspondence to the Honourable Dwight Ball, Premier

Good morning,

The attached response is forwarded on behalf of the Honourable Gerry Byrne, Minister of the Department of Fisheries and Land Resources to your correspondence to the Honourable Dwight Ball, Premier.

Regards,
Pam

Pam Hunt
Secretary to Minister
Department of Fisheries and Land Resources
Penten Building, 30 Strawberry Marsh Road
Telephone: (709) 729-3705
Fax: (709) 729-0360
e-mail: pamhunt@gov.nl.ca
Dear [Name],

I write in response to your letter to the Honourable Dwight Ball, Premier of Newfoundland and Labrador, concerning Active Energy Group (AEG) and their proposed black wood pellet plant for Hawke's Bay. The Premier has requested that I respond on his behalf.

The Department of Fisheries and Land Resources (FLR) is responsible for the sustainable utilization of the province's forest resources. The vast tracts of timber located on the Great Northern Peninsula have been underutilized for several years and over 60% of the fiber is available for development.

The people of the Great Northern Peninsula deserve the opportunity to utilize the forest resources that surround their communities. In the past, financial assistance was provided by Government to the local Holson Forest Products Limited saw mill and pellet plant in an effort to offer the facility an opportunity to restart.

AEG approached the Department with a request for access to fiber for utilization in a "CoalSwitch" pellet plant technology proposal. The company was directed to the Great Northern Peninsula because of the abundance of available fiber.

AEG determined that Hawke's Bay was the best location for their company to restart the forest industry on the Great Northern Peninsula. AEG has committed to providing 25% of their saw logs to the market, and their operations will provide an outlet for small diameter timber and other wood wastes. These opportunities have the potential to create an industry foundation on the Great Northern Peninsula that may offer the Roddickton saw mill a future potential to restart.
If you have any further questions concerning this matter, please contact Mr. Colin Carroll, Director of Regional Services, at colincarroll@gov.nl.ca or by telephone at (709) 637-2349.

Sincerely,

[Signature]

HONOURABLE GERRY BYRNE, MHA
District of Corner Brook
Minister

c. Honourable Dwight Ball, Premier
   Mr. Stephen Balsom, Assistant Deputy Minister, Forestry and Wildlife
   Mr. Colin Carroll, Director, Regional Services
Hi Pam,

Attached is a letter from [redacted] to the Premier, your Minister et. al., regarding a recent forestry deal that has given AEG control over the 1.2M hectares of timber rights in District 17 and 18.

Would you please copy the Premier on the Minister's response by emailing it to premier@gov.nl.ca.

Regards,

Marian Glavine

-----< HPE Records Manager record Information >-----

Record Number: ICOR2019/0048
Title: Letter from [redacted] to Premier Ball regarding the recent forestry deal that gives AEG control over some timber rights in District 17 & 18
To:
Premier Dwight Ball
Minister Gerry Byrne
Minister Christopher Mitchelmore
Minister Tom Osborne
Minister Graham Letto

CC:
Gudie Hutchings, MP Long Range Mountains
Gerry Gros, Chairperson, Joint Council of the Northern Peninsula
Sheila Fitzgerald, Mayor of Roddickton Bide-Arm
Gracien Plowman, Mayor of Hawke's Bay

I have lived in [ redacted ] all of my life, [ redacted ] I know these forests and the critical role they play in our ecosystem and way of life, providing heat for our homes, food on our tables, and unbeatable recreation opportunities and natural beauty that attracts tourists from around the world.

My connection to and passion for the forest compels me to speak out against the recent forestry deal that gives AEG control over the 1.2M hectares of timber rights in District 17 and 18. AEG, is a foreign-owned company, whose majority shareholders are venture capitalists, hedge fund managers and private equity firms, who care little for and know nothing of our forests. Their history demonstrates a primary function of controlling and shifting around large amounts of leveraged capital for profit; not forestry management.

It appears that our provincial government has failed to do their due diligence on this project. Either that, or the province's Environmental Assessment Regulation and the history of AEG and Richard Spinks' have been willfully disregarded. The public record demonstrates that AEG is not capable to deliver on this project, which will decimate our forests, negatively impacting our wildlife, waterways, tourism and our way of life for future generations.

We must demand that our provincial government explain why they have failed to follow their own Environmental Assessment (EA) Regulations, Regulation 54/031. It appears that our province is allowing AEG to "piggyback" their project on the back of the Environmental Registration (ER) #1905 for the 5 Year Forestry Management Plan for Zone 8. This Plan authorizes clear cutting and only provides minimal protections for our waterways and natural beauty. Specifically, it requires a 30M buffer zone between cutting and waterways and that they "minimize negative visual effects" of clear cuts along Highway 430 and 432.

1 https://www.assembly.nl.ca/Legislation/srf/Regulations/rc030054.htm
This begs the question as to why the 5 Year Plan does not protect the beauty of the forest for our fellow communities in Roddickton Bide-Arm, Englee and Conche, along Highway 433.

AEG has not submitted an ER for any of their operations including details of harvesting processes, transportation, and operation of a sawmill and a new bioprocessing plant. As of 9AM on December 4th, 2018, there have been no environmental registrations submitted by AEG, Timberlands or Advanced Biomass Solutions for these projects, despite the fact that the legislation requires AEG to register their own project, separate from the 5 Year Forestry Management Plan. There has also been no public news about granting AEG an exemption to this Regulation.

The province must compel AEG to submit to an ER as per Part III of the Regulations. Part III of the Regulation clearly indicate that a company must register for environmental registration if the project:

- is within 200M of a scheduled salmon river (section 28)
- involves developing land in excess of 10 hectares for lease (section 36)
- produces more than 1200 cubic metres of wood products per year (section 39)
- manufactures chemicals from raw materials (section 41)
- operates of a waste management site that services more than 5000 people (section 47)

AEG's business in Zone 8 will perform most, if not all, of these activities. Yet, Minister Byrne has approved this project without an environmental registration, denying the residents of the Great Northern Peninsula (GNP) their opportunity to express their support or rejection while also denying our scientists at Municipal Affairs and Environment from performing their own due diligence.

We must demand that AEG's business goes through this process before giving away the rights to our entire forest for at least 5 years. During the last 5 year plan (2013-2017), there was 450,000m$^3$ of wood harvested from our forests in District 17 and 18, for an average of 90,000m$^3$ per year, with about half of the wood harvested for fuel to heat our homes.

AEG has been authorized to harvest 100,000m$^3$ per year under this deal, which will more than double the amount of wood being harvested every year from our forests. If you think it is hard to find wood to heat your home now, imagine what it will be like when you no longer have the right to get your wood where you have always gotten it. Imagine what it will be like for our current sawmills who only have right of first refusal on 25% of the annual harvest.

A foreign-owned, profit-driven company will be dictating who gets to harvest wood from the prime spots. We all know that AEG will choose the wood that is easiest to access and provides the highest yields because it costs less, leaving the rapidly aging population of the GNP to go deeper and deeper into medium or poor-grade forest to get wood to heat their homes. Cutting wood has been a pillar of the GNP culture for generations.

This company has not publicly demonstrated knowledge of our forest or even an interest in finding out; they don't know where our cabins, camps, hunting grounds, salmon rivers and fishing grounds are located or the paths we take to get there. They know nothing of the secret, pristine world and hidden
pathways in our forests and we have no guarantee that they will not behave like a bull in a china shop once they start harvesting.

If my concerns about the lack of environmental registration and public consultation are not enough to persuade you to act now to protect our forests, maybe this information about AEG and its CEO, Richard Spinks will spur you into action.

This statement alone, printed for the entire world to see, on their Interim financial statements released on September 28, 2018, should have brought this project to a grinding halt. In regards to AEG’s prospects of remaining a going concern business, their auditors state:

“However, as of the date of signing these financial statements, none of the potential sources of funds have been finalised and therefore there can be no guarantee that further funds will be received. These circumstances indicate the existence of a material uncertainty which may cast significant doubt on the Company’s ability to continue as a going concern.”

In addition, any mention of AEG’s past operations in Ukraine and prior year financial statements all seem to have been scrubbed from their website in the past 6 months, with plenty of Google search results coming up with “Page Not Found” for links to where these documents used to be available.

I cannot adequately express how worried we should be about the risks associated with doing business with Richard Spinks and AEG. History shows us that it is highly unlikely that the investors in AEG have the best interests of the people of the GNP in mind. In fact, Richard Spinks has a documented history of going into economically depressed, corrupt and/or lawless regions, where they can acquire assets, such as land or timber rights, at a deep discount. And despite getting land and timber rights for pennies on the dollar, it appears that most of his companies have never made money, but somehow the majority shareholders usually come out on top, which is very concerning. The volume of share trades on dates surrounding key announcements relating to the Newfoundland deal and tweets with #AEG from angry investors about insider trades and pumping up share prices should also be looked at.

His record demonstrates that this approach has not worked well in past ventures with Spinks openly admitting that, “I’ve never been an expert in what I have done”. One of his first ventures, Vavo.com, crashed during the dot com bust, despite raising more than $13M USD from investors. The second significant venture, LandKom PLC, operating the Ukraine with 250,000 hectares of land under its control, ended with nearly $80M USD in losses in 2008 and 2009 alone. According to Transparency International, Ukraine is considered one of the most corrupt countries in the world.

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4 https://www.investorschronicle.co.uk/2014/07/21/comment/chronic-investor-blog/smallworld-ukraine-approaching-a-chipping-paint-JUPJmLe1Y1xJiVXFA5sM7N/article.html
Ultimately Spinks resigned from LandKom in May 2009 and stepped down from the board on the same day in August 2009 that the company revealed problems with previous land purchases\(^7\). LandKom was subsequently sold to a Swedish company, Alpco Agro/AgroKultura in a share conversion deal.

Spinks then moved on to a new start-up, Alternativa, promising to open 4 or 5 biofuel plants over 5 years in the Ukraine\(^8\). What happens to Alternativa from there is unclear but involves a supply agreement with a company called GreenShift\(^9\) and ultimately, no biofuel plants being constructed.

Shortly after Alternativa disappeared from the public record, we see the emergence of AEG in the Ukraine. This ended up in another failed venture, with AEG’s Ukraine operations being being completely written off, after only about 2 years in operation, with losses totalling around $9M USD\(^10\). AEGs failures continued in Canada with a prospective deal for 200,000 hectares of forestry rights in Northern Alberta in partnership with 3 Metis settlements and Grand Chief Ronald Derrickson, under the company name Kaquo Forestry and Natural Resources Development Corporation. This deal was surrounded by “plenty of drama” with the Alberta government stepping in with a Ministerial Order demanding more due diligence\(^11\). The project was eventually scrapped entirely by the incoming NDP government.

And when we look at AEGs financial statements we see that the company is in a very deep hole. The company has losses of more than $37M USD since it began operation. In 2018, AEG earned $0 in revenue because its Ukraine operations had shut down. The company has more than $17M in liabilities but has earned no revenue. If you were a shareholder in that company, would you your number one priority be the people of Newfoundland, or getting your money back? Would you be concerned that auditors lack confidence that AEG is a going concern business?

This checkered past, riddled with repeated failures, should have made AEG ineligible for such a large project. The Newfoundland deal gives AEG control of 1.2M hectares of timber rights, almost 500% larger than any other project they have managed in the past. The lack of experience, series of failures, lack of local expertise, and lack of public consultation are all serious red flags.

So why would our provincial government give a company that is $17M in debt, has lost $37M dollars, has no sources of revenue, and has never managed more than 250,000 hectares, the timber rights in Zone 8, spanning 1.2M hectares and a book value of $300M? That’s correct, AEG, who before this deal, had assets of only $17.2M, has put these timber rights on their books as a $300,000,000 biological asset. Our province has in effect, given away our forest to this company, increasing their asset value on the books by more than 1500% with nothing in-hand to show for it.

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\(^7\) https://www.investorschronicle.co.uk/2014/07/21/comment/chronic-investor-blog/small-world-ukraine-approaching-a-chipping-point-UUP5onL1t4YxJpVzFASxdN/article.html


\(^9\) https://greenshift-gars.blogspot.com/2010_02_01_archive.html


\(^11\) http://foresinet.com/IL_Sissues/2014_August_September/landmark.php
While our government touts the new plant and jobs it will create, the value is nowhere near $300M. At the end of the day, construction of a $19.7M plant is great, but AEG still owns the plant, not the people of this province. The construction of the plant will generate approximately $2M in provincial sales tax and around $0.5M in payroll taxes (based on 10% labour cost). Assuming AEG harvests 100,000m³ per year for 5 years, the total royalties to the province will be 500,000m³ X $5.63m³ = $2.8M.

If we add these figures up, we see that the province will only receive about $5.3M, none of which is guaranteed, in exchange for selling out our forest and the future of the people of the GNP. I don't know about you, but selling something worth $300M for $5.3M (1.8%) doesn't seem like a good deal for the province or the people, but seems like a sweetheart deal for AEG. Wouldn't we all like to be able to give the province $5.30 and get $300.00 back?

And what about the long-term expenses associated with destruction of a forest that takes 80 years to grow back, according to 5 Year Management Plan? Ten or 20 years from now, when the forest has been clear cut, the costs of cleaning up the mess and revitalizing our forest will be left to the people who have had their livelihoods and lifestyle destroyed.

What are we to do with a barren forest, contaminated water, no wildlife and no firewood for the 60 years it takes for the forest to replenish? I can guarantee that the costs of the clean-up and lost revenue by existing businesses that rely on the forest, will far exceed any short-term benefit when AEG is finished with Newfoundland.

And AEG's investors are literally laughing all the way to the bank and laughing at us Newfoundlanders. A quick search of #AEG on Twitter, revealed the following comments by AEG investors:

Diamond Horse @Diamond_Horse 0 - Nov 24
Sorry #AEG holders hearing full wipeout liquidation and delist on Monday - glad I took a huge short last week - winner winner chicken dinner here again but sad holders lose again and no doubt those who held this stock were as backward as those living in Newfoundland rednecks.

Esteban @DiMattero 3h
#AEG so 65k tonnes CS produced a year at $90+ profit per tonne is about $5.5m profit a year. Add in the saw logs they'll be cutting and selling and it's up to about $8m a year. So far! We aren't done with NF yet! lol, what a deal.
Just keep in mind 1.2mill hectares of prime forest is worth $billions for when #AEG get given this by the government of Newfoundland and Labrador very soon 🤔🤔

5:48 AM · 07 Aug 18

Esteban
@DrMaccers

Replying to @Richyf321 and @SPHFitness

60mill tonnes at $100 profit a tonne. Just a casual $6billion profit lying there #AEG

12:11 PM · 13 Aug 18

Esteban @DrMaccers Nov 18

#AEG - causally announces forestry worth $20mill profit a yer to them and goes on their books at around $300mill as a biological asset. Amazing lol

We must demand our government performs a full environmental impact statement detailing how this asset would be used. They must also ensure we get paid appropriately for the rights to our forest!

Anyone with a finance background understands that AEG will be able to leverage this $300M asset to get a line of credit from a major lender or investor, likely in the $100M range. What will AEG do with this new found access to exorbitant amounts of capital? Will they pay off their shareholders or issue big bonuses and management fees for their executives? Will they pay off their $17M in debts leveraging our forestry asset? Will they use it to fund their operations in other parts of the world? What guarantee do we have that any of this money will flow back into provincial coffers and the people of the GNP? I believe that with this current deal, we have no such guarantee.

Are we going to stand idly by while our ecosystem, tourism, natural beauty, firewood, waterways and food sources are given away for peanuts to a 100% foreign-owned company with such a poor track record? Local residents in the Ukraine were very clear as to why Spinks failed there, saying, "that you need local knowledge to operate in Ukraine. Most problems faced by Landkom have been caused by
the fact that it is the only 100% foreign-owned company in Ukrainian agriculture and also had 100% foreign management." The same can be said for operating on the GNP.

We must act now to stop this tragedy from unfolding in front of our very eyes. We must protect our forest for our children, grandchildren and our way of life. While I am an old man now, do not underestimate the fight left in me to protect the forest for my children, grandchildren and their children.

We shall resist. We will call and write our MHA's, Minister Byrne and Premier Ball. We will sing this story to the media and the people. We will tell the story about AEG and Richard Spinks.

You must dig deeper into what went wrong with the AEG in the Ukraine and Northern Alberta. You must enforce the environmental registration, preview report and impact statement on AEG.

Once our forest is gone and our ecosystem is destroyed by clear-cutting, it will be too late. What will our children and grandchildren think if we let this project go ahead despite knowing all of this information? It is our duty to protect our forests. It is our duty to stop this project.

I encourage our government leaders and fellow Newfoundlanders to reach out to me by phone at [Redacted] We will bring this project to a halt, before it's too late. This is our forest and we will fight for it.

Sincerely,

[Redacted]

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