Re: Your request for access to information under Part II of the Access to Information and Protection of Privacy Act (File # NR-43-2016)

On August 1, 2016, the Department of Natural Resources received your request for access to the following records/information:

I would like copies of any and all emails sent to or by Minister Cody's personal Gmail account that directly or indirectly relate to government business.

I am pleased to inform you that a decision has been made by the Department of Natural Resources to provide access to some of the requested information. Access to the remaining records, and/or information contained within the records, has been refused in accordance with the following exceptions to disclosure, as specified in the Access to Information and Protection of Privacy Act (the Act):

30 Legal Advice
(2) The head of a public body shall refuse to disclose to an applicant information that is subject to solicitor and client privilege or litigation privilege of a person other than a public body.

40 Disclosure harmful to personal privacy
(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.

As required by 8(2) of the Act, we have severed information that is unable to be disclosed and have provided you with as much information as possible.

In accordance with your request for a copy of the records, the records have been included with this correspondence.
Right to Request Review/File Appeal

As set out in section 42 of the Act you may ask the Information and Privacy Commissioner to review the department’s decision to provide partial access to the requested information. 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 request should identify your concerns with the department’s response and why you are requesting a review.

The request for review may be addressed to 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

Pursuant to section 52 of the Act, you may also appeal directly to the Supreme Court Trial Division within 15 business days after receiving the department’s decision.

Response to be Made Public

After this response is sent to you, the responsive records will be made public by the department. The records will be posted online within 72 hours of the response being forwarded to you electronically or within five business days of the records being put in the mail to you. The goal is to have the records posted on the Completed Access to Information Requests website within one business day following the applicable period of time.

If you have any further questions, please feel free to contact me by telephone at 729-3214 or by e-mail at andreamarshall@gov.nl.ca.

Sincerely,

Andrea Marshall
Departmental ATIPP Coordinator
Sent from my BlackBerry 10 smartphone on the Bell network.

From: Siobhan Coady
Sent: Wednesday, June 15, 2016 1:30 PM
To: Sheppard, Megan
Subject: Fw: Co-op Sector Government Renewal Document

Sent from my BlackBerry - the most secure mobile device - via the Bell Network

From: gfitz@nlfc.nf.ca
Sent: 25 March 2016 1:13 p.m.
To: [REDACTED]
Subject: Co-op Sector Government Renewal Document

Hello Siobhan,
Thought I would share this short briefing document directly with you as a follow up to our discussions last summer. It provides our rationale for continuation of current levels of provincial government support for the development of the co-op and credit union sector, particularly within the context of our current fiscal environment.
Regards,
Glen
Potential copyright material

If you wish to obtain a copy please contact the ATIPP Office at (709) 729-7072 or atippoffice@gov.nl.ca.
Sent from my BlackBerry 10 smartphone on the Bell network.

Hi Erin, go ahead and send to News Releases. Thanks, Diana

Sent from my BlackBerry 10 smartphone on the Bell network.

Forgot to loop in Megan --

It was -- I’ve checked the ref to Chris’ position on board with Tanya. And rephrased it slightly. Should be fine. Here’s version with Megan’s changes included (both emails).

Thanks,

E.

Executive Council
Natural Resources
April 22, 2016

Responsible Management of Investments in Newfoundland and Labrador

Premier and Minister Announce Interim Board of Directors for Nalcor Energy
The Honourable Dwight Ball, Premier of Newfoundland and Labrador, and the Honourable Siobhan Coady, Minister of Natural Resources, have appointed five members to comprise the Interim Board of Directors for Nalcor Energy, effective 5:00 p.m. today.

The naming of the Interim Board of Directors follows the receipt of notice of resignation from Nalcor Energy’s standing Board of Directors.

“We are pleased that these five individuals have agreed to serve on the Interim Board of Directors for Nalcor Energy. We are confident that members will provide the strong leadership necessary to support the governance and development of Nalcor Energy and all its lines of business.”
- The Honourable Dwight Ball, Premier of Newfoundland and Labrador

The interim chair of the board will be John Green, Q.C., who brings significant experience in the oil and gas, electricity, mining and forestry sectors to the role. Mr. Green has resigned from his position at McInnes Cooper and will take on the position of Interim chair. Other members of the board are Donna Brewer, Heather Jacobs, Q.C., Dr. Chris Loomis, and H. Stan Marshall (CEO of Nalcor Energy). Biographies of all board members can be found in the backgrounder below.

Mr. Green and Dr. Loomis join the interim board after having served on subsidiary boards at Nalcor Energy, adding continuity and experience with the corporation.

“The members appointed to this interim board of directors bring the skills and capabilities needed at this time. They bring a wealth of knowledge in areas such as corporate governance, auditing, law and business management – all of which will be directed toward supporting the work of Nalcor Energy, including the efforts underway to get the Muskrat Falls Project back on track. The appointment of the interim board is an important part of our government’s work as we continue with the implementation of the recommendations from the EY interim report.”
- The Honourable Siobhan Coady, Minister of Natural Resources

The permanent board will be named following the passing of Bill 1 – an Act to establish and Independent Appointments Commission and to require a merit-based process for various appointments – in the House of Assembly, when the five person commission is in place. This will be a public process where individuals interested in applying will have the opportunity to do so.

QUICK FACTS
- The Honourable Dwight Ball, Premier of Newfoundland and Labrador, and the Honourable Siobhan Coady, Minister of Natural Resources, have appointed five members to comprise the Interim Board of Directors for Nalcor Energy, effective 5:00 p.m today.
- The interim chair of the board will be John Green, Q.C., who brings significant experience in the oil and gas, electricity, mining and forestry sectors to the role. Other members are Donna Brewer, Heather Jacobs, Q.C., Dr. Chris Loomis and H. Stan Marshall (CEO of Nalcor Energy).
- The permanent board will be named following the passing of Bill 1 in the House of Assembly, when the five person commission is in place. This will be a public process where individuals interested in applying will have the opportunity to do so.

- 30 -

Media contacts:
BACKGROUND
Biographies for Members of Interim Board of Directors for Nalcor Energy

John Green, Q.C. (Interim Chair)
Until resigning from McInnes Cooper, John Green, Q.C., represented provincial, national and international clients, and a significant part of his practice has been in the oil and gas, mining and forestry sectors. He worked on general corporate and commercial law cases with a focus on mergers and acquisitions, securities and related matters. In securities matters, Mr. Green has represented venture capital investors, private placement companies and publicly listed issuers and has acted for underwriters. Mr. Green has been an active member of the Canadian Bar Association, the Law Society of Newfoundland, and he has served as a member of the Canadian Bar Association’s National Executive. Mr. Green received a Bachelor of Arts from Memorial University of Newfoundland in 1966 and received a Bachelor of Laws Degree from Dalhousie University in 1969.

Donna Brewer
Donna Brewer began her career with the Provincial Government in 1987, serving most recently as Deputy Minister, Department of Finance. She has served in a variety of capacities during her tenure with the provincial public service, including Chief Executive Officer of the Labour Relations Agency; Deputy Minister responsible for Provincial Government programs; Assistant Deputy Minister (Financial Planning and Benefits Administration), Department of Finance; Assistant Secretary to Treasury Board; Assistant Deputy Minister (Corporate Services), Department of Health and Community Services; and Deputy Minister (Acting), Department of Health and Community Services. Ms. Brewer holds a Bachelor of Commerce (co-operative) honours degree from Memorial University, and a Chartered Accountant professional designation.

Heather M. Jacobs, Q.C.
Heather M. Jacobs, Q.C., has served as Deputy Minister (Acting) of the Department of Justice and Public Safety since September 2015 and served as an Assistant Deputy Minister in the Department of Justice and Public Safety since June 2006. Ms. Jacobs managed the Government Services Unit within the Civil Division of the Department of Justice from January 2002 to June 2006, and served as a solicitor in the Civil Division from 1988 to 2001. Ms. Jacobs received her Bachelor of Commerce (Honours) from Memorial University in 1984 and Bachelor of Laws degree from York University (Osgoode Hall) in 1987. Ms. Jacobs has been a practicing member of the Bar of Newfoundland and Labrador since 1988.

Chris Loomis
Dr. Christopher Loomis received his PhD from Queen’s University in 1983, where he served as assistant professor in the Departments of Pharmacology & Toxicology, and Anesthesia until 1987. He joined the School of Pharmacy of Memorial University as an associate professor in 1988, was appointed full professor in 1996, and became director of the School in 1998. He was appointed Vice-President (Research) of Memorial University in 2002, and renewed for a second term in 2007. He has also served as Vice-President (Academic) Pro Tempore, and President and Vice-Chancellor Pro Tempore of Memorial University. Dr. Loomis is currently a member of the Governing Council of the CIHR, and sits on the Board
of Directors of Canarie (Canada's Advanced Research and Innovation Network). Dr. Loomis served on the Board of Directors for the Labrador-Island Link Operating Corporation, a subsidiary of Nalcor Energy.

H. Stanley Marshall

H. Stanley Marshall, also known as Stan, was recently appointed as the CEO of Nalcor Energy. He previously served as President and CEO and Director of the Board of Directors of Fortis. Mr. Marshall’s career with Fortis spanned 35 years and he was at the helm as President and CEO for more than 18 years. Mr. Marshall served as the Chairman of FortisBC Holdings Inc (formerly, Terasen Inc). He was a Director of Fortis Properties Corporation. Mr. Marshall was a Director at FortisAlberta Inc., and FortisBC Inc. He has been Independent Director at Enerflex Ltd. since 2011 and he is Chair of its Human Resource Committee. He served as the Chief Executive Officer of Fortis Inc. Mr. Marshall served as the President at Fortis Turks & Caicos. He served as an Interim President and Interim Chief Executive Officer of Fortis Properties, a subsidiary of FortisBC Inc., from April 1, 2005 to May 2005. Mr. Marshall served as the Chief Operating Officer of Fortis Inc. He joined Newfoundland Power Inc., in 1979. He served as the Chairman of FortisBC Inc. until December 31, 2014. He served as Chairman of Central Hudson Gas & Electric Corp., until December 31, 2014. Mr. Marshall served as the Chairman of the Board at FortisBC Energy Inc. until December 31, 2014. He served as the Chairman of FortisAlberta Inc., from April 17, 2007 to February 2008 and served as its Director from June 2004 to April 2011. Mr. Marshall served as the Director of FortisBC Energy Inc. from January 2007 to December 31, 2014. He served as an Independent Director of Toromont Industries Ltd., between 1998 and 2011. He served as a Director of the Conference Board of Canada. Mr. Marshall served as a Director of Maritime Electric Company, Limited, FortisOntario Inc. and Belize Electricity Limited. He served as a Director of Fortis Inc. between October 1, 1995 and December 31, 2014. He served as a Director of CH Energy Group Inc. until December 31, 2014. Mr. Marshall served as Director of Caribbean Utilities Co. Ltd from 2000 to December 31, 2014. He served as a Director of Newfoundland Power Inc. from 1992 to December 31, 2007. He is a retired member in good standing of the Law Society of Newfoundland and Labrador and a Registered Professional Engineer in the Province of Newfoundland and Labrador. Mr. Marshall holds a Bachelor of Applied Science Degree in Chemical Engineering from the University of Waterloo and Bachelor of Law from Dalhousie University.

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**From:** Quinton, Diana  
**Sent:** Friday, April 22, 2016 3:21 PM  
**To:** Shea, Erin  
**Subject:** Re: REV FOR APRPOVAL: NR - Premier and Minister Announce Interim Board of Directors for Nalcor Energy.doc

Was this the chart I sent you?

Sent from my BlackBerry 10 smartphone on the Bell network.

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**From:** Shea, Erin  
**Sent:** Friday, April 22, 2016 3:17 PM  
**To:** Quinton, Diana  
**Subject:** RE: REV FOR APRPOVAL: NR - Premier and Minister Announce Interim Board of Directors for Nalcor Energy.doc

Should we check on the biographies for the others? I updated them as best I could. I think Donna and Heather’s are fine; but can you check this sentence from Dr. Loomis’ bio?:

Dr. Loomis served on the Labrador-Island Link Operating Corporation of the Corporate Governance Committee of the previous Board of Directors for Nalcor Energy.
Sent to him now. Will follow up with him by phone shortly.

Sent from my BlackBerry 10 smartphone on the Bell network.

Erin, we have to wait for John Green to review before we send this out. Minister, can you let us know?

Sent from my BlackBerry 10 smartphone on the Bell network.

Great will send to John now.

Thanks

Sent from my BlackBerry 10 smartphone on the Bell network.

Minister, here is the latest draft for your review.

Sent from my BlackBerry 10 smartphone on the Bell network.

How’s this? Diana, I have added the EY part to the quote and made the members alphabetized.:

Executive Council
Natural Resources
April 22, 2016

Responsible Management of Investments in Newfoundland and Labrador
Premier and Minister Announce Interim Board of Directors for Nalcor Energy

The Honourable Dwight Ball, Premier of Newfoundland and Labrador, and the Honourable Siobhan Coady, Minister of Natural Resources, have appointed five members to comprise the Interim Board of Directors for Nalcor Energy, effective 5pm today.

The naming of the Interim Board of Directors follows the receipt of notice of resignation from Nalcor Energy’s standing Board of Directors.

“We are pleased that these five individuals have agreed to serve on the Interim Board of Directors for Nalcor Energy. We are confident that members will provide the strong leadership necessary to support the governance and development of Nalcor Energy and all its lines of business.”
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The interim chair of the board will be John Green, Q.C., who brings significant experience in the oil and gas, mining and forestry sectors to the role. Mr. Green has resigned from his position at McInnis Cooper and will take on the position of Interim chair. Other members of the board are Donna Brewer, Heather Jacobs, Q.C., Dr. Chris Loomis, and H. Stan Marshall (CEO of Nalcor Energy). Biographies of all board members can be found in the backgrounder below.

Mr. Green and Dr. Loomis join the interim board after having served on subsidiary boards at Nalcor Energy, adding continuity and experience with the corporation.

“The members appointed to this interim board of directors bring the skills and capabilities needed at this time. They bring a wealth of knowledge in areas such as corporate governance, auditing, law and business management – all of which will be directed toward supporting the work of Nalcor Energy, including the efforts underway to get the Muskrat Falls Project back on track. The appointment of the interim board is an important part of our government’s work as we continue with the implementation of the recommendations from the EY interim report.”
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The permanent board will be named following the passing of Bill 1 – an Act to establish and Independent Appointments Commission and to require a merit-based process for various appointments – in the House of Assembly, and the five person commission is in place. This will be a public process where individuals interested in applying will have the opportunity to do so.

QUICK FACTS
- The Honourable Dwight Ball, Premier of Newfoundland and Labrador, and the Honourable Siobhan Coady, Minister of Natural Resources, have appointed six members to comprise the Interim Board of Directors for Nalcor Energy, effective immediate.
- The interim chair of the board will be John Green, Q.C. Other members are Donna Brewer, Heather Jacobs, Q.C., Dr. Chris Loomis and H. Stan Marshall (CEO of Nalcor Energy).
- The permanent board will be named following the passing of Bill 1 in the House of Assembly, and the five person commission is in place. This will be a public process where individuals interested in applying will have the opportunity to do so.
Media contacts:

Nancy O'Connor  
Director of Communications  
Office of the Premier  
709-689-1825  
nancyoconnor@gov.nl.ca

Diana Quinton  
Director of Communications  
Department of Natural Resources  
709-729-5282, 631-8155  
dianaquinton@gov.nl.ca

BACKGROUND

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John Green, Q.C. (Interim Chair)
Until resigning from McInnis Cooper, John Green, Q.C. represented provincial, national and international clients, and a significant part of his practice has been in the oil and gas, mining and forestry sectors. He worked on general corporate and commercial law cases with a focus on mergers and acquisitions, securities and related matters. In securities matters, Mr. Green has represented venture capital investors, private placement companies and publicly listed issuers and has acted for underwriters. Mr. Green has been an active member of the Canadian Bar Association, the Law Society of Newfoundland, and he has served as a member of the Canadian Bar Association’s National Executive. Mr. Green received a Bachelor of Arts from Memorial University of Newfoundland in 1966 and received a Bachelor of Laws Degree from Dalhousie University in 1969.

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professor in 1996, and became director of the School in 1998. He was appointed Vice-President (Research) of Memorial University in 2002, and renewed for a second term in 2007. He has also served as Vice-President (Academic) Pro Tempore, and President and Vice-Chancellor Pro Tempore of Memorial University. Dr. Loomis is currently a member of the Governing Council of the CIHR, and sits on the Board of Directors of Canarie (Canada’s Advanced Research and Innovation Network). Dr. Loomis served on the Labrador-Island Link Operating Corporation of the Corporate Governance Committee of the previous Board of Directors for Nalcor Energy.

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Note: pages 15-17 have been redacted in full under section 30(2).
Thank you - very much look forward to meeting with you. I have Cabinet at 3pm today and will know more about the schedule following. Love to meet all the team.

Thanks. Be in touch soon.

Sent from my BlackBerry 10 smartphone on the Bell network.

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Congratulations Minister!

I am so pleased that we are going to have the opportunity to work together and sincere congratulations on your appointment as Minister of Natural Resources as well – I think you are an inspired choice!

I’m available at your convenience to have a first conversation and to set some time up to have you briefed up on the Department.

I’ve been slated to do a presentation tomorrow at 2pm for all Ministers on Access to Information and Protection of Privacy (ATIPP) – I would be happy to review that presentation with you prior to that time should you wish?

The Office of Public Engagement is located at the north end of the 4th floor of West Block, Confederation Building and as we are a reasonably small Department, perhaps we can organize a Ministerial Coffee Break to have you come meet staff as your schedule allows?

You can reach me at 709-729-2233 (office #) or on my cell [redacted] I will note that my BB (cell) is experiencing some issues today – so you can certainly reach me on my personal cell [redacted] as well.

Again, truly, congratulations Siobhan – I look forward to having you as our Minister for OPE!

Judy

______________________________

Judith A. Hearn
Deputy Minister
Office of Public Engagement
Government of Newfoundland and Labrador
(709) 729-2233
judithhearn@gov.nl.ca
Fw: Speaking Notes - Baie Verte

Coady, Siobhan <SiobhanCoady@gov.nl.ca>
To: [Redacted]
Thu, Jun 2, 2016 at 8:38 PM

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Quinton, Diana <DianaQuinton@gov.nl.ca>
Sent: Thursday, June 2, 2016 5:38 PM
To: Coady, Siobhan; Bown, Charles W.
Subject: Speaking Notes - Baie Verte

Diana Quinton
Director of Communications
Natural Resources
Government of Newfoundland and Labrador
709-729-5282

"This email and any attached files are intended for the sole use of the primary and copied addressee(s) and may contain privileged and/or confidential information. Any distribution, use or copying by any means of this information is strictly prohibited. If you received this email in error, please delete it immediately and notify the sender."

SN - Baie Verte Mining Conference - Minister Coady June 3.docx
32K
The Hon. Siobhan Coady, Minister of Natural Resources
Speaking Notes for Baie Verte Mining Conference
Friday, June 3, 2016

Introduction

• Good evening everyone. It is a pleasure to join you on behalf of the Government of Newfoundland and Labrador.

• Thank you inviting me to be here.

• Congratulations to everyone who worked hard organizing this annual mining conference.

• It's my first time being able to attend the conference, and I've heard great things about the community and the surrounding area, and about how well-received this conference is every year.

• Since I've been here, I have already seen the results of the exciting developments that this area has undergone in the mining industry.
• I've met with and spoken to many people and I've visited some of the mining operations here to get an understanding of what goes on here every day.

• I wanted to visit your workplaces and to talk to you about your views on what is happening in the mining industry

**Theme:**

• Tonight as I speak to you, I want to demonstrate the importance that the Baie Verte region represents to our provincial mining sector. I will describe the strong foundation that the people of the area represent to our province and I'll talk about how we are providing support to the industry, and finally, what is on the horizon.

• Three points for your consideration:
  o our foundation,
  o how we are building on our foundation; and
  o our future.

**Our Foundation**
• So let's talk about our foundation.

• As you all know, mining has historically been, and continues to be, an important economic driver for many people.

• Mining is one of this province’s oldest and leading industries and is a major contributor to the economy of the province, particularly in our more rural or remote areas.

• Our mining and mineral exploration companies, many of which are international, directly provide high-paying jobs to more than 7000 men and women in Newfoundland and Labrador.

• Some families here have made their livelihood from the mining industry for generations.

• This is the 29th year that this conference has been hosted – quite an accomplishment, particularly considering all the changes in the mining industry that have taken place over the past thirty years.

• I understand that this conference has taken place through good times and bad – during the hard times, when the price of
commodities and production were down, and during lucrative times when the community and the province were benefitting from good mineral markets.

- You have supported each other and made the best of every situation.

- For this, you must surely be commended. Your forward-thinking attitude, your team-work and your determination have made all the difference.

**Where We Are Now:**

- Our past is deeply rooting in the mining industry – as is our present. But that’s the past.

- Now let’s talk a little about where we are now in terms of the minerals sector and how this region is moving forward in tough times.

- The Baie Verte region is truly an example for so many of the regions in Newfoundland and Labrador that embrace the exploration and development of our mineral resources and see the positive outcomes of our collective investments.
• Anaconda and Rambler, both represented here tonight, are a huge boon to the region. Each continues to actively explore projects in the Baie Verte-Green Bay area to expand their resources and extend the life of their existing mining operations.

• Our government has made it our business to work with the companies and to welcome their investments in our province.

• I’d like to take a minute to talk about Rambler and about Anaconda (in no particular order), to look at the strides they are making as they contribute to the provincial mining sector overall.

**Anaconda:**

• Earlier this morning, I was pleased to have the opportunity to tour Anaconda’s Pine Cove gold mine.

• At the mine, I met many young people. They were an enthusiastic workforce, and I’m told the average of the employees is actually under 30 years old.
• I thank [Allan Cramm/Dustin Angelo?] for showing me the equipment and introducing me to the operation.

• Anaconda Mining invested significantly last year in its Mill Automation Initiative with the aim of improving production performance from the Pine Cove mine.

• Anaconda employs 90 people at their Point Rousse operation and the mill is operating at 1,200 tonnes of ore per day.

• The company is currently exceeding its production guidelines and is in the process of planning to construct a new tailings pond.

• On May 12, 2016, Atlantic Business Magazine announced that Dustin Angelo, CEO of Anaconda was named one of Atlantic Canada's top 50 CEO's for 2016.

• I would also like to note the assistance that Anaconda provided in supporting Hope Air and their event in St. John's only a few months ago. They are making significant contributions to the province and to its people.
Rambler

- I also had the pleasure, later in the day, to visit Rambler Mines and Metals’ copper-gold Ming mine.

- I understand that Rambler currently employs 137 people, that the company is seeing improvement each quarter and that it continues to exceed production guidelines.

- In fact, Rambler is now forecasting that the mine will continue until at least 2021.

- On April 21, the company announced that financing is in place for development of the Lower Footwall Zone through issuing new shares and warrants — up to $37.27 million.

- This was welcome news for all. Just last month on May 10th, Rambler announced delivery of its thirteenth shipment since declaring commercial production. This brought the total concentrate delivered to approximately 83,500 wet metric tonnes.
• I would be remiss if I didn’t extend congratulations to Rambler for receiving the 2015 John T Ryan Award from the Canadian Institute of Mining, Metallurgy and Petroleum.

• The trophy is awarded to the metal mine that, in one or more complete calendar years, experiences the lowest reportable injury frequency per 500,000 hours worked in Canada.

• I thank both Anaconda and Rambler for their significant contribution to the provincial mining industry and to the province. They are a huge part of the industry and economy in the Baie Verte region.

Building on our successes:

• I’ve spoken about where we’ve been, the state of our mining industry, and the important business that is ongoing in the area. Now I’d like to take a minute to talk about how our government is building on our successes.

• We are working hard to lay the foundation for well-planned and well-managed mining industry in Newfoundland and Labrador.
• We are providing support in places like the Baie Verte region, where the residents and families support a strong mining sector and recognize the reciprocal value in supporting in the industry.

• Budget 2016 is an 8.48 billion dollar budget. It includes a significant amount of investment in the province and in its people.

• For example, $2.44 million has been allocated over four years in Orphaned and Abandoned Mines Dam Safety Program to protect the environment and public health and safety.

• This summer, some of this investment will fund work that will take place on the Rambler Tailings Dam just nearby, and will likely engage local people with expertise in the area.

• Budget 2016 also invests an additional $100,000 for each of the next three years in the Junior Exploration Assistance Program to encourage mineral exploration.

• We continue to commend juniors and prospectors for their perseverance to the exploration sector. The future of the industry depends on the continued work of junior mineral
exploration companies – many who have been active in Newfoundland and Labrador for decades.

- Exploration expenditures for the province for this year are forecast to be $19.5 million, down from last year's total of $47 million.

- Mineral exploration is critical to the future of the industry and it is important to recognize the efforts of those who have persisted with their efforts, particularly in a difficult economic climate. For example:
  
  o Marathon continue to advance their gold project in central Newfoundland
  
  o Anaconda’s Point Rousse project has had some promising results right here, and have expanded their resource base with the acquisition of the Viking project in White Bay.
o Rambler Metals and Mining have announced new financing of about $19 million to support their expansion plan for the Ming Mine Project, and have signed an agreement Maritime Resources to evaluate the economic potential of re-opening the past producing Hammerdown gold mine near Springdale.

o Benton Resources and Puddle Pond Resources continue to explore for gold, and Minco and Canadian Zinc are advancing their base metal projects near Buchans by conducting (with RDC support), a technical study of the viability of a central milling facility for central Newfoundland.

o Two companies have recently signed agreements to acquire exploration projects in the province: Callinex Mines Inc. (Point Leamington Deposit near Grand Falls-Windsor) and Great Atlantic Resources Corp. (Golden Promise Deposit near Badger).
• The active prospecting community of the province also continues to be a driver of grass roots exploration, and I understand there was a very successful introduction to prospecting workshop held at the College of the North Atlantic in Baie Verte today.

• Our government understands that it has been a difficult time, and we are committed to supporting a positive business climate to encourage exploration and development.

• The mining industry is cyclical and that resources are finite; but looking ahead to the future, I have every confidence that the resilience and resourcefulness of the people in the Newfoundland and Labrador mining industry will carry us through while commodity values are down.

• Across the province, we continue to see development:

  o Canada Fluorspar is moving towards construction of a fluorospar mine in the St. Lawrence area.
Vale’s plant in Long Harbour is now processing 100 per cent nickel concentrate from Voisey’s Bay – a deposit considered to be one of the most substantial mineral discoveries in the country in the last 40 years.

- Vale is also in the process of developing its underground mine at Voisey’s Bay. They’ve indicated that they may begin construction this summer.

- Currently, the Voisey’s Bay operation in Labrador employs about 450 people. It is estimated that an additional 400 people will be employed at the mine and concentrator when underground mining begins.

- First ore is expected at the end of 2019. The underground mine will have a capacity of approximately 40,000 tonnes of nickel per year and will extend the life of Voisey’s Bay mine by at least another 15 years.

- And these are just a few good examples of how the industry is continuing to flourish in our province.
Conclusion

- Across the world, Newfoundland and Labrador has the reputation of a mining-friendly competitive jurisdiction.

- I am proud to say what a great example of the interaction between community and mining that Baie Verte represents for our province.

- We have a stable royalty regime and a fair and streamlined regulatory environment. Companies can succeed in the mining sector here and they are interested in what we have to offer.

- Not to mention, we have an experienced and skilled workforce ready and willing to take on projects and build the economy and the community.

- When I set out to speak tonight, I wanted to demonstrate the importance that the Baie Verte region represents to our provincial mining sector.

- I talked about our past and present successes in the mining sector – and how we are building on these developments and
successes right here on the Baie Verte Peninsula and across the province.

- I outlined the strong foundation that we continue to build on and how our government is supporting the industry. I spoke about the positive opportunities that we have on the horizon.

- Your community contributions are obvious here tonight, but it does not go unnoticed that you positively impact the entire province.

- Newfoundland and Labrador has incredible prospects for future development, and we look forward to the exploration and growth in the mining sectors that are on the horizon.

- Thanks to each and every one of you for contributing to the mining industry and to the communities in which you live.

- I would also like to thank the Baie Verte and Area Chamber of Commerce for inviting me to be here. You continue to support and engage the residents and businesses in this region; you look for new opportunities to aid the Baie Verte area in growing and succeeding.
• I wish you all the best for a successful conference this weekend.

• Thank you.
From: Quinton, Diana  
Sent: Friday, April 22, 2016 3:21 PM  
To: Shea, Erin  
Subject: Re: REV FOR APRPOVAL: NR - Premier and Minister Announce Interim Board of Directors for Nalcor Energy.doc

Was this in the chart I sent you?

Sent from my BlackBerry 10 smartphone on the Bell network.

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From: Shea, Erin  
Sent: Friday, April 22, 2016 3:17 PM  
To: Quinton, Diana  
Subject: RE: REV FOR APRPOVAL: NR - Premier and Minister Announce Interim Board of Directors for Nalcor Energy.doc

Should we check on the biographies for the others? I updated them as best I could. I think Donna and Heather’s are fine; but can you check this sentence from Dr. Loomis’ bio??:

Dr. Loomis served on the Labrador-Island Link Operating Corporation of the Corporate Governance Committee of the previous Board of Directors for Nalcor Energy.

---

From: Coady, Siobhan  
Sent: Friday, April 22, 2016 3:09 PM  
To: Quinton, Diana; Shea, Erin  
Subject: Re: REV FOR APRPOVAL: NR - Premier and Minister Announce Interim Board of Directors for Nalcor Energy.doc

Sent to him now. Will follow up with him by phone shortly.

Sent from my BlackBerry 10 smartphone on the Bell network.

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From: Quinton, Diana
Erin, we have to wait for John Green to review before we send this out. Minister, can you let us know?

Sent from my BlackBerry 10 smartphone on the Bell network.

Great will send to John now.

Thanks

Sent from my BlackBerry 10 smartphone on the Bell network.
Minister, here is the latest draft for your review.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Shea, Erin <ErinShea@gov.nl.ca>
Sent: Friday, April 22, 2016 2:58 PM
To: Donnan, Hugh
Cc: Quinton, Diana
Subject: REV FOR APPROVAL: NR - Premier and Minister Announce Interim Board of Directors for Nalcor Energy.doc

How’s this? Diana, I have added the EY part to the quote and made the members alphabetized:

Executive Council
Natural Resources
April 22, 2016

Responsible Management of Investments in Newfoundland and Labrador

Premier and Minister Announce Interim Board of Directors for Nalcor Energy

The Honourable Dwight Ball, Premier of Newfoundland and Labrador, and the Honourable Siobhan Coady, Minister of Natural Resources, have appointed five members to comprise the Interim Board of Directors for Nalcor Energy, effective 5pm today.

The naming of the Interim Board of Directors follows the receipt of notice of resignation from Nalcor Energy’s standing Board of Directors.
"We are pleased that these five individuals have agreed to serve on the Interim Board of Directors for Nalcor Energy. We are confident that members will provide the strong leadership necessary to support the governance and development of Nalcor Energy and all its lines of business."

- The Honourable Dwight Ball, Premier of Newfoundland and Labrador

The interim chair of the board will be John Green, Q.C., who brings significant experience in the oil and gas, mining and forestry sectors to the role. Mr. Green has resigned from his position at McInnis Cooper and will take on the position of Interim chair. Other members of the board are Donna Brewer, Heather Jacobs, Q.C., Dr. Chris Loomis, and H. Stan Marshall (CEO of Nalcor Energy). Biographies of all board members can be found in the backgrounder below.

Mr. Green and Dr. Loomis join the interim board after having served on subsidiary boards at Nalcor Energy, adding continuity and experience with the corporation.

"The members appointed to this interim board of directors bring the skills and capabilities needed at this time. They bring a wealth of knowledge in areas such as corporate governance, auditing, law and business management – all of which will be directed toward supporting the work of Nalcor Energy, including the efforts underway to get the Muskrat Falls Project back on track. The appointment of the interim board is an important part of our government’s work as we continue with the implementation of the recommendations from the EY interim report."

- The Honourable Siobhan Coady, Minister of Natural Resources

The permanent board will be named following the passing of Bill 1 – an Act to establish and Independent Appointments Commission and to require a merit-based process for various appointments – in the House of Assembly, and the five person commission is in place. This will be a public process where individuals interested in applying will have the opportunity to do so.

QUICK FACTS

- The Honourable Dwight Ball, Premier of Newfoundland and Labrador, and the Honourable Siobhan Coady, Minister of Natural Resources, have appointed six members to comprise the Interim Board of Directors for Nalcor Energy, effective immediate.
• The interim chair of the board will be John Green, Q.C. Other members are Donna Brewer, Heather Jacobs, Q.C., Dr. Chris Loomis and H. Stan Marshall (CEO of Nalcor Energy).

• The permanent board will be named following the passing of Bill 1 in the House of Assembly, and the five person commission is in place. This will be a public process where individuals interested in applying will have the opportunity to do so.

- 30 -

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BACKGROUNDER
Biographies for Members of Interim Board of Directors for Nalcor Energy

John Green, Q.C. (Interim Chair)

Until resigning from McInnis Cooper, John Green, Q.C. represented provincial, national and international clients, and a significant part of his practice has been in the oil and gas, mining and forestry sectors. He worked on general corporate and commercial law cases with a focus on mergers and acquisitions, securities and related matters. In securities matters, Mr. Green has represented venture capital investors, private placement companies and publicly listed issuers and has acted for underwriters. Mr. Green has been an active member of the Canadian Bar Association, the Law Society of Newfoundland, and he has served as a member of the Canadian Bar Association’s National Executive. Mr. Green received a Bachelor of Arts from Memorial University of Newfoundland in 1966 and received a Bachelor of Laws Degree from Dalhousie University in 1969.

Donna Brewer
Donna Brewer began her career with the Provincial Government in 1987, serving most
recently as Deputy Minister, Department of Finance. She has served in a variety of capacities during her tenure with the provincial public service, including Chief Executive Officer of the Labour Relations Agency; Deputy Minister responsible for Provincial Government programs; Assistant Deputy Minister (Financial Planning and Benefits Administration), Department of Finance; Assistant Secretary to Treasury Board; Assistant Deputy Minister (Corporate Services), Department of Health and Community Services; and Deputy Minister (Acting), Department of Health and Community Services. Ms. Brewer holds a Bachelor of Commerce (co-operative) honours degree from Memorial University, and a Chartered Accountant professional designation.

Heather M. Jacobs, QC
Heather M. Jacobs, QC, has served as Deputy Minister (Acting) of the Department of Justice and Public Safety since September 2015 and served as an Assistant Deputy Minister in the Department of Justice and Public Safety since June 2006. Ms. Jacobs managed the Government Services Unit within the Civil Division of the Department of Justice from January 2002 to June 2006, and served as a solicitor in the Civil Division from 1988 to 2001. Ms. Jacobs received her Bachelor of Commerce (Honours) from Memorial University in 1984 and Bachelor of Laws degree from York University (Osgoode Hall) in 1987. Ms. Jacobs has been a practicing member of the Bar of Newfoundland and Labrador since 1988.

Chris Loomis
Dr. Christopher Loomis received his PhD from Queen's University in 1983, where he served as assistant professor in the Departments of Pharmacology & Toxicology, and Anesthesia until 1987. He joined the School of Pharmacy of Memorial University as an associate professor in 1988, was appointed full professor in 1996, and became director of the School in 1998. He was appointed Vice-President (Research) of Memorial University in 2002, and renewed for a second term in 2007. He has also served as Vice-President (Academic) Pro Tempore, and President and Vice-Chancellor Pro Tempore of Memorial University. Dr. Loomis is currently a member of the Governing Council of the CIHR, and sits on the Board of Directors of Canarie (Canada's Advanced Research and Innovation Network). Dr. Loomis served on the Labrador-Island Link Operating Corporation of the Corporate Governance Committee of the previous Board of Directors for Nalcor Energy.

H. Stanley Marshall
H. Stanley Marshall, also known as Stan, was recently appointed as the CEO of Nalcor Energy. He previously served as President and CEO and Director of the Board of Directors of Fortis. Mr. Marshall's career with Fortis spanned 35 years and he was at the helm as President and CEO for more than 18 years. Mr. Marshall served as the Chairman of FortisBC Holdings Inc (formerly, Terasen Inc). He was a Director of Fortis Properties Corporation. Mr. Marshall was a Director at FortisAlberta Inc., and FortisBC Inc. He has been Independent Director at Enerflex Ltd. since 2011 and he is Chair of its Human Resource Committee. He
served as the Chief Executive Officer of Fortis Inc. Mr. Marshall served as the President at Fortis Turks & Caicos. He served as an Interim President and Interim Chief Executive Officer of Fortis Properties, a subsidiary of FortisBC Inc., from April 1, 2005 to May 2005. Mr. Marshall served as the Chief Operating Officer of Fortis Inc. He joined Newfoundland Power Inc., in 1979. He served as the Chairman of FortisBC Inc. until December 31, 2014. He served as Chairman of Central Hudson Gas & Electric Corp., until December 31, 2014. Mr. Marshall served as the Chairman of the Board at FortisBC Energy Inc. until December 31, 2014. He served as the Chairman of FortisAlberta Inc., from April 17, 2007 to February 2008 and served as its Director from June 2004 to April 2011. Mr. Marshall served as a Director of FortisBC Energy Inc. from November 2007 to December 31, 2014. He served as an Independent Director of Toromont Industries Ltd., between 1998 and 2011. He served as a Director of the Conference Board of Canada. Mr. Marshall served as a Director of Maritime Electric Company, Limited, FortisOntario Inc. and Belize Electricity Limited. He served as a Director of Fortis Inc. between October 1, 1995 and December 31, 2014. He served as a Director of CH Energy Group Inc. until December 31, 2014. Mr. Marshall served as Director of Caribbean Utilities Co. Ltd from 2000 to December 31, 2014. He served as a Director of Newfoundland Power Inc. from 1992 to December 31, 2007. He is a retired member in good standing of the Law Society of Newfoundland and Labrador and a Registered Professional Engineer in the Province of Newfoundland and Labrador. Mr. Marshall holds a Bachelor of Applied Science Degree in Chemical Engineering from the University of Waterloo and Bachelor of Law from Dalhousie University.

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Here are documents to help you with your interview in the morning.

(1) Minster Bennett's speaking notes - fiscal update

(2) Key messages and QAs - fiscal update

(3) Oil and gas highlights

Your notes on the Muskrat Falls Project review and notes from your interview with CBC St. John's would also be useful to review.

Here are answers regarding oil production.

Minister of Finance mentioned today in her fiscal update that oil production is down. Why?

- There are various operational issues - these happen throughout the production life cycle.
- There was 55 day maintenance downtime at Terra Nova.
- Water injectors for Hibernia South were delayed due to drilling issues which delayed production.
• And, at White Rose, there were slight delays in bringing on new wells in the south due to drilling delays.

Are low oil prices having an impact on production?

• Oil prices are not having a direct impact on production. Production in the different oil fields vary over time due to maintenance and other challenges. There are some short term operational issues right now.

How will we weather the next couple of years facing low oil prices?

• We will prudently manage our fiscal situation during this challenging time.

• It is times like this when we are made stronger. I've seen this time and time again with the people of this province.

• In addition to our existing projects, there are many other opportunities for the future.

• Companies throughout the world continue to invest in Newfoundland and Labrador’s offshore.

• The most recent call for bids in our offshore resulted in a total value of $1.2 billion in work commitments for 7 parcels in the Eastern Newfoundland Region – this was the largest total bid ever. This demonstrates that we have a great opportunity for exploration and future development. (Note: 11 parcels were up for bid, and 7 were successful.)

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3 attachments

Questions and Answers dec 21 1243pm.docx

MINISTER speaking notes dec 21 704pm (16 font).doc

Oil and Gas Highlights - Dec 2015.docx
Questions and Answers
Fiscal and Economic Update
December 2015

Key Over-Arching Theme Messages:

1. Addressing our new fiscal reality is a top priority for our Govt. It was important for us to lay this out so people have the information they need to understand our baseline.

2. We are immediately announcing today short term measures to address this new reality. Now we will begin our work to create a plan to further address our new fiscal reality. We will consult with Newfoundlanders and Labradorians. We will complete our due diligence. We will create the plan to deal with these challenges as we prepare Budget 2016. This is a difficult fiscal reality and we are going to have to work together to correct the course.

3. We will be working hard to maintain our credit ratings and we will be accountable and transparent with the choices we have to make. We will provide the stronger leadership and better management that we promised the people of the Province.

4. We will get this under control. The situation is difficult, but not impossible. We will be accountable and transparent about the choices we have to make. Our first priority continues to be the provision of superior services by professional public employees. We can and we will do that in a fiscally responsible manner.

Imagery Language

- Including this fiscal year, we would have to borrow $15.4 Billion over six years to maintain current spending and debt levels.

- That means borrowing over $7M a day, every day for six years.

- That's close to $300,000 an hour - essentially a new home mortgage every hour of every day until 2021.

- Think of it as maxing out your $5000 credit card limit - every minute of every day.
Q. You paint a fairly negative picture of the province’s finances – does that put your campaign promises at risk?

A. Addressing our new fiscal reality is our Govt’s top priority. The commitments made during the campaign were supported by the people of the province and are important to our government. We will deliver on them. However, outside of those commitments, there is little or no opportunity for new programs spending.

Q. How can you afford them given the fiscal update you have just presented?

A. We are not saying the choices ahead of us will be easy; everyone will have to tolerate some level of sacrifice in the months and years ahead if we are to provide critical services and deliver on these priorities while restoring accountability and stability to government finances. It was important for us to lay this out so people have the information they need to understand our baseline. This is a difficult fiscal reality and we are going to have to work together to correct the course.

Q. By sacrifice do you mean job loss?

A. No, as the Premier has said, no current employee will lose their job through measures we may take. Does that mean public sector spending will remain at current levels? No. We need to focus our resources on critical services and programs. That is where we will put our effort. We are implementing immediately term measures as a start and we will be having an open dialogue about where there is an opportunity for Savings.

Q. So could we see certain programs and services reduced or eliminated.

A. This is only something we can answer once our due diligence is complete - we need to review those programs and services and do a proper cost/benefit analysis. We need to ensure they are delivering on their objectives and in a manner that is cost effective. If they are not, we will have to consider their elimination. This will require consultation with and the engagement of public sector employees, their leadership and ordinary Newfoundlanders and Labradorains.

Q. But if you cut programs isn’t it inevitable that if you cut jobs.

A. No, but this is not just about the challenges we face. I see the opportunity as well. It's going to take a lot of planning and a lot of work but we will use retirements and natural change in the public service to our advantage. It's going to require people to be flexible and to be open to new challenges. It is also going to create opportunity,
particularly for younger employees and for those looking for careers in public service. Opportunities will continue to exist.

Q. It's three days before Christmas, what message can you give the people of the province who may be shocked by this news today?

A. Have confidence. We will get this under control. The situation is difficult but not impossible. We will be accountable and transparent about the choices we have to make. Our first priority continues to be the provision of superior services by professional public employees. We can and we will do that in a fiscally responsible manner.

Update

Q: Why is there such a large increase in the deficit?

A: The impact of the global downturn in oil is having an impact on a variety of areas of our economy.

This far-reaching, multi-sector impact clearly shows that the previous administration had no focus on economic diversification. There was an opportunity to start the conversation on diversification earlier and this province should have been prepared for it.

Every Newfoundlander and Labradorian should be asking why this conversation didn't take place earlier. Today we are beginning our plan to make changes.

Q: Why didn't you anticipate this?

A: We asked the former Premier of this province to disclose the information so we would have it to prepare our platform and more importantly so the people of the province had it. But the former Premier didn't see fit to release it. I would question whether or not the former Premier fulfilled his obligation to the people of the province to disclose this important information.

Q: Why is there a nearly $50 million change in program expenses?

A: This is upward adjustments to pensions and other post-retirement benefit expenses of $45.5 million and an increase in other program expenses of $2.2 million from a variety of sources, for an increase of $47.8 million.

Net Debt

Q: What is net debt?
A: A simple explanation of net debt is total debt less cash on hand – our debt consists of borrowing and pension liabilities, while our cash or assets include loans and equity investments.

Why is net debt important? Understanding debt carried by an organization, like the Government of Newfoundland and Labrador, is key to gaining insight into its financial health. And we want to be financially healthy.

Right now….we are not healthy. Net debt as of March 31, 2016 is now projected to be $12.4 billion. That means approximately $24,800 owed by every man, woman and child in the Province.

If left unchecked, net debt is projected to grow to $23 billion by 2020-21 meaning some $45,900 owed by every man, woman and child in the Province.

Q: Why does your deficit continue to increase when borrowing is up?

A: Deficits occur when expenses are greater than our revenues. When we do not get enough cash from revenues to pay our bills, we have to borrow. There are other cash payments a government makes that do not get expensed. This year government is borrowing to repay old debt, to provide increased equity to Nalcor and to purchase or build new roads, public buildings, etc.

Economic Indicators

What accounts for the huge change in Housing Starts?

A: Housing starts are very hard to predict. The number of starts can be volatile from one year to the next and can be impacted by changes in consumer confidence. We were expecting a decline in the number of starts at budget time but activity throughout the year was weaker than expected. Because the number of housing starts is not a huge number, percentage changes can be a little misleading. At budget time we were expected a drop of 204 starts. The current expectation based on year-to-date performance is a decline of 464 starts. Uncertainty about future oil projects for NL and deeper slowdown in Alberta created by lower oil prices have likely contributed to the larger than expected contraction in housing starts.

Q: Why is Real GDP down?

A: The primary reason for the lower expectation for real GDP growth is that oil is now expected to be about 12 million barrels lower in 2015 than anticipated at budget time. This is due to lower than expected oil production at all three producing fields.
Q: What's the impact on GDP growth of this new fiscal outlook?

A: GDP growth will not be directly impacted by the change in the fiscal outlook. However, government is a major player in the NL economy and any actions that are undertaken to increase revenues or decrease expenditures can affect economic activity. The effect on GDP will depend on what, if any, actions are taken. Government is cognizant of this and will endeavor to minimize any adverse impacts on the economy.

Q: Why is capital investment down?

A: Capital investment growth is lower than expected at budget time mainly because of weaker residential investment.

Oil Price Forecast

Q: What are you expecting for next year in terms of the price of oil?

A: Right now we are expecting $37 a barrel for oil in the first quarter of 2016. Our Update assumptions for the average annual price of oil are: $48 for fiscal 2015/016; $51 for fiscal 2016/17; $61 for fiscal 2017/18; $66 for fiscal 2018/19; $69 for 2019/2020.

There continues to be uncertainty and volatility with respect to forecasting oil prices. Recent declines have occurred following announcements from OPEC that they do not plan to curtail production to protect the oil price. More recently the US has announced a lifting of its ban on oil exports. My officials and I review the Brent spot price daily and continue to monitor changes in short-term and long-term prices by various forecasters.

Q: Looking at the Brent Crude dating back to 2005, shouldn’t you have known about volatility and that the price could drop?

A: As we have indicated, we are aware of the significant impact volatile commodity prices can have on our revenues. As you have seen, deterioration in oil price and production has resulted in the deficit growing to about $2 billion.

The province should have known. Should have been prepared. Shouldn’t have put all the eggs in the oil basket. What’s needed now openness and transparency as we move forward together to meet these fiscal challenges head on and create a more sustainable future.

Q: What does a $1 drop in oil mean to the treasury?
A: For the remainder of this fiscal year, a $1 drop in price means a $6 million drop in revenue as there are only three months remaining to the fiscal year so fewer sales transactions are impacted at the lower rate. For the long range forecast, a $1 drop will mean a reduction in royalty revenues of between $22 million and $25 million for each $1.

Q: We were always told that once Hebron came online, a lot of the fiscal challenges would be solved. Is that not the case?

A: Hebron will contribute to resolving the fiscal challenges in the longer term, but not in the current five year horizon. The Province’s royalty system is structured so that the Oil Companies recover 100 per cent of their investment in the Project before the Province begins to take higher royalties. The Province will begin receiving revenue once oil starts to flow, however, the higher rate royalties, similar to those being paid by Hibernia and Terra Nova, are currently not projected to be achieved in the current forecast period.

Q: With the rapidly dropping oil prices, how can you be sure that your assumptions (which are different from the previous administration’s forecast) are right?

A: There has been detailed analysis and Ministerial oversight on the revenue, expense, net debt and borrowing calculations and assumptions contained in the fiscal forecast.

Our government has talked to economists, forecasters and other experts for advice and guidance as we deal with the difficult fiscal reality facing this province.

As a result of this work, changes to the assumptions were made; these changes were made to ensure the framework paints a more realistic picture of the financial difficulties the province must face and reflects long-term planning.

And you know our government will need to take another look at these assumptions as we get closer to Budget 2016. We need to ensure we have the most up-to-date and accurate information possible.

I expect as we move along some assumptions will need to be revised as new information becomes available. I commit to being open and transparent and communicating significant variances to the people as soon as they are known.

Fiscal Outlook

Q: Your fiscal outlook is pretty grim, are you concerned that investors will be nervous, that this will cause further deterioration in economic indicators?
A: If we do nothing our program expenses will continue to rise; our debt expenses will continue to rise; our deficit will remain over $1 billion for the next five years and we will continue to have to borrow at higher rates.

We are not providing this outlook to cause panic or fear. This is not only vital information for our government as we head into the budget process, but this is also important for Newfoundlanders and Labradorians to consider as we begin pre-budget consultations and seek input from our citizens on how to tackle this problem.

It is clear that we have to do something to improve our fiscal situation and we want to hear from all people in the province on the best way to move forward.

As I stated earlier, the status quo is not feasible and we must make changes. I am encouraging all Newfoundlanders and Labradorians to participate in the pre-budget process and share your ideas with us as we begin to focus on fiscal responsibility and long-term stability.

I expect to receive the final numbers on fiscal 2014-15 when the audited public accounts are released in January. I look forward to reviewing the Auditor General’s reflections and commentary on our financial situation.

Q: Are you concerned about a credit rating drop?

A: As a government we are doing everything we can to protect and retain our credit rating. We are taking the appropriate actions that are in the best interest of the people of the province.

We expect that rating agencies will allow us some time to let get our budget complete and develop our plan. Alberta’s change in credit rating came after their budget.

We are a brand new government with clear mandate. We want to be judged on our plan, and not the performance of the previous administration’s fiscal mismanagement.

Fiscal Indicators/Targets

Q: You referenced the targets from Budget day – if those haven’t been met, what are your targets?

A: Developing our own targets will be part of the Budget 2016 process. Also part of that process will be speaking with our banking advisors and their economists to determine what are the appropriate benchmarks for us to meet. This is all part of
the due diligence we will be carrying out over the coming weeks and months as we prepare for budget.

Required Borrowing

Q: The previous government indicated borrowing was a short-term measure and it would be all paid back quickly. Has that changed?

A: There are two primary drivers for the increased cash requirements. First, the substantial decline in forecasted offshore royalties. As indicated in our red book efforts will be made to improve our approach to forecasting oil prices to mitigate risks associated with price volatility.

Second, significant changes to Nalcor equity requirements due to cost overruns and potential scheduling delays for the Muskrat Falls project.

Q: Why is borrowing so high for operating?

A: Government spending has increased beyond what the revenue base can sustain. There was too much reliance on the previous administration on oil prospects. They did not foresee or put a contingency in place to mitigate risks such as oil price and production declines.

Q: Are you planning to continue to invest/borrow as much for Nalcor?

A: Yesterday we announced a review of the Muskrat Falls project cost and schedule, including the identification of any critical risks, which delivers on another priority platform commitment - to open the books on the Muskrat Falls project.

Immediate Measures

Q: Are you planning job cuts?

A: We know that some of the brightest, most hard-working Newfoundlanders and Labradorians work in the public service, and we are all better for the contributions they make. We want to encourage our talented public servants to stay and help us tackle the challenges ahead of us.

We know some long serving career civil servants are considering retirement over the next five years. This is why it is so important to put succession plans in place, to attract early and mid-career professionals and train them to fill the void this loss of corporate knowledge and skills will bring.
Right now we have to, as a government, quickly get a handle on who is planning to retire and when. We also need to determine what those retirements mean for the delivery of services and we will have a plan in place to deal with any gaps.

Budget Process

Q: How will your pre-budget/Budget process be different than it has been in the past?
A: Early in the new year, I (Minister) and my officials will meet with banking advisers and my official with rating agencies to examine key fiscal measures and assess what are reasonable targets for the province to achieve over the next several years.

Engagement with the public and key decision makers from the business, labour and community sectors is critical. Government will be transparent with you. Starting today we are creating awareness of the fiscal challenges we need to face together. We need to create a desire and support for the need to change. We need to work together to find solutions.

We will assess our current fiscal capacity and consider options for increasing revenue base taking into consideration our economic diversification goals and the need to maintain tax fairness and competitiveness. At the same time we will review our tax system to ensure processes are efficient.

Faced with the reality of our shrinking revenue base, and the unsustainable spending levels we have inherited, we will need to have difficult discussions about where we spend our money and how we can deliver critical services like health and education in a more efficient and cost effective manner. I am open and would welcome hearing about innovative ideas from anyone wishing to provide them.

Additional Qs

Q: Your platform indicated the province would return to surplus in 2019-20. Are you stepping back from that commitment?
A: That assumption was based on erroneous information provided by the previous administration. Even their own party documents were based on Budget 2015 projections.

This is a Fall Update it is not Budget 2016. As noted we will be engaging with external experts, internal advisors, key stakeholders and the public as we map a way forward to fiscal health and social and economic wellbeing for our citizens. We will work hard, with the support of the people, to return to surplus as soon as is
feasible. I do not see it being earlier than 2019-20. Neither am I prepared today to say that timeline is not achievable.

As noted in our party platform once our province does return to surplus, we will establish a legacy fund that will protect future generations. At that time, a proportion of total oil revenues will be invested in a diversified wealth fund with the goal of compounding our oil wealth for the future. The Legacy Fund will be bound by strict investment and operational rules, with a view to disciplined and prudent financial management for long-term stability.

Q: What about your other platform commitments? Are they changing due to the revised fiscal outlook?

A: It is still early days and already key platform commitments have been actioned, including reversal of the two point HST increase.

This is a Fiscal Update and not Budget. We will lay out our Budget this spring.

Q: If you were in government then, when this problem first started, what would you have cut?

The former government mismanaged spending. When the budget was announced in March they should have kept the discretionary spending limit and have it roll over – not revert to base-line budgeting – that’s what we would have done. That’s what we are immediately activating today.

The previous administration talked about creating a cost management culture within government while ignoring key recommendations and findings of the Auditor General.

Q: Where is the waste in government?

I am meeting with the Auditor General in the coming weeks to get deeper appreciation of all his recommendations and their status.

We have heard from civil servants who are not afraid to tell us where waste can be eliminated. We need to empower our front line workers to be innovative and help us identify how we can better serve the people of our province.

Waste is multi-faceted. Using more resources than is required. Work flow processes that may be redundant or do not add value. Excessive controls that require manual processes and may not full mitigate the risks. Not taking advantage of technology. Delivering programs that do not meet client needs or are not considered priority /
value for money. The views of those who deliver public services as well as those who are clients of these services are equally important to hear.

Former government failed to acknowledge the reality that we are facing. We are not afraid to do that. And we are implementing a plan, with the help of each and every Newfoundlander and Labradorian to create a stronger tomorrow.
Good afternoon. Thank you Premier Ball. This is indeed a pivotal time for our province. As the Premier just said it is important that our government provides information as part of this fiscal update that is open and transparent so we can restore accountability and stability to government finances.

Currently our revised deficit is closing in on two billion dollars. This is unprecedented and corrective action needs to be taken. The choices ahead of us will not be easy.
Addressing our new fiscal reality is a top priority for our government. It is important for us to give the information to people as they need to understand our baseline and our current circumstances.

**SLIDE 3  Revenue Summary 2015-16 ($ Million)**

The reality we are facing now is that:

- offshore royalties are expected to be less than half of the $1.2 billion budgeted;
- total production is expected to decrease by 15 million barrels lower than the budget forecast; and,
- the average oil price is $14 lower than budgeted and we continue to see volatility based on geopolitical environment.
Other important factors include:

- Corporate income tax revenue is expected to decrease by $103 million compared to the budget forecast partially due to lower than anticipated corporate profits.

- We have adjusted the sales tax revenue to reflect our government's commitment to cancel decline the January 1st 2 point HST increase.

- Mining taxes and royalties are expected to decrease by about $55 million over the budget forecast due to significant downward revisions to nickel prices and continued weakness related to iron ore prices; and,

- Government Business Enterprises' revenue are anticipated to decrease by $46.1 million compared to budget -- the result of lower Nalcor net income. Like the Province, Nalcor's financial results are being challenged by lower oil production and lower oil prices.
Net Debt has increased by over $900 million this year compared to what was budgeted by the previous administration.

A simple explanation of net debt is total debt less cash on hand – our debt consists of borrowing and pension liabilities, while our cash or assets include loans and equity investments.

So why is net debt important? Understanding debt carried by an organization, like the Government of Newfoundland and Labrador, is key to gaining insight into its financial health. And we want to be financially healthy.

Net debt as of March 31, 2016 is now projected to be $12.4 billion.
If left unchecked, net debt is projected to grow to $23 billion by 2020-21.

So to put that in context, including this fiscal year we will have to borrow $15.4 billion dollars that means borrowing over 7 million a day for 6 years or close to 300,000 an hour essentially a new home mortgage every hour of every day until 2021. Or even simpler, think of it as maxing out your $5,000 dollar credit card limit every day for six years.

As Finance Minister I have a responsibility with my cabinet colleagues, led by Premier, to provide strong financial management but we also must ensure strategic fiscal policy.
SLIDE 5 Economic Indicators Forecast 2015

And our economy is not performing as it was expected to perform when the previous government announced its budget. This is because of a heavy reliance on oil for export revenue.

The reality is that today the expectation is:

- GDP growth is slower;
- Capital investments are lower; and
- Housing starts are down.

SLIDE 6 Brent Crude Daily Closing $US Spot Prices

Oil forecasting is an important financial principle for government. As we have seen Oil prices have been very volatile since mid-October, with the price ranging from $48 US a barrel to a low of $36.29 US on December 17th.
As of today, the price of oil is $36.49.

In addition to the uncertainty of the short and medium term impacts of global oil supplies, there is a particularly high level of uncertainty about where oil prices are going over the short term as well as where the price will be for the next five years.

There is currently a significant and prolonged over supply of world oil keeping oil prices in the low range. Most forecasters now suggest that low oil prices will be a reality for a longer period of time.
SLIDE 7  Brent Crude Daily Closing $US Spot Prices
Brent has averaged $52.50 US a barrel to date (as of December 18th) for fiscal year 2015-16. During the latter part of April to the end of June 2015 Brent was selling in the mid to low $60 US a barrel, however since July, Brent has been on a general decline.

Coupled with low prices, supply has out-matched demand.

SLIDE 8  5-Year Brent Oil Price Forecasts ($US)
We are aware of the significant impact volatile commodity prices can have on our revenues. As you have seen, deterioration in oil price and production has resulted in the deficit growing to about $2 billion.
Our Update assumptions for the average annual price of oil are:

- $48 for year ending March 2016
- $51 for year ending March 2017
- $61 for year ending March 2018
- $66 for year ending March 2019
- $69 for year ending March 2020
- $73 for year ending March 2021

These assumptions are lower than the assumptions of the previous administration – they forecasted $62, $71, $80, $84, $87 and $90.
When deciding what oil price to use for forecasting, the department consults with 11 forecasters – I myself, as minister have personally contacted several of the major Canadian banks since taking over the portfolio and Minister Coady and I also met with Nalcor leadership to discuss their oil pricing assumptions.

**SLIDE 9 NL Oil Production Forecasts**

There have been a number of issues that have occurred this year since the Budget 2015 oil royalty forecast was prepared that have negatively affected production, including:

- Production is down for Hibernia, Terra Nova and White Rose, with Hibernia experiencing the largest decline followed by Terra Nova.
SLIDE 10: Oil Production and Royalties

While the forecast reflects increases in oil production over the next five years, more production does not necessarily mean higher royalties.

There are a number of other factors that influence the amount of royalties collected.

Obviously the price of oil is an important factor, as is the exchange rate.

Another important factor is what oil field the production is coming from.
For instance, in 2020-21 Hebron production is expected to represent approximately 40 per cent of total production in that year, however at that time Hebron will not yet be paying out high royalty rates as is being collected from mature oil fields which are paying much higher royalty rates now.

At the forecasted price assumptions Hebron is not expected to reach simple payout until 2023, where the basic royalty rate will go from 1% to 5%.

**SLIDE 11 Key Assumptions and Economic Forecast**

When it comes to key economic assumptions, the story the previous administration told during budget is now very different.

- The export sector is negatively impacted by lower oil production.
• For the year as a whole, final real domestic demand is expected to be down from 2014, while real gross domestic product (GDP) is forecast to decline by 2.6 per cent due to lower exports.

• In 2017 and 2018, economic growth is expected to be constrained by declines in capital investment and lower employment from completion of large scale projects.

**SLIDE 12 Fiscal Outlook ($Million)**

There has been detailed analysis and Ministerial oversight on the revenue, expense, net debt and borrowing calculations and assumptions contained in this fiscal forecast.
Our government has talked to economists, forecasters and other experts for advice and guidance as we worked towards providing the people of the province with an open and transparent view of the difficult fiscal reality facing this province. It was important for us to identify associated risks.

As a result of this work, changes to the assumptions were made; these changes were made to ensure the framework paints a more realistic picture of the financial difficulties the province must face.

Openness and transparency is critical as we move forward together to meet these fiscal challenges head on and create a more sustainable future.

Some of those changes include:

- Reversal of the planned increases to the HST and the HST credit
• Lowering of oil royalty forecasts and adjustments to Nalcor net income reflecting the further drop in oil prices and production

**Slide 13 - Projections Off Target**

What does all this mean, compared with what you were told by the previous administration during Budget 2015?

**Slide 14 - Projections Off Target**

You were told the Province was on track to meet 24 of 25 fiscal performance indicators over the next five years.

**Slides 15 - Projections Off Target**

The harsh reality is if we do nothing only one of 25 indicators will be met. A failing grade.

(Point to target and show were the line is now varied)
Slide 16 - Required Borrowing

You were told borrowing was of a short term nature and that they would only borrow for operations in 2015-16. The reality is as a government we will have to borrow at least $1 billion dollars for each of the next five years just for operations if we do nothing. Total required borrowing will be $15.4 billion to 2020-21.

Slide 17 – Net Debt Increases

That means borrowing over $7 million a day, every day for six years. That's close to $300,000 an hour - essentially a new home mortgage every hour of every day until 2021. Think of it as maxing out your $5000 credit card limit - every minute of every day.
As Premier Ball has indicated, our province is facing a very difficult fiscal reality. This reality, left unchecked will only worsen.

In consultation with Newfoundlanders and Labradoreians, we will complete our due diligence and create a plan to deal with these challenges as we prepare Budget 2016. This is a difficult fiscal reality and we are going to have to work together to correct the course.

We will be working hard to maintain our credit ratings and we will be accountable and transparent with the choices we have to make. We will provide the stronger leadership and better management that we promised the people of the Province.

We will get this under control. The situation is difficult, but not impossible.
I have tremendous faith in the people of the province, our premier and my cabinet and caucus colleagues to deliver our promise of stronger fiscal management.

I will now ask the Premier to provide further remarks.

Thank you.
Oil and Gas Highlights
December 2015

- The petroleum industry as a whole continues to generate tremendous benefits to this province. In 2014 alone there was $3.4 billion spent in this province, and close to 12,000 Newfoundland and Labrador residents employed at peak.

- Newfoundland and Labrador has witnessed a multitude of strategic developments that will contribute to the future growth of the oil and gas sector and the provincial economy, including the discovery of oil at Bay du Nord, the new scheduled land tenure system introduced in 2013, the Calls for Bids which resulted in a $559 million commitment to exploration (the largest in our history for a single parcel) in the Flemish Pass Basin in 2014, and an increase in reserves for the Hibernia field to an estimated 1,644 million barrels of oil.

- Significant steps have been taken to ensure offshore workers operate in a safe environment with legislation for occupational health and safety in the offshore coming into effect on December 31, 2014. Recent amendments to the liability regime further enhance protection of the offshore environment. Offshore operators will now be responsible for $1 billion in clean-up costs and damages from a spill without any proof of fault or negligence. Also, polluters will be held accountable and financially responsible in the unlikely event of a spill or other event.

- Through equity stakes in offshore petroleum projects, the province is at the table to ensure Newfoundlanders and Labradorians benefit from resource development. Investments in Nalcor, the people’s energy company, will provide the opportunity for significant returns directly back to the people of the province.

- The province has agreements in place for the White Rose Expansion (5%), Hebron (4.9%), and Hibernia South (10%) projects through Nalcor’s equity participation.

- A new land tenure system has been implemented in Newfoundland and Labrador. With the new system, transparency and predictability are ensured for companies interested in doing business in our offshore industry. Exploration companies now have additional time to conduct geoscientific work, evaluate petroleum prospects, and prepare for the Call for Bids process.

- In October, it was announced that the in place oil and gas resource potential for the area covering the 11 parcels on offer in the Flemish Pass in the province’s offshore is 12 billion barrels of oil and 113 trillion cubic feet of gas. The first ever scheduled license round, NL 15-01EN closed on November 12, 2015.

- The call resulted in a total value of $1.2 billion in work commitments for seven (7) parcels in the Eastern Newfoundland Region — this was the largest total bid ever. This demonstrates that we have a great opportunity for exploration and future development.
Sent from my BlackBerry 10 smartphone on the Bell network.

From: Quinton, Diana <DianaQuinton@gov.nl.ca>
Sent: Sunday, December 20, 2015 8:57 PM
To: Coady, Siobhan
Subject: Overall Messages from Office of Public Engagement

- The Office of Public Engagement has two main areas of focus – Access to Information and Protection of Privacy, in the form of the ATIPP Office and as the department’s name suggests, an Engagement Branch.

- As Premier Ball has said, one of the hallmarks of our government will be ongoing, informed and meaningful dialogue with the people of our province.

- Our province is at a critical juncture, and we are facing significant challenges. The path forward requires leadership, high-quality engagement of the public and a commitment to collaborate across sectors to solve these challenges together.

- As a result of the ATIPP Review Report led by former Chief Justice and Premier Clyde Wells, our ATIPP legislation is 15th in the world and the best in Canada – but there is more work to be done. We will work to make more information available and actively demonstrate our commitment to openness and transparency.

- Democracy requires citizen involvement. This government wants to build a culture of openness and transparency that is best in class and develop innovative, creative and meaningful ways to engage and collaborate with citizens and stakeholders from all walks of life.

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RE: Nalcor

Premier, we have taken pause in the Nalcor meetings to advise action and pending action of this morning.

As per your meeting with the CEO on April 19, 2016 the Board is terminating the employment of the CEO without cause, and provisions of article 16 subset c will be fully honoured, and corresponding severance implications. Your notes from this mornings press release indicate resignation, however the Board understands this was agreed that this was and is a termination without cause.

Nalcor Board

Sent from my iPhone

[Quoted text hidden]