May 11, 2017

Dear [Redacted]

Re: Your request for access to information under Part II of the Access to Information and Protection of Privacy Act [Our File #: FA/03/2017]

On February 6, 2017 the Department of Fisheries, Forestry and Agrifoods (now the Department of Fisheries and Land Resources) received your request for access to the following records/information:

I request all correspondence involving the Minister/Officials/Staff of Forestry branch regarding the proposed biofuel plant by NewGreen Technology Inc. This request would cover the time period between January 1, 2016 to Feb 6, 2017.

I am pleased to inform you that a decision has been made by the Department of Fisheries and Land Resources, confirmed by the Deputy Minister, to provide access to parts of the requested information. Access to the remaining 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):

Section 29(1)(a)
The head of a public body may refuse to disclose to an applicant information that would reveal advice, proposals, recommendations, analyses or policy options developed by or for a public body or minister;

Section 34(1)(a)(i)
The head of a public body may refuse to disclose information to an applicant if the disclosure could reasonably be expected to harm the conduct by the government of the province of relations between that government and the following or their agencies: the government of Canada or a province;

Section 35(1)(d)
The head of a public body may refuse to disclose to an applicant information which could reasonably be expected to disclose information, the disclosure of which could reasonably be
expected to result in the premature disclosure of a proposal or project or in significant loss or gain to a third party;

Section 35(1)(f)
The head of a public body may refuse to disclose to an applicant information which could reasonably be expected to disclose positions, plans, procedures, criteria or instructions developed for the government of the province or a public body, or considerations which relate to those negotiations;

Section 35(1)(g)
The head of a public body may refuse to disclose to an applicant information which could reasonably be expected to disclose information, the disclosure of which could reasonably be expected to prejudice the financial or economic interest of the government of the province to manage the economy of the province;

Section 39(1)(a)(ii)
The head of a public body shall refuse to disclose to an applicant information that would reveal commercial, financial, labour relations, scientific or technical information of a third party;

Section 39(1)(b)
The head of a public body shall refuse to disclose to an applicant information that is supplied, implicitly or explicitly, in confidence;

Section 39(1)(c)(i)
The head of a public body shall refuse to disclose to an applicant information the disclosure of which could reasonably be expected to harm significantly the competitive position or interfere significantly with the negotiating position of the third party;

Section 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.

Also as agreed we have redacted pages 192-195, 198-207, and page 227 from the package in consultation with you (the applicant), the Office of the Information Commissioner, and the third party.

You will notice there is a gap at pages 302-305. These pages were removed as they were non responsive to the request.

Please be advised that you may appeal this decision and ask the Information and Privacy Commissioner to review the decision to provide partial access to the requested information, 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 request and why you are submitting the appeal.

The appeal 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

You may also appeal directly to the Supreme Court Trial Division within 15 business days after you receive the decision of the public body, pursuant to section 52 of the Act (a copy of this section of the Act has been enclosed for your reference).

Please be advised that responsive records will be published following a 72 hour period after the response is sent electronically to you or five business days in the case where records are mailed to you. It is the goal to have the responsive records posted to the Completed Access to Information Requests website within one business day following the applicable period of time. Please note that requests for personal information will not be posted online.

If you have any further questions, please feel free to contact me by telephone at 709-729-5726 or by e-mail at rhodhillyard@gov.nl.ca.

Sincerely,

Rod Hillyard
ATIPP Coordinator
**Hillyard, Rod**

<table>
<thead>
<tr>
<th>From:</th>
<th>Wheeler, Lisa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sent:</td>
<td>Friday, February 03, 2017 11:33 AM</td>
</tr>
<tr>
<td>To:</td>
<td>Balsom, Stephen</td>
</tr>
<tr>
<td>Subject:</td>
<td>HP TRIM DOCUMENT : DOC/2016/4280 : Agreement in Principle / Newgreen Technologies Inc / February 2 2017</td>
</tr>
</tbody>
</table>

Steve,

A copy of the signed Agreement in Principle with Newgreen Technologies Inc. is attached. The document has been trimmed. Two copies were signed by President, Geoffrey Penney. He has retained one copy and the other is filed here.

Lisa Wheeler

-----< HP TRIM Record Information >-----

Record Number:         DOC/2016/4280  
Title:                 Agreement in Principle / Newgreen Technologies Inc / February 2 2017
AGREEMENT IN PRINCIPLE

BETWEEN: Her Majesty in Right of Newfoundland and Labrador as represented by the Minister of Fisheries, Forestry and Agrifoods

AND: Newgreen Technology Inc.

WHEREAS:

1. On June 22, 2016, Newgreen submitted a proposal to develop a sawmill and biofuel manufacturing and export (BMEX) facility in Botwood, NL.

2. The discussions between the Province and Newgreen (the Parties) have primarily been in respect to Newgreen establishing a sawmill and BMEX facility in the town of Botwood, Newfoundland and Labrador, and establishing partnerships and/or agreements with other forest industrial entities for additional fibre supply.

3. The Parties have reached an agreement on certain matters relating to these issues and need to discuss other specific matters relating thereto, and wish at this time to confirm the principles upon which they are prepared to proceed with future discussions.

NOW THEREFORE the Parties agree as follows:

1. Definitions
   (a) "Crown Timber" has the same meaning as defined in the Forestry Act R.S.N.L. 1990, c F-23;
   (b) "Forest Management District" has the same meaning as defined in the Forestry Act R.S.N.L. 1990, c F-23;
   (c) "Forestry Act" means the Forestry Act R.S.N.L. 1990, c F-23; and
   (d) "Parties" means the Province and Newgreen

2. Commitments
   (a) Subject to the receipt of all necessary consents, satisfactory financing, and approvals, including its Board of Directors, Newgreen agrees to the following as outlined in its business plan of June 22, 2016:
      (i) at the earliest possible date, purchase and operate the Harold Sheppard Sawmill facility as the initial stage of a two-stage sawmilling strategy;
      (ii) at the earliest possible date, commence construction of a sawmill in Botwood, NL, with an annual production capacity of 50 million board feet, to be in full operation within five years;
(iii) at the earliest possible date, commence construction of a BMEX facility in Botwood, NL, with an annual production capacity of 40 million litres of diesel per year, to be in full operation within five years;

(iv) provide to the Province the details of:

a. the ownership and management structure;
b. engineering and technical details and costs;
c. term sheet(s) outlining sources of financing and their terms and conditions with financial details;
d. human resource plan for achieving 99 direct new full-time jobs within five years;
e. fibre requirements and supply sources and costs;
f. marketing strategy for all product lines and shipping arrangements; and

g. the forest management arrangements proposed for a sawmill and BMEX facility in Botwood, NL.

(v) provide agreements achieved with other forest industrial entities in NL for the purchase, sale, or exchange of fibre.

(b) Subject to Lieutenant-Governor in Council approval as necessary, the Province will:

(i) in accordance with the Forestry Act, provide Newgreen with a 20-year crown timber licence and forest management agreement to cut Crown timber from Forest Management Districts 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 17 or 18 sufficient to meet the ongoing fibre requirements of sawmill and BMEX facilities, up to 285,000 solid cubic metres annually. The Province may issue commercial cutting permits under the Forestry Act for a portion of the aforementioned 285,000 solid cubic metres of Crown timber until a forest management agreement between the Parties is established;

(ii) establish an appropriate royalty regime for energy wood with associated royalty reductions similar to other classes of timber identified in the Schedule to the Timber Royalty Regulations O.C. 96-260 under the Forestry Act; and

(iii) foster partnerships with existing forestry entities to assist Newgreen in entering into contracts necessary to fulfill Newgreen’s requirement for fibre.

3. Status of Agreement in Principle

(a) The execution and delivery of this Agreement in Principle is not intended to and does not create legally enforceable rights or obligations among the Parties or between any of the Parties and any third party. No obligation is created upon any of the Parties to execute and deliver any subsequent binding contractual commitments or grant permissions under the Forestry Act or any other legislation. No party shall have any remedy against any other party as a result of a failure to execute and deliver any subsequent binding contractual commitments or grant permissions, to conduct negotiations towards any subsequent binding contractual commitments or grant permissions, or to perform any other provision of this Agreement in Principle.

(b) Each of the Parties acknowledges that the other party must complete extensive additional activities and analysis, including due diligence on all aspects of the proposed arrangement, and obtain all necessary approvals, satisfactory financing, and consents prior to any decision being made by each party to execute and deliver any subsequent binding contractual commitments or permissions.
(c) The Parties acknowledge and agree that the sole remedy for any breach of this Agreement in Principle shall be the right to terminate this Agreement in Principle, and each hereby waives and releases any and all other actions, claims, or causes of action, in contract, tort, at equity or otherwise, for damages, equitable relief, or any other remedy that may be available to either against the other as a result of such a breach.

4. Termination

Unless the Parties otherwise agree, this Agreement in Principle will terminate upon: (i) any subsequent binding contractual commitments being entered; (ii) six months from the date of the Agreement in Principle; or (iii) mutual agreement between the Parties, whichever is earlier.

5. Governing Law and Attornment

This Agreement in Principle shall be subject to the laws of Newfoundland and Labrador and the Parties shall attorn to the jurisdiction of Newfoundland and Labrador courts to the extent any adjudication is required.

6. Entire Understanding

This Agreement in Principle sets out the entire understanding of the principles agreed to and supersedes all prior understandings, discussions, proposals, representations, or other forms of communication on the issues between the Parties.

7. Counterpart Execution

This Agreement in Principle may be executed by the Parties in separate counterparts, each of which, when so executed, shall be deemed to be an original and all of which when together shall constitute one and the same Agreement in Principle. A facsimile of a counterpart executed by a party shall be acceptable evidence of the execution by that party of that counterpart and shall be effective upon that party for all purposes as if it were an original signature.

This Agreement in Principle will be effective the 29th day of February 2017.

[Signature]

Minister of Fisheries, Forestry and Agrifoods or his or her designate

[Signature]

Name: [redacted]
Position: [redacted]
Hi all,
Here's the transcript of the interview with Dan Arsenault this morning on Newgreen.

Thanks
Vanessa
Interview Dan Arsenault  
NewGreen  
January 26, 2017

Q: What is the status of Newgreen technologies?
- We’re working with Newgreen on an Agreement in Principle regarding the fibre allocation they would need.
- We manage our fibre on a five-year plan and we’re looking at 20 to 40 years so that’s a big piece of planning to ensure there’s a consistent wood supply.
- We also have to ensure this doesn’t affect our current users and their ability to grow along with any new entrants.
- The fibre allocation is one piece of this which we’re working on with the company. Then it moves to the business side of things – comprehensive business planning, financing.
- We’re having good discussions with the company and we should have something in the near future.

Q: I was told your office okay’ed the MOU and put it towards the Premier. Is that true?
- No. As a government we all converse on how things are going but the agreement is between FFA and the company.

Q: I’m hearing from people close to the situation that you told them the letter was done and being reviewed by the Premier’s Office.
- No. Obviously we consult but the letter is signed off by me.
- We’re having an ongoing conversation with the company.

Q: CBC had a strong story that said it was close and you were quoted in that story.
- Absolutely but this is a conversation between government and Newgreen.
- In any conversation there’s a back and forth and that’s where this is.
- I’ve spoken to Newgreen practically every day this week.

Q: Are you getting much concerns from other sawmills in the area?
- We have an ongoing conversation with the sawmills in the central region and we’re working with those companies as well.
- We’re talking one fibre basket but we’re confident that fibre basket is there but we’re working with the other operators.

Q: What other operators?
- I’m not going to get into a situation where I’m going to talk to anybody about conversations I’m having with people in the industry.

Q: How long are we talking about for how long you’ve been working with Newgreen on the MOU?
- It’s not an MOU. We’ve been working with Newgreen and I met with them starting at the end of November when we met face to face and we talked about how they move their business plan forward. This is just one piece of their business plan.
- Since then we’ve been working on what we need to plan the fibre supply in the out years.
Q: You say it’s one piece but it’s a vital piece. Without wood fibre it won’t move forward.
   - Absolutely. It is a foundation piece which allows them to build on the foundation.

Q: When you say you’re confident you’ll be able to find the resource, what does that mean – is that good for Newgreen?
   - I think we’ll be able to achieve the resource side. There’s a ton factors when you consider the resource side – the Natural Areas System Planning, other reserve issues around parks and wildlife.
   - It’s a lot more complex than just looking at we can cut here and we can cut there.
   - It’s a big piece of work and we’ll continue to work with the company.

Q: When you look at this, do you just look at wood fibre amounts or do you also look at what the company is hoping to achieve because there could be environmental concerns so is that part of what you’re looking at now?
   - Any fibre that we allocate goes through an environmental assessment process.
   - All five year plans go through this process.

Q: When do you see this step going forward? A year from now?
   - When we’re able to reach an Agreement in Principle with the company around the fibre.
   - I don’t anticipate it being a year from now but this is a conversation with the company and we’ll do it when our due diligence is done.
   - We won’t rush a decision and we’ll do what’s in the best interest. This resource belongs to the people of the province and we’re going to make sure that any decision of resources is done in the best interest of the people.

Q: I don’t want to belabor this point but there seems to be a lot of noise coming out of the area that a decision is imminent and it seems like day to day it’s just around the corner.
   - There’s an air of caution in this. I can’t emphasize enough that this is one part of the structure so if we’re going to build a house today, this is pouring the basement.

Q: I know this step does not suggest it’s going ahead but it’s a step that seems to have been stalled.
   - It’s back to my earlier comment. These conversations require a lot of due diligence.
   - It’s not just what the inputs of this department are. We have the environmental inputs, we have issues with wildlife, we have tender arrangements on forestry, there are always concerns from other parts of the industry.

Q: I’m still going back to a timeline. You say it won’t be a year but the region is so keen on something happening can you give me a ballpark?
   - I’m not going to ballpark anything until we have an agreement that is in the best interests of the people of the province and an agreement we can agree upon with the company.
   - I’m not going to put a timeline on something, or rush something.
   - I realize the people of central are looking at this as a positive impact and this could have a positive impact but for me to give you some deadline, I can’t say that today.
   - I’m talking to the company and we’re having an ongoing discussion and when we get there, we’ll be there.
Q: You say it won’t be an MOU. What is it?
- It’s an Agreement in Principle. We identify a body of fibre – we have something like 18 planning districts in this province – so we have to go into those planning areas and identify fibre in the out years.
- It’s not an MOU, and to come back to this, it’s one piece of a business plan. Fundamental yes but there are lots of other fundamentals when it comes to a business plan. The next fundamental would be financing.

Q: Yeah but there won’t be a next one if this one doesn’t move ahead.
- Absolutely but this isn’t unusual.
- There was an Agreement in Principle a few years ago with Rentech in central NL and that company when out then and did their business planning.
- So this circumstance is somewhat similar to the Agreement in Principle the previous administration achieved with Rentech.

Q: Can you be any more specific on how we get from your discussions to an Agreement in Principle?
- When we reach an agreement.
- We have to reach an agreement that what we’re offering and what the company is requesting match.

Q: But is there a hanging point? Is it 20 years? Is it lack of supply in the area or is just the time to get through it?
- It requires due diligence and the staff at the Forestry branch has done tremendous work on this file and it takes time.
- We are talking of upwards of 280,000 cubic metres of fibre per year for 20 years so to put that in perspective that takes a lot of time for us to make sure that we identify that fibre.

Q: I’m assuming that takes a lot of homework with that size and duration.
- It does take a lot of due diligence and that’s what we’re doing.
- When we’re planning for the future, 20 years from now or 40 years it does require a lot of work.
- The staff have done tremendous work but as you can imagine, this is a tremendously big piece of work and they’ve done a great job of getting this work together.

Q: They wouldn’t be getting a 40 year agreement.
- No but long term tenure agreement would typically be up to 20 years.
- This would in no way say you have 280,000 metres of fibre in NL for 20 years.
- We would find an allotment of up to depending on what they use.

Q: What I was told was that you confirmed with MHA Jerry Dean, Barry Manual and the Mayor of Botwood that this letter was done and gone to the Premier’s Office.
- I don’t know who your source is on that but this agreement is between FFA and the company.
- I met with the mayors and the local MHAs but the reality is that this agreement is between the province and the proponent.
We've worked hard on this. We've put a tremendous amount of work into this and we'll continue to have our conversations with the company in the hopes that we can provide what they need.
OK, thanks.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Balsom, Stephen  
Sent: Friday, February 3, 2017 11:22 AM  
To: Lewis, David B. (Deputy Minister)  
Cc: Crocker, Steve  
Subject: Newgreen AIP

Dave,

The AIP has been signed with Newgreen and we will put a copy in TRIM. Lisa will coordinate with Dorothy on where the hardcopy is to be filed.

Steve

Stephen Balsom, RPF  
Assistant Deputy Minister  
Department of Fisheries, Forestry and Agrifoods  
Forestry Branch  
P.O. Box 2005, Fortis Building  
Corner Brook, NL Canada, A2H 6J8  
t: 709.637.2339  
c: 709.640.1330  
f: 709.637.7461  
e: stephenbalsom@gov.nl.ca

ISO 14001:2004  
Hillyard, Rod

From: Balsom, Stephen
Sent: Thursday, February 02, 2017 10:50 AM
To: Lewis, David B. (Deputy Minister)
Subject: RE: Newgreen AIP revisions - Feb 1-17.DOCX

Dave,

Jeff Penney can be reached at [redacted] 40 (1)

Steve

Stephen Balsom, RPF
Assistant (Deputy Minister)
Department of Fisheries, Forestry and Agrifoods
Forestry Branch
P.O. Box 2006, Fortis Building
Corner Brook, NL Canada, A2H 6J8
t 709.637.2339
c 709.640.1330
d 709.637.2431
c stephenbalsom@gov.nl.ca


From: Lewis, David B. (Deputy Minister)
Sent: Wednesday, February 01, 2017 1:49 PM
To: Crocker, Steve
Cc: Balsom, Stephen
Subject: Newgreen AIP revisions - Feb 1-17.DOCX

Minister. 29(1)(a)

Dave
Minister.

29(1)(a).

Dave
AGREEMENT IN PRINCIPLE

BETWEEN: Her Majesty in Right of Newfoundland and Labrador as represented by the Minister of Fisheries, Forestry and Agrifoods

(the "Province")

AND: Newgreen Technology Inc.

("Newgreen")

WHEREAS:

1. On June 22, 2016, Newgreen submitted a proposal to develop a sawmill and biofuel manufacturing and export (BMEX) facility in Botwood, N.L.

2. The discussions between the Province and Newgreen (the Parties) have primarily been in respect to Newgreen establishing a sawmill and BMEX facility in the town of Botwood, Newfoundland and Labrador, and establishing partnerships and/or agreements with other forest industrial entities for additional fibre supply.

3. The Parties have reached an agreement on certain matters relating to those issues and need to discuss other specific matters relating thereto, and wish at this time to confirm the principles upon which they are prepared to proceed with future discussions.

NOW THEREFORE the Parties agree as follows:

1. Definitions

(a) "Crown Timber" has the same meaning as defined in the Forestry Act R.S.N.L. 1990, c F-23;

(b) "Forest Management District" has the same meaning as defined in the Forestry Act R.S.N.L. 1990, c F-23;

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(d) "Parties" means the Province and Newgreen

2. Commitments

(a) Subject to the receipt of all necessary consents, satisfactory financing, and approvals, including its Board of Directors, Newgreen agrees to the following as outlined in its business plan of June 22, 2016:

(i) [Redacted] purchase and operate the Harold Shedd Sawmill facility as the initial stage of a two-stage sawmilling strategy;

(ii) [Redacted] commence construction of a sawmill in Botwood, N.L., with an annual production capacity of 50 million board feet, to be in full operation within five years;
(iii) **at the earliest possible date** commence construction of a BMEX facility in Botwood, NL, with an annual production capacity of 40 million litres of diesel per year; to be in full operation within five years;

(iv) provide to the Province the details of:

a. the ownership and management structure;
   b. engineering and technical details and costs;
   c. term sheet(s) outlining sources of financing and their terms and conditions with financial details;
   d. human resource plan for achieving 99 direct new full-time jobs within five years;
   e. fibre requirements and supply sources and costs;
   f. marketing strategy for all product lines and shipping arrangements; and
   g. the forest management arrangements proposed for a sawmill and BMEX facility in Botwood, NL.

(v) provide agreements achieved with other forest industrial entities in NL for the purchase, sale, or exchange of fibre.

(b) Subject to Lieutenant-Governor in Council approval as necessary, the Province will:

(i) in accordance with the **Forestry Act**, provide Newgreen with a 20-year crown timber licence and forest management agreement to cut Crown timber from Forest Management Districts 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 17 or 18 sufficient to meet the ongoing fibre requirements of sawmill and BMEX facilities, up to 285,000 solid cubic metres annually. The Province may issue commercial cutting permits under the **Forestry Act** for a portion of the aforementioned 285,000 solid cubic metres of Crown timber until a forest management agreement between the Parties is established;

(ii) establish an appropriate royalty regime for energy wood with associated royalty reductions similar to other classes of timber identified in the Schedule to the Timber Royalty Regulations O.C. 96-260 under the **Forestry Act**; and

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This Agreement in Principle will be effective the __ day of __________ 2017.

HER MAJESTY IN RIGHT OF
NEWFOUNDLAND AND LABRADOR

Minister of Fisheries, Forestry and Agrifoods or his or her designate

Newgreen Technology Inc.
Name:
Position:
Hillyard, Rod

From: Lewis, David B. (Deputy Minister)
Sent: Wednesday, February 01, 2017 1:23 PM
To: Furlong, Nancy
Attachments:

Nancy.

FYI.

Dave
AGREEMENT IN PRINCIPLE

BETWEEN: Her Majesty in Right of Newfoundland and Labrador as represented by the Minister of Fisheries, Forestry and Agrifoods

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AND: Newgreen Technology Inc.

("Newgreen")

WHEREAS:

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(d) "Parties" means the Province and Newgreen

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(ii) establish an appropriate royalty regime for energy wood with associated royalty reductions similar to other classes of timber identified in the Schedule to the Timber Royalty Regulations O.C. 96-260 under the Forestry Act; and

(iii) foster partnerships with existing forestry entities to assist Newgreen in entering into contracts necessary to fulfill Newgreen’s requirement for fibre.

3. Status of Agreement in Principle

(a) The execution and delivery of this Agreement in Principle is not intended to and does not create legally enforceable rights or obligations among the Parties or between any of the Parties and any third party. No obligation is created upon any of the Parties to execute and deliver any subsequent binding contractual commitments or grant permissions under the Forestry Act or any other legislation. No party shall have any remedy against any other party as a result of a failure to execute and deliver any subsequent binding contractual commitments or grant permissions, to conduct negotiations towards any subsequent binding contractual commitments or grant permissions, or to perform any other provision of this Agreement in Principle.

(b) Each of the Parties acknowledges that the other party must complete extensive additional activities and analysis, including due diligence on all aspects of the proposed arrangement, and obtain all necessary approvals, Satisfactory Financing and consents prior to any decision being made by each party to execute and deliver any subsequent binding contractual commitments or permissions.

(c) The Parties acknowledge and agree that the sole remedy for any breach of this Agreement in Principle shall be the right to terminate this Agreement in Principle, and each hereby waives and
releases any and all other actions, claims, or causes of action, in contract, tort, at equity or otherwise, for damages, equitable relief, or any other remedy that may be available to either against the other as a result of such a breach.

4. Termination

Unless the Parties otherwise agree, this Agreement in Principle will terminate upon: (i) any subsequent binding contractual commitments being entered; (ii) six months from the date of the Agreement in Principle; or (iii) mutual agreement between the Parties, whichever is earlier. Remove.

Limits the duration of the agreement. As long as everyone agrees, we won’t have to write another agreement if we are over the time lines written above.

5. Governing Law and Attornment

This Agreement in Principle shall be subject to the laws of Newfoundland and Labrador and the Parties shall attorn to the jurisdiction of Newfoundland and Labrador courts to the extent any adjudication is required.

6. Entire Understanding

This Agreement in Principle sets out the entire understanding of the principles agreed to and supersedes all prior understandings, discussions, proposals, representations, or other forms of communication on the issues between the Parties.

7. Counterpart Execution

This Agreement in Principle may be executed by the Parties in separate counterparts, each of which, when so executed, shall be deemed to be an original and all of which when together shall constitute one and the same Agreement in Principle. A facsimile of a counterpart executed by a party shall be acceptable evidence of the execution by that party of that counterpart and shall be effective upon that party for all purposes as if it were an original signature.

This Agreement in Principle will be effective the ___ day of ___________ 2017.

HER MAJESTY IN RIGHT OF
NEWFOUNDLAND AND LABRADOR

_________________________
Minister of Fisheries, Forestry and Agrifoods or his or her designate

Newgreen Technology Inc.

_________________________
Name: Geoffrey J Penney
Position: President
Hillyard, Rod

From: Balsom, Stephen
Sent: Monday, January 30, 2017 4:10 PM
To: Lewis, David B. (Deputy Minister)
Subject: RE: Agreement in Principle with Highlighted changes

Dave,

Would you like me to forward this to BTRD and Justice for a review?

Steve

Stephen Balsom, RPF
Assistant Deputy Minister
Department of Fisheries, Forestry and Agrifoods
Forestry Branch
P.O. Box 2006, Fortis Building
Corner Brook, NL Canada, A2H 6J8
T: 709.637.3339
C: 709.640.1330
F: 709.637.2461
E: stephenbalsom@gov.nl.ca

...Environmental Management System registered to ISO 14001:2004.

From: Lewis, David B. (Deputy Minister)
Sent: Monday, January 30, 2017 3:54 PM
To: Balsom, Stephen
Subject: FW: Agreement in Principle with Highlighted changes

FYI.

Dave

From: Jeff [40 (1)]
Sent: Monday, January 30, 2017 3:43 PM
To: Crocker, Steve <SteveCrocker@gov.nl.ca>
Cc: Lewis, David B. (Deputy Minister) <DavidLewis@gov.nl.ca>; O'Keefe, Dorothy <dorothyokeefe@gov.nl.ca>; Wheeler, Lisa <lwheeler@gov.nl.ca>; Gray, Lisa <LisaGray@gov.nl.ca>
Subject: Agreement in Principle with Highlighted changes

Minister Crocker,
Please see attached the agreement in principle that was sent to me on Wednesday Jan 5th for our review. We have reviewed the agreement and have highlighted some minor adjustments. I am available to discuss this matter with you at your earliest convenience.

Best Regards
Geoffrey J Penney
President
Newgreen Technology Inc
Hillyard, Rod

From: Lewis, David B. (Deputy Minister)
Sent: Monday, January 30, 2017 3:54 PM
To: Balsom, Stephen
Subject: FW: Agreement in Principle with Highlighted changes
Attachments: Agreement in principle - Newgreen Technologies Inc. 2016-12-23 Highlighted for consideration.DOCX

FYI:

Dave

From: Jeff P
Sent: Monday, January 30, 2017 3:43 PM
To: Crocker, Steve <SteveCrocker@gov.nl.ca>
Cc: Lewis, David B. (Deputy Minister) <DavidLewis@gov.nl.ca>; O'Keefe, Dorothy <dorothyokeefe@gov.nl.ca>; Wheeler, Lisa <lwheeler@gov.nl.ca>; Gray, Lisa <LisaGray@gov.nl.ca>
Subject: Agreement in Principle with Highlighted changes

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Please see attached the agreement in principle that was sent to me on Wednesday Jan 5th for our review. We have reviewed the agreement and have highlighted some minor adjustments. I am available to discuss this matter with you at your earliest convenience.

Best Regards
Geoffrey J Penney
President
Newgreen Technology Inc
Minister Crocker,

Please see attached the agreement in principle that was sent to me on Wednesday Jan 5th for our review. We have reviewed the agreement and have highlighted some minor adjustments. I am available to discuss this matter with you at your earliest convenience.

Best Regards
Geoffrey J Penney
President
Newgreen Technology Inc
FYI – confirmation that Mr. Penney received the document as requested.

Lisa M. Wheeler
Secretary to Assistant Deputy Minister-Agrifoods
Dept. of Fisheries, Forestry & Agrifoods
4 Herald Avenue, Suite 603
P.O. Box 2006, Corner Brook, NL A2H 6J8
Email: lwheeler@gov.nl.ca
Phone: (709) 637-2339
Fax: (709) 637-2461

From: Jeff P
Sent: Monday, January 30, 2017 11:22 AM
To: Wheeler, Lisa
Subject: Re: DOC/2016/4280 : Agreement in principle - Newgreen Technologies Inc. 2016-12-23

Lisa,
Thanks for getting this information to us.
Jeff

On Jan 30, 2017 11:16 AM, "Wheeler, Lisa" <lwheeler@gov.nl.ca> wrote:
Good Morning Mr. Penney,

A scanned copy of correspondence and a draft agreement in principle from Minister Steve Crocker was sent to you on January 25, 2017.

I understand that you contacted Minister Crocker's office to request a copy of the draft agreement in principle in Word format.

A copy is attached for your review.

Thank you,

Lisa M. Wheeler
Secretary to Assistant Deputy Minister-Agrifoods
Dept. of Fisheries, Forestry & Agrifoods
4 Herald Avenue, Suite 603
P.O. Box 2006, Corner Brook, NL A2H 6J8
Email: lwheeler@gov.nl.ca
Phone: (709) 637-2339
Fax: (709) 637-2461
Record Number : DOC/2016/4280
Title : Agreement in principle - Newgreen Technologies Inc. 2016-12-23

“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.”
From: Hillyard, Rod

To: Hiscock, Bonita

Sent: Monday, January 30, 2017 11:21 AM

Subject: FW: DOC/2016/4280 : Agreement in principle - Newgreen Technologies Inc. 2016-12-23

Attachments:
Agreement in principle - Newgreen Technologies Inc. 2016-12-23.docx; Agreement in principle - Newgreen Technologies Inc. 2016-12-23.tr5

Dave:

FYI ...

Bonita

-----Original Message-----

From: Wheeler, Lisa

Sent: Monday, January 30, 2017 11:16 AM

To: 'jeffpenney@newgreeninc.com'

Cc: Balsam, Stephen; Hiscock, Bonita; Gray, Lisa

Subject: DOC/2016/4280 : Agreement in principle - Newgreen Technologies Inc. 2016-12-23

Good Morning Mr. Penney,

A scanned copy of correspondence and a draft agreement in principle from Minister Steve Crocker was sent to you on January 25, 2017.

I understand that you contacted Minister Crocker's office to request a copy of the draft agreement in principle in Word format.

A copy is attached for your review.

Thank you,

Lisa M. Wheeler
Secretary to Assistant Deputy Minister-Agrifoods Dept. of Fisheries, Forestry & Agrifoods
4 Herald Avenue, Suite 603
P.O. Box 2006, Conner Brook, NL A2H 6J8
Email: lwheeler@gov.nl.ca
Phone: (709) 637-2339
Fax: (709) 637-2461

-----< HP TRIM Record Information >-----

Record Number: DOC/2016/4280
Title: Agreement in principle - Newgreen Technologies Inc. 2016-12-23
 AGREEMENT IN PRINCIPLE

BETWEEN: Her Majesty in Right of Newfoundland and Labrador as represented by the Minister of Fisheries, Forestry and Agrifoods

(the “Province”)

AND: Newgreen Technology Inc.

(“Newgreen”)

WHEREAS:

1. On June 22, 2016, Newgreen submitted a proposal to develop a sawmill and biofuel manufacturing and export (BMEX) facility in Botwood, NL.

2. The discussions between the Province and Newgreen (the Parties) have primarily been in respect to Newgreen establishing a sawmill and BMEX facility in the town of Botwood, Newfoundland and Labrador, and establishing partnerships and/or agreements with other forest industrial entities for additional fibre supply.

3. The Parties have reached an agreement on certain matters relating to these issues and need to discuss other specific matters relating thereto, and wish at this time to confirm the principles upon which they are prepared to proceed with future discussions.

NOW THEREFORE the Parties agree as follows:

1. Definitions

(a) “Crown Timber” has the same meaning as defined in the Forestry Act R.S.N.L. 1990, c F-23;

(b) “Forest Management District” has the same meaning as defined in the Forestry Act R.S.N.L. 1990, c F-23;

(c) “Forestry Act” means the Forestry Act R.S.N.L. 1990, c F-23; and

(d) “Parties” means the Province and Newgreen

2. Commitments

(a) Subject to the receipt of all necessary consents and approvals, including its Board of Directors, Newgreen agrees to the following as outlined in its business plan of June 22, 2016:

(i) immediately purchase and operate the Harold Sheppard Sawmill facility as the initial stage of a two-stage sawmilling strategy;

(ii) immediately commence construction of a sawmill in Botwood, NL, with an annual production capacity of 50 million board feet, to be in full operation within five years;

(iii) immediately commence construction of a BMEX facility in Botwood, NL, with an annual production capacity of 40 million litres of diesel per year, to be in full operation within five years;

(iv) provide to the Province the details of:
a. the ownership and management structure;
b. engineering and technical details and costs;
c. term sheet(s) outlining sources of financing and their terms and conditions with financial
details;
d. human resource plan for achieving 99 direct new full-time jobs within five years;
e. fibre requirements and supply sources and costs;
f. marketing strategy for all product lines and shipping arrangements; and
g. the forest management arrangements proposed for a sawmill and BMEX facility in
Botwood, NL.

(v) provide agreements achieved with other forest industrial entities in NL for the purchase,
sale, or exchange of fibre.

(b) Subject to Lieutenant-Governor in Council approval as necessary, the Province will:

(i) in accordance with the Forestry Act, provide Newgreen with a 20-year crown timber
licence and forest management agreement to cut Crown timber from Forest Management
Districts 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 17 or 18 sufficient to meet the ongoing fibre
requirements of sawmill and BMEX facilities, up to 285,000 solid cubic metres annually.
The Province may issue commercial cutting permits under the Forestry Act for a portion
of the aforementioned 285,000 solid cubic metres of Crown timber until a forest
management agreement between the Parties is established;

(ii) establish an appropriate royalty regime for energy wood with associated royalty
reductions similar to other classes of timber identified in the Schedule to the Timber
Royalty Regulations O.C. 96-260 under the Forestry Act; and

(iii) foster partnerships with existing forestry entities to assist Newgreen in entering into
contracts necessary to fulfill Newgreen’s requirement for fibre.

3. Status of Agreement in Principle

(a) The execution and delivery of this Agreement in Principle is not intended to and does not create
legally enforceable rights or obligations among the Parties or between any of the Parties and any
third party. No obligation is created upon any of the Parties to execute and deliver any
subsequent binding contractual commitments or grant permissions under the Forestry Act or any
other legislation. No party shall have any remedy against any other party as a result of a failure to
execute and deliver any subsequent binding contractual commitments or grant permissions, to
conduct negotiations towards any subsequent binding contractual commitments or grant
permissions, or to perform any other provision of this Agreement in Principle.

(b) Each of the Parties acknowledges that the other party must complete extensive additional
activities and analysis, including due diligence on all aspects of the proposed arrangement, and
obtain all necessary approvals and consents prior to any decision being made by each party to
execute and deliver any subsequent binding contractual commitments or permissions.

(c) The Parties acknowledge and agree that the sole remedy for any breach of this Agreement in
Principle shall be the right to terminate this Agreement in Principle, and each hereby waives and
releases any and all other actions, claims, or causes of action, in contract, tort, at equity or
otherwise, for damages, equitable relief, or any other remedy that may be available to either
against the other as a result of such a breach.
4. **Termination**

Unless the Parties otherwise agree, this Agreement in Principle will terminate upon: (i) any subsequent binding contractual commitments being entered; (ii) six months from the date of the Agreement in Principle; or (iii) mutual agreement between the Parties, whichever is earlier.

5. **Governing Law and Attornment**

This Agreement in Principle shall be subject to the laws of Newfoundland and Labrador and the Parties shall attorn to the jurisdiction of Newfoundland and Labrador courts to the extent any adjudication is required.

6. **Entire Understanding**

This Agreement in Principle sets out the entire understanding of the principles agreed to and supersedes all prior understandings, discussions, proposals, representations, or other forms of communication on the issues between the Parties.

7. **Counterpart Execution**

This Agreement in Principle may be executed by the Parties in separate counterparts, each of which, when so executed, shall be deemed to be an original and all of which when together shall constitute one and the same Agreement in Principle. A facsimile of a counterpart executed by a party shall be acceptable evidence of the execution by that party of that counterpart and shall be effective upon that party for all purposes as if it were an original signature.

This Agreement in Principle will be effective the ___ day of ___________ 2017.

HER MAJESTY IN RIGHT OF
NEWFOUNDLAND AND LABRADOR

Minister of Fisheries, Forestry and Agrifoods or his or her designate

Newgreen Technology Inc.

Name:
Position:
Thanks for the heads up. It’s good to be aware.

Blair Adams, Ph.D.
Director, Ecosystem Sustainability and Research Centre for Forest Science and Innovation
Forestry Services

www.gov.nl.ca/faa
@FAA_GovNL

Department of Fisheries, Forestry, and Agrifoods
222 Airport Blvd
Gander, NL Canada A1V 2T6


This e-mail and any files transmitted are confidential and intended solely for the use of the individual or entity to whom they are addressed. If you have received this e-mail in error, please notify the sender.

Thanks Blair.

I agree with your assessment based on my limited knowledge of the Forestry industry.

I just wanted to ensure you made the connection and that there are no issues.

Take care,

Larry
Hi Blair, sorry for only getting back to you now.

Remember when I said I thought FMD 17 and 18 were included in the agreement with Newgreen.

Attached is a copy of the agreement that lists FMD 17 and 18 in section 2.b.1.

Larry
To The Minister Steve Crocker:

Me again!

I forgot to attach the article in question so here it is:


AND: I forgot to mention that I'm on my way out to a very important meeting. This discussion is going on all weekend.

I've organized people from Botwood, Bishop's Falls, Grand Falls-Windsor, Lewisporte, Norris Arm, Conne River, Badger, Buchans, Millertown, Harbour Brenton, Bay D'Espoir, Point Leamington, Leading Tickles, Point of Bay, Peterview, Phillip's Head, Glovertown, Gander Bay area, Campbellton, Embree, and many more! I will do a full count tonight of all communities represented.

Some people can't make it so they will be on Skype.

We are going to be meeting to discuss your comments in this article concerning the Botwood Biofuel Venture with the main focus on where our timber is going! We all know and you well know, it's all going East and West!!
This is exactly the operators your speaking about in your article attached.

You have a good weekend and I'm sure you'll here from us early next week!!

TIME FOR CENTRAL NEWFOUNDLAND TO SPEAK UP!!!
plant just like Abitibi. The BIG difference here is the this company has there own funds!! Is our government that stupid to loose this deal??
Time to speak up!

Sent from Outlook
Hillyard, Rod

From: Hillyard, Rod
Sent: Tuesday, January 24, 2017 4:45 PM
To: Lewis, David B. (Deputy Minister)
Subject: RE: AIP - Newgreen

No problem ...

From: Lewis, David B. (Deputy Minister)
Sent: Tuesday, January 24, 2017 4:45 PM
To: Hillyard, Rod
Subject: Re: AIP - Newgreen

Bonita

I haven't heard back from the Minister so will have to wait until tomorrow.

Thanks.

Dave

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Hillyard, Rod
Sent: Tuesday, January 24, 2017 4:43 PM
To: Lewis, David B. (Deputy Minister)
Subject: FW: AIP - Newgreen

Hi Dave:

Is this ready to go?

Thanks

Bonita

From: O'Keefe, Dorothy
Sent: Tuesday, January 24, 2017 11:16 AM
To: Hillyard, Rod
Subject: FW: AIP - Newgreen

FYI

Dorothy O'Keefe
Administrative Assistant to the Deputy Minister
Department of Fisheries, Forestry and Agrifoods
Government of Newfoundland and Labrador
Petten Building, 30 Strawberry Marsh Road
St. John's, NL A1B 4J6
From: Lewis, David B. (Deputy Minister)  
Sent: Tuesday, January 24, 2017 10:34 AM  
To: O'Keefe, Dorothy  
Subject: Re: AIP - Newgreen

The AIP signature line does need to be fixed. Waiting on Ministers approval of the letter, but expect it to go out later today.

Dave

Sent from my BlackBerry 10 smartphone on the Bell network.

From: O'Keefe, Dorothy  
Sent: Tuesday, January 24, 2017 10:17 AM  
To: Lewis, David B. (Deputy Minister)  
Subject: AIP - Newgreen

Dave,

Are you going to be asking Bonita to put the Minister's electronic signature on the Newgreen agreement? I'm wondering because Lisa brought up the letter and agreement. I made a few minor changes in TRIM to the letter and there's a signature line all by itself on page 4 of the agreement. I can easily move that line to page 3 but I want to make sure we are working with the same version of everything.

Dot

Dorothy O'Keefe  
Administrative Assistant to the Deputy Minister  
Department of Fisheries, Forestry and Agrifoods  
Government of Newfoundland and Labrador  
Petten Building, 30 Strawberry Marsh Road  
St. John's, NL A1B 4J6

(t) 709 729-3722  
(f) 709 729-0360
It might be best if I check with Mr. Penney. I will get back to you shortly.

Steve

Stephen Balsom, RPF
Assistant Deputy Minister
Forest Service of Newfoundland and Labrador

Department of Fisheries, Forestry and AgriFoods
P.O. Box 7006, Fortis Building
Corner Brook, N.L. Canada, A2H 6B8
t: 709.637.2339
c: 709.640.1330
f: 709.637.2411
c: stephenbalsom@gov.nl.ca


Hi Steve:

You want it sent to the below address and not the one Lisa sent us, correct.

Thanks

Bonita

Bonita,

This is the address I have for Mr. Penney.
Dear Mr. Weatherbie,

Please see attached letter of response and supporting documents to your email from Friday November 18, 2016.

Regards,
Geoff Penney
President
Newgreen Technology Inc.
From: Balsom, Stephen
Sent: Tuesday, January 24, 2017 3:14 PM
To: Hiscock, Bonita
Cc: Gray, Lisa; Wheeler, Lisa
Subject: RE: Email address for Geoffrey Green at Newgreen / COR/2017/00246

The address below is correct. He has submitted the business plan under the spelling "Geoffrey Penney".

Stephen Balsom, RPF
Assistant Deputy Minister
Forest Service of Newfoundland and Labrador

Department of Fisheries, Forestry and Agrifoods
P.O. Box 2006, Fortis Building
Corner Brook, NL Canada, A2H 4J8
T 709.637.2939
C 709.640.1330
F 709.837.2461
C stephenbalsom@gov.nl.ca

From: O'Keefe, Dorothy
Sent: Tuesday, January 24, 2017 3:02 PM
To: Balsom, Stephen
Cc: Gray, Lisa; Hiscock, Bonita; Wheeler, Lisa
Subject: Email address for Geoffrey Green at Newgreen / COR/2017/00246

Steve,

In the event we have to email the letter to Newgreen today, can you please confirm the email address? Lisa G has it entered in TRIM as jeff@newgreeninc.com and the spelling of the name in the letter is Geoffrey Penney.

I'm leaving early today, so please respond to Bonita and copy me.

Thank you.

Dorothy O'Keefe
Administrative Assistant to the Deputy Minister
Department of Fisheries, Forestry and Agrifoods
Government of Newfoundland and Labrador
Petten Building, 30 Strawberry Marsh Road
St. John's, NL A1B 4J6
From: Balsom, Stephen  
Sent: Tuesday, January 24, 2017 3:05 PM  
To: Hiscock, Bonita  
Cc: O'Keefe, Dorothy  
Subject: FW: Response to Letter Dated November 18th, 2016  

Bonita,

This is the address I have for Mr. Penney.

Steve

Jeff P

Stephen Balsom, RPF  
Assistant Deputy Minister  
Forest Service of Newfoundland and Labrador  

Department of Fisheries, Forestry and Agrifoods  
P.O. Box 2006, Fortis Building;  
Corner Brook, NL Canada, A2H 6B8  
T: 709.637.2329  
c: 709.640.1350  
f: 709.637.7461  
ce: stephenbalsom@gov.nl.ca


From: Jeff P  
Sent: Monday, November 21, 2016 1:46 PM  
To: Weatherbie, Larry; Peter Steele; Jim Hughes  
Cc: Ball, Dwight; Mitchelmore, Christopher; Crocker, Steve; Bennett, Cathy (Minister); Lomond, Ted; Lewis, David B. (Deputy Minister); Gardner, Ben; Balsom, Stephen; judy.foote@parl.gc.ca; scott.simms@parl.gc.ca  
Subject: Response to Letter Dated November 18th, 2016

Dear Mr. Weatherbie,

Please see attached letter of response and supporting documents to your email from Friday November 18, 2016.

Regards,

Geoff Penney  
President  
Newgreen Technology Inc.
Adams, Blair <BlairAdams@gov.nl.ca> Apr 15

to me

Jeff,

Given the current fiscal environment, any travel by public servants must be of a critical nature to receive approval. In light this, the Minister has reviewed the request to travel to the Proton Power facility and evaluate the technology. The current direction we have received is to delay the technology evaluation and site visit until FAA has received and reviewed the NTI business plan. I look forward to reviewing the plan.

Regards.
November 18, 2016

Mr. Jeff Penney
President
Newgreen Technology Inc.
64 Main Street
Corner Brook, NL A2H 1C6

Dear Mr. Penney:

I would like to thank you for your business plan to establish a modernized sawmill and a biofuel conversion operation in Central Newfoundland. Further to our meeting on August 19, 2016, and subsequent information you provided on November 9, 2016; the purpose of this letter is to seek further clarification on some outstanding issues.

I would like to address each of the points that were raised in the proposal overview as follows:

Access to Fibre
• Forestry Services Branch (FSB) recently conducted a wood supply survey and has confirmed the requested amount of fibre is available in Central Newfoundland.

• FSB also advises Government may issue a Crown timber license to a person who owns or operates a timber processing facility for a possible 20 year forest management agreement, pending Ministerial approval.

Government Loan Guarantee
• This is to confirm Newgreen Technologies is no longer pursuing a loan guarantee to finance your business opportunity from Government, however in order to assess your proposal, Government requires confirmation of the financing sources of total project costs of $155-million.

Lumber Markets
• As discussed, the creation of a new sawmill in central Newfoundland could have potential negative impacts on the existing sawmill industry if the proposed market is local provincial lumber retailers resulting in the saturation of the local market and lower local lumber prices.

• While the information you provided recently identifies potential purchasers of lumber in Newfoundland, without specific identification of lumber markets, it is still not clear
if Government should be creating the proposed saw mill operation in Central Newfoundland.

Exclusive Licensing Agreement
- Government is requesting details pertaining to the exclusive licensing agreement referenced on page 5 of the business plan, specifically who are the parties of this agreement and their relationship with NTI?
- Elaboration on the patents and licensing arrangement with Proton Power Inc. referred on page 17 of your business plan is required.

Off-take Agreement

Proof of Technology
- Government is asking for more details pertaining to Cellulose to Hydrogen Power (CHyP) technology and its application as you have outlined in your business plan.

This request for additional information in no way obligates the Government of Newfoundland and Labrador to provide the requested forestry permits without further analysis and due diligence of additional information as requested.

We look forward to receiving a fully revised business plan at your convenience.

Sincerely,

Larry Weatherly
Director

Cc: Mr. Ted Lomond, DM, BTCRD
    Mr. Dave Lewis, DM, FFA
    Mr. Ben Gardner, ADM, BTCRD
    Mr. Steve Balsom, ADM, FFA
Dear Mr. Weatherbie;

Thank you for your letter dated November 18, 2016, a copy of which is attached for ease of reference.

We would like to respond to the various points in the letter, as follows;

Access to Fibre

- Thank you for confirming the availability of the requisite amount of timber, for the duration of time which we require.
- We anticipate this being allocated to our project, by way of Ministerial Approval, in the very near future.
Government Loan Guarantee

- Newgreen Technologies Inc. ("NTI") has withdrawn the request for any Loan Guarantee, as you advised that Loan Guarantees were not available.
- We did, however, ask what other form of financial support that the Government of Newfoundland and Labrador COULD consider, in the August 19, 2016 meeting. Further, in the same correspondence in which we withdrew the request for a Loan Guarantee, we did ask what other direct and/or indirect financial support would be available for the proposed project.
- We are aware that an Aquaculture Project, which creates a similar number of jobs, has been awarded an Interest Free Loan. Given the like job creation scenario, we would anticipate that the same formula be applied to the NTI project.

Lumber Markets

- NTI has canvassed purchasers of lumber in Newfoundland, who have, without exception, indicated that they are going outside the province to satisfy the provincial demand for lumber markets.
- Which markets will ultimately be served by this lumber is immaterial, as lumber from within the province is being substituted for lumber from outside the province. Regardless of which view is taken, there is benefit to the Province of Newfoundland and Labrador.

Exclusive Licensing Agreement

- We are unclear what exactly you are looking for here, and as such we will provide a broad answer in anticipation of the answer being contained within.
- The Proton Power Processing Facility will be purchased from Proton Power, through Steele Hughes Diversified Inc., which has a Non-Exclusive Representative Agreement with Proton Power Inc. Proton Power Inc. ONLY markets its product through Non-Exclusive Representative entities.
- Steele Hughes Diversified Inc. is a company which is owned by Mr. Peter D. Steele and Mr. J.M. (Jim) Hughes. 
- The Proton Power technology is subject to a very large number of patents. Purchasers of this technology are LICENSED to use this patented technology, by Proton.
Off-take Agreement:

- The Off-take Agreement cannot be completed until certainty of ability to deliver is “in place”. As is typical of this type of contract, there will not be a final contract executed until the commissioning date of the Botwood facility can be accurately determined and pick up dates cast in stone. Substantial penalties exist for non-performance.
- Other Off-take agreements only enhance the commercial viability of this already financially sound and successful project.

Proof of Technology:

- This is a source of extreme frustration for NTI. The Province of Newfoundland and Labrador indicated that it wanted to get comfortable with the technology, but by way of “Due Diligence” to be completed by April 1st of Memorial University. This was detailed in an e-mail dated March 23, 2016. (See attached).
- To that end, NTI arranged with Proton Power to make himself and his team available, as necessary, to provide the information necessary to complete this Due Diligence.
- Further, Proton Power was going to be afforded the opportunity to visit Proton Power in Knoxville, Tennessee. As part of this visit, tours were to be arranged of Wamplers Sausage, which uses Proton Technology to create power, and “ROCKWOOD”, which is a privately owned BIOMASS FIBRE to DIESEL Facility, which is in commercial production, using Proton technology.
- The decision was made for to not proceed with this, with the reason being cited economic. Subsequently, Minister Mitchelmore toured the Proton facility, when attending meetings close by.
- Any shortfall in understanding the technology does not lie with NTI. We have made every reasonable effort to satisfy any concerns.
- In addition, NTI has offered to have Creditor Protection, by way of Insurance Policy from a third party insurer, to mitigate risk. As you can appreciate, an Insurer would not consider providing this type of support without completing very significant Due Diligence of their own.
- Given what has transpired and the very extended period of time involved, we believe the government has or has been given the opportunity to satisfy itself on the technology, and there should be no further discussion on this point.
Fully Revised Business Plan

- A “FULLY REVISED BUSINESS PLAN” has been requested in your letter, but there is nothing which has occurred which fundamentally changes the information previously provided. Information provided since submission of the last Business Plan only serves to confirm what has already been stated and/or enhance the financial viability of the project.

We look forward to receiving the approval of the Wood Fibre Allocation, without further discussion or delay, which will then precipitate discussions surrounding what direct and/or indirect financial support can be provided. This, of course, bearing in mind the “Aquaculture” precedent.

The residents of Central Newfoundland and particularly the Town of Botwood are anxious to normalize their excessive unemployment rate and breathe life back into the region. Further delay in approval of this project only causes their strife to be extended unnecessarily. We ask that you approve and move forward this project, without further delay.

Newgreen Technology Inc.

Mr. G. Penney

President

cc.

D. Ball – Premier, Province of Newfoundland and Labrador

C. Mitchelmore – Minister of BTCRD, Province of Newfoundland and Labrador

S. Crocker – Minister of FFA, Province of Newfoundland and Labrador

C. Bennett – Minister of Finance, Province of Newfoundland and Labrador
cc. (cont’d)

T. Lomond – DM, BTCRD

D. Lewis – DM, FFA

B. Gardner – ADM, BTCRD

S. Balsom – ADM, FFA

J. Foote – MP, Minister of PS&P, Government of Canada

S. Simms – MP, Government of Canada
Hello Jeff,

Steve Balsom has asked me to arrange for a technical review of the Proton Power technology. I have begun to engage She is a national expert on biofuel production. She is interested in assisting us with this and I have sent her a scope of work for the review. This scope of work includes:

- Review all technical documentation provided by Proton Power on their biofuel production process.
- Visit the Proton Power pre-commercial site in Knoxville Tennessee and the pilot commercial site in Rockwell Tennessee and examine the production process.
- Interview the technical leads / engineers at Proton Power during the site visit.
- Prepare a report on the viability of the Proton Power technology for the production of drop-in biofuel using Black Spruce and Balsam Fir feedstock, and comparing the technology to competitors.
- Site visit date in likely to be late April. Report completion by the end of May if possible.

We will require some assistance from NTI to arrange the site visit and acquire technical documentation. Would you be available to discuss the logistics?

Regards,

Blair Adams, Ph.D.
Director, Ecosystem Sustainability and Research
Centre for Forest Science and Innovation
Forestry Services

www.gov.nl.ca/afa
@FAA_GovNL

222 Airport Blvd
Gander, NL
Canada A1V 2T6

709.286.1415
709.424.0412
From: Lewis, David B. (Deputy Minister)
Sent: Tuesday, January 24, 2017 2:50 PM
To: O'Keefe, Dorothy
Subject: Re: AIP - Newgreen

OK, thanks.

Dave

Sent from my BlackBerry 10 smartphone on the Bell network.

From: O'Keefe, Dorothy
Sent: Tuesday, January 24, 2017 2:48 PM
To: Lewis, David B. (Deputy Minister)
Subject: RE: AIP - Newgreen

Dave,

Bonita was checking re electronic signature and isn’t able to fit it into the space that’s allowed for the Minister’s signature. I’ve adjusted the page endings and added some extra lines to the signature section of the agreement, so the pages look a little different. I’m just letting you know in the event you notice it looks different!!

Dot

Dorothy O'Keefe
Administrative Assistant to the Deputy Minister
Department of Fisheries, Forestry and Agrifoods
Government of Newfoundland and Labrador
Petten Building, 30 Strawberry Marsh Road
St. John's, NL A1B 4J6
(t) 709 729-3722
(f) 709 729-0360

From: Lewis, David B. (Deputy Minister)
Sent: Tuesday, January 24, 2017 2:43 PM
To: O'Keefe, Dorothy
Subject: Re: AIP - Newgreen

OK, thanks.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: O'Keefe, Dorothy
Sent: Tuesday, January 24, 2017 2:39 PM
To: Lewis, David B. (Deputy Minister)
Subject: RE: AIP - Newgreen
Dave,

I have to leave early today for an appointment. Bonita has the Newgreen documents in the event you want the Minister’s electronic signature put on them.

Dot

Dorothy O'Keefe  
Administrative Assistant to the Deputy Minister  
Department of Fisheries, Forestry and Agrifoods  
Government of Newfoundland and Labrador  
Petten Building, 30 Strawberry Marsh Road  
St. John’s, NL A1B 4J6

(t) 709 729-3722  
(f) 709 729-0360

From: Lewis, David B. (Deputy Minister)  
Sent: Tuesday, January 24, 2017 10:34 AM  
To: O'Keefe, Dorothy  
Subject: Re: AIP - Newgreen

The AIP signature line does need to be fixed. Waiting on Ministers approval of the letter, but expect it to go out later today.

Dave

Sent from my BlackBerry 10 smartphone on the Bell network.

From: O'Keefe, Dorothy  
Sent: Tuesday, January 24, 2017 10:17 AM  
To: Lewis, David B. (Deputy Minister)  
Subject: AIP - Newgreen

Dave,

Are you going to be asking Bonita to put the Minister’s electronic signature on the Newgreen agreement? I’m wondering because Lisa brought up the letter and agreement. I made a few minor changes in TRIM to the letter and there’s a signature line all by itself on page 4 of the agreement. I can easily move that line to page 3 but I want to make sure we are working with the same version of everything.

Dot

Dorothy O'Keefe  
Administrative Assistant to the Deputy Minister  
Department of Fisheries, Forestry and Agrifoods  
Government of Newfoundland and Labrador
Petten Building, 30 Strawberry Marsh Road
St. John's, NL A1B 4J6

(t) 709 729-3722
(f) 709 729-0360
Hillyard, Rod

From: Lewis, David B. (Deputy Minister)
Sent: Tuesday, January 24, 2017 11:29 AM
To: Crocker, Steve
Subject: Fw: Newgreen letter and AIP
Attachments:
Agreement in principle - Newgreen Technologies Inc. 2016-12-23.DOCX; Transmittal Letter from Minister Crocker to Mr Penney of NewGreen Tech regarding Agreement in Principle January 2017.DOC

Minister.

These are ready to go when you approve.

Dave

Sent from my BlackBerry 10 smartphone on the Bell network.

Original Message
From: O'Keefe, Dorothy <dorothyokeefe@gov.nl.ca>
Sent: Tuesday, January 24, 2017 10:40 AM
To: Lewis, David B. (Deputy Minister)
Cc: Balsom, Stephen; Gray, Lisa
Subject: Newgreen letter and AIP

Dave,

Attached are the updated letter and agreement. I made the change to the signature line and I made a few changes to the letter (just commas and spelled the company name the same throughout).

Dot

-----Original Message-----
From: O'Keefe, Dorothy
Sent: Tuesday, January 24, 2017 10:38 AM
To: O'Keefe, Dorothy
Subject: HP TRIM Records

-----< HP TRIM Record Information >-----

Record Number : DOC/2016/4280
Title : Agreement in principle - Newgreen Technologies Inc. 2016-12-23

-----< HP TRIM Record Information >-----
Record Number: COR/2017/00246
Title: Transmittal Letter from Minister Crocker to Mr Penney of NewGreen Tech regarding Agreement in Principle/January 2017
Mr. Geoffrey Penney, President
Newgreen Technology Inc.
4 Main Street
Corner Brook, NL A2H 1C6

Dear Mr. Penney:

I am pleased to provide for your consideration a draft Agreement in Principle between the Province of Newfoundland and Labrador and Newgreen Technology Inc. This agreement details the commitments that confirm the principles upon which we are prepared to proceed with future discussions related to the proposed sawmill and biofuel manufacturing and export facility in Botwood, NL.

We are seeking your comments and welcome the opportunity to meet to discuss the signing of the attached agreement. If you have any questions, please do not hesitate to contact my office.

Sincerely,

STEVE CROCKER, MHA
Carbonear – Trinity – Bay de Verde
Minister

Attachments
From: Hillyard, Rod

To: Balsom, Stephen

Subject: RE: Transmittal letter

Thanks Lisa,

We don’t get much lead time on these things.

Steve

Stephen Balsom, RPF
Assistant Deputy Minister
Forest Service of Newfoundland and Labrador

Department of Fisheries, Forestry and Agrifoods
P.O. Box 2006, Fortis Building
Cornerbrook, NL Canada, A2H 6B8

T 709.637.2339
C 709.840.1330
F 709.637.7401

stephenbalsom@gov.nl.ca


From: Gray, Lisa

Sent: Tuesday, January 24, 2017 9:38 AM

To: Balsom, Stephen

Subject: RE: Transmittal letter

COR/2017/00246 – entered into TRIM. Attached for your reference. Printed and brought to DM office for review.

From: Balsom, Stephen

Sent: Tuesday, January 24, 2017 9:30 AM

To: Gray, Lisa

Subject: RE: Transmittal letter

Just Mr. Penney for now unless the Minister advises otherwise.

Thanks

Stephen Balsom, RPF
Assistant Deputy Minister
Forest Service of Newfoundland and Labrador

Department of Fisheries, Forestry and Agrifoods

From: Gray, Lisa  
Sent: Tuesday, January 24, 2017 9:29 AM  
To: Balsam, Stephen  
Subject: RE: Transmittal letter

Is this just going to Mr. Penney, or are any other parties (from govt or NewGreen) getting a copy of the letter as well?

From: Balsam, Stephen  
Sent: Tuesday, January 24, 2017 9:28 AM  
To: Gray, Lisa  
Subject: RE: Transmittal letter

Thanks

Stephen Balsam, RPF  
Assistant Deputy Minister  
Forest Service of Newfoundland and Labrador  
Department of Fisheries, Forestry and Agriculture

From: Gray, Lisa  
Sent: Tuesday, January 24, 2017 9:26 AM  
To: Balsam, Stephen  
Subject: RE: Transmittal letter

Sorry, just grabbing this right now. On it ASAP. My computer needed a password change this morning and wouldn’t let me in ☹️
Liza,

The Minister is looking for the transmittal letter regarding the agreement in principle with Newgreen this morning. I would appreciate your immediate attention.

Thanks

Steve

Stephen Balsam, RPF
Assistant Deputy Minister
Forest Service of Newfoundland and Labrador

Department of Hshcrics, Forestry and Agrihoods
P.O. Box 2006, Fortis Building
Corner Brook, NL Canada, A2H 6J8

t /09.63/7339
e /09.640.1330
f /09.63/7461

e stephenbalsom@gov.nl.ca


Steve.

Pls email me the draft transmittal letter as soon as ready. Minister wants to send out the letter and AIP today.

Thanks.

Dave

Sent from my BlackBerry 10 smartphone on the Bell network.
Hillyard, Rod

From: Lomond, Ted
Sent: Tuesday, January 24, 2017 6:57 AM
To: Lewis, David B. (Deputy Minister)
Subject: Re: CBC story

Great stuff. Thanks. Ted

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Lewis, David B. (Deputy Minister)
Sent: Tuesday, January 24, 2017 6:53 AM
To: Lomond, Ted
Subject: Re: CBC story

Ted.

We are sending Newgreen an agreement in principle in a couple of days. It outlines general agreement to fibre allocation and gives them six months to finalize business plan and financing. All Subject to final Cabinet approval. No GNL money referenced.

Dave

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Lomond, Ted
Sent: Monday, January 23, 2017 9:59 PM
To: Lewis, David B. (Deputy Minister)
Subject: Fw: CBC story

David. Are you guys closer on this one now? I will check with Larry but I am pretty sure we are waiting on info. Ted

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Mitchelmore, Christopher <CMitchelmore@gov.nl.ca>
Sent: Monday, January 23, 2017 9:53 PM
To: Lomond, Ted; George, Bradley; Halliday, Janice
Subject: CBC story


Sent from my BlackBerry 10 smartphone on the Bell network.
Hillyard, Rod

From: Lewis, David B. (Deputy Minister)
Sent: Tuesday, January 24, 2017 6:56 AM
To: Lomond, Ted
Subject: Fw: DOC 2016 4280 Agreement in principle - Newgreen Technologies Inc.
Attachments: DOC 2016 4280 Agreement in principle - Newgreen Technologies Inc.

Ted.

FYI: This is the AIP we will send to Newgreen.

Dave

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Lewis, David B. (Deputy Minister) <DavidLewis@gov.nl.ca>
Sent: Friday, January 20, 2017 12:44 PM
To: Crocker, Steve
Cc: Mercer, Greg
Subject: DOC 2016 4280 Agreement in principle - Newgreen Technologies Inc. 2016-12-23.DOCX

Minister.

Final version as per our conversation.

Dave
Hillyard, Rod

From: Lewis, David B. (Deputy Minister)
Sent: Tuesday, January 24, 2017 6:54 AM
To: Lomond, Ted
Subject: Re: CBC story

Ted.

We are sending Newgreen an agreement in principle in a couple of days. It outlines general agreement to fibre allocation and gives them six months to finalize business plan and financing. All Subject to final Cabinet approval. No GNL money referenced.

Dave

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Lomond, Ted
Sent: Monday, January 23, 2017 9:59 PM
To: Lewis, David B. (Deputy Minister)
Subject: Fw: CBC story

David. Are you guys closer on this one now? I will check with Larry but I am pretty sure we are waiting on info.
Ted

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Mitchelmore, Christopher <CMitchelmore@gov.nl.ca>
Sent: Monday, January 23, 2017 9:53 PM
To: Lomond, Ted; George, Bradley; Halliday, Janice
Subject: CBC story


Sent from my BlackBerry 10 smartphone on the Bell network.
Hillyard, Rod

From: Crocker, Steve
Sent: Monday, January 23, 2017 3:06 PM
To: Boland, Connie
Cc: Colman-Sadd, Vanessa; Lewis, David B. (Deputy Minister)
Subject: Re: [Potential Junk/Spam] Rue: FW: CBC Central Morning Show request - another media request

Unfortunately not available tomorrow morning.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Boland, Connie
Sent: Monday, January 23, 2017 2:39 PM
To: Crocker, Steve
Cc: Colman-Sadd, Vanessa; Lewis, David B. (Deputy Minister)
Subject: FW: [Potential Junk/Spam] Re: FW: CBC Central Morning Show request - another media request

Hi Minister,

Please see a second media request below from CBC Central Morning Show. The reporter is asking if you are free at 7:40 a.m. tomorrow (Tuesday) however any time between 7 a.m. and 8:30 a.m. is workable. Please note that David has asked about Newgreen in the past.

Please let me know if you would like to go ahead with the interview and at what time.

Connie

From: David Newell [mailto:david.newell@cbc.ca]
Sent: Monday, January 23, 2017 1:26 PM
To: Boland, Connie
Cc: Colman-Sadd, Vanessa
Subject: [Potential Junk/Spam] Re: FW: CBC Central Morning Show request

Good afternoon,

I'm told Minister Crocker is meeting with mayors of several communities from the Exploits Valley this afternoon in Gander to discuss the proposed biofuel operation in Botwood.

I wonder is he available for an interview on tomorrow's Central Morning Show to chat about this?

Thanks,

David

David Newell
Producer
CBC Radio
On Thu, Jan 5, 2017 at 12:18 PM, David Newell <david.newell@cbc.ca> wrote:

Thank you,

David

David Newell
Producer
CBC Radio
Central Morning Show
709.256.4311 (phone)
DAVID.NEWELL@CBC.CA
@NewellDavid

On Thu, Jan 5, 2017 at 12:16 PM, Boland, Connie <ConnieBoland@gov.nl.ca> wrote:

Hi David,

This project is in the early development stages, hence we will decline the invitation at this time. Please see below for a statement from the department. An interview may be possible at a later date.

Have a great day,

Connie

The Department of Fisheries, Forestry and Agrifoods has been in discussions with Newgreen regarding their proposed business opportunity.

Relevant line departments are engaged with Newgreen and have requested additional information to assist with the analysis of the business plan.

Each investment we make as government further creates an environment to support the success of businesses that are helping diversify the provincial economy, either directly or indirectly.

As with any proposed opportunity, government must ensure full due diligence is carried out in the best interest of the province, its communities, and that of the businesses we support.
To: Colman-Sadd, Vanessa
Subject: CBC Central Morning Show request

Dear Vanessa,

Happy New Year to you,

We are hoping to chat with the Minister on the Central Morning Show about developments for the biofuel operation planned for the Botwood area.

Focus of the interview would be the timeline involved in government approvals and resource allocations needed for the business to get started.

While a live interview tomorrow morning between 7-8 is preferred, we could pretape this afternoon if absolutely necessary.

Thanks for your help,

David

David Newell
Producer
CBC Radio
Central Morning Show
209.256.4311 (phone)

DAVID.NEWELL@CBC.CA
@NewellDavid

"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."
Great, please call Ryan Cooke, at your convenience after the meeting. I will let Ryan know to expect your call. Please let me know if you require any information to prepare.

No problem. I can do it.

Hi again,

Further to my original email, Ryan is interesting in the purpose and outcomes of today’s meeting, as well as an update on the Newgreen proposal.

Good morning Minister,

Please see below from CBC. If you are comfortable with this, I will respond to Ryan and get the information at which you can reach him later today. I also have a call into Ryan to see what timeframe he is looking at and what topics he is interested in covering.

Have a great day,

Connie
Hey Connie,

I'm wondering if the minister will be available for a conversation after today's mayors meeting in central. I don't think we'll have someone able to swing by and meet with him, but if I could reach him by phone for a follow-up, that would be great.

Thanks,

Ryan

--

Ryan Cooke
CBC/Radio-Canada
709.576.5167 (office)
Minister.

Final version as per our conversation.

Dave
Minister.

Please review this revised draft. I have revised Section 2. (a) (ii) and inserted a new (iii).

Thanks.

Dave
Greg,

Revised draft.

Dave
AGREEMENT IN PRINCIPLE

BETWEEN: Her Majesty in Right of Newfoundland and Labrador as represented by the Minister of Fisheries, Forestry and Agrifoods

(the “Province”)

AND: Newgreen Technology Inc.

(“Newgreen”)

WHEREAS:

1. On June 22, 2016, Newgreen submitted a proposal to develop a sawmill and biofuel manufacturing and export (BMEX) facility in Botwood, NL.

2. The discussions between the Province and Newgreen (the Parties) have primarily been in respect to Newgreen establishing a sawmill and BMEX facility in the town of Botwood, Newfoundland and Labrador, and establishing partnerships and/or agreements with other forest industrial entities for additional fibre supply.

3. The Parties have reached an agreement on certain matters relating to these issues and need to discuss other specific matters relating thereto, and wish at this time to confirm the principles upon which they are prepared to proceed with future discussions.

NOW THEREFORE the Parties agree as follows:

1. Definitions

   (a) “Crown Timber” has the same meaning as defined in the Forestry Act R.S.N.L. 1990, c F-23;

   (b) “Forest Management District” has the same meaning as defined in the Forestry Act R.S.N.L. 1990, c F-23;

   (c) “Forestry Act” means the Forestry Act R.S.N.L. 1990, c F-23; and

   (d) “Parties” means the Province and Newgreen

2. Commitments

   (a) Subject to the receipt of all necessary consents and approvals, including its Board of Directors, Newgreen agrees to use commercially reasonable efforts for the following as outlined in its business plan of June 22, 2016:

   (i) purchase and operate the Harold Sheppard Sawmill facility as the initial stage of a two-stage sawmilling strategy;

   (ii) construct and operate a sawmill and BMEX facility in Botwood, NL, with an annual production capacity of 50 million board feet and 40 million litres of diesel respectively per year;
(iii) provide to the Province the details of:

a. the ownership and management structure;
b. engineering and technical details and costs;
c. term sheet(s) outlining sources of financing and their terms and conditions with financial details;
d. human resource plan for achieving 99 direct new full-time jobs within five years;
e. fibre requirements and supply sources and costs;
f. marketing strategy for all product lines and shipping arrangements; and
g. the forest management arrangements proposed for a sawmill and BMEX facility in Botwood, NL.

(iv) provide agreements achieved with other forest industrial entities in NL for the purchase, sale, or exchange of fibre.

(b) Subject to Lieutenant-Governor in Council approval as necessary, the Province will:

(i) in accordance with the Forestry Act, provide Newgreen with a 20-year crown timber licence and forest management agreement to cut Crown timber from Forest Management Districts 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 17 or 18 sufficient to meet the ongoing fibre requirements of sawmill and BMEX facilities, up to 285,000 solid cubic metres annually. The Province may issue commercial cutting permits under the Forestry Act for a portion of the aforementioned 285,000 solid cubic metres of Crown timber until a forest management agreement between the Parties is established;

(ii) establish an appropriate royalty regime for energy wood with associated royalty reductions similar to other classes of timber identified in the Schedule to the Timber Royalty Regulations O.C. 96-260 under the Forestry Act; and

(iii) foster partnerships with existing forestry entities to assist Newgreen in entering into contracts necessary to fulfill Newgreen’s requirement for fibre.

3. Status of Agreement in Principle

(a) The execution and delivery of this Agreement in Principle is not intended to and does not create legally enforceable rights or obligations among the Parties or between any of the Parties and any third party. No obligation is created upon any of the Parties to execute and deliver any subsequent binding contractual commitments or grant permissions under the Forestry Act or any other legislation. No party shall have any remedy against any other party as a result of a failure to execute and deliver any subsequent binding contractual commitments or grant permissions, to conduct negotiations towards any subsequent binding contractual commitments or grant permissions, or to perform any other provision of this Agreement in Principle.

(b) Each of the Parties acknowledges that the other party must complete extensive additional activities and analysis, including due diligence on all aspects of the proposed arrangement, and obtain all necessary approvals and consents prior to any decision being made by each party to execute and deliver any subsequent binding contractual commitments or permissions.

(c) The Parties acknowledge and agree that the sole remedy for any breach of this Agreement in Principle shall be the right to terminate this Agreement in Principle, and each hereby waives and
releases any and all other actions, claims, or causes of action, in contract, tort, at equity or otherwise, for damages, equitable relief, or any other remedy that may be available to either against the other as a result of such a breach.

4. Termination

Unless the Parties otherwise agree, this Agreement in Principle will terminate upon: (i) any subsequent binding contractual commitments being entered; (ii) six months from the date of the Agreement in Principle; or (iii) mutual agreement between the Parties, whichever is earlier.

5. Governing Law and Attornment

This Agreement in Principle shall be subject to the laws of Newfoundland and Labrador and the Parties shall attorn to the jurisdiction of Newfoundland and Labrador courts to the extent any adjudication is required.

6. Entire Understanding

This Agreement in Principle sets out the entire understanding of the principles agreed to and supersedes all prior understandings, discussions, proposals, representations, or other forms of communication on the issues between the Parties.

7. Counterpart Execution

This Agreement in Principle may be executed by the Parties in separate counterparts, each of which, when so executed, shall be deemed to be an original and all of which when together shall constitute one and the same Agreement in Principle. A facsimile of a counterpart executed by a party shall be acceptable evidence of the execution by that party of that counterpart and shall be effective upon that party for all purposes as if it were an original signature.

This Agreement in Principle will be effective the ____ day of __________ 2017.

HER MAJESTY IN RIGHT OF
NEWFOUNDLAND AND LABRADOR

Minister of Fisheries, Forestry and Agrifoods or his or her designate

Newgreen Technology Inc.

Name:
Position:
Dave,

I have no additional comments or concerns.

Steve

Stephen Balsom, RPF
Assistant Deputy Minister
Forest Service of Newfoundland and Labrador

Department of Fisheries, Forestry and Agriculture
P.O. Box 2006, Fortis Building
Corner Brook, NL, Canada, A2H 6J8
T: 709.637.2339
C: 709.640.1330
F: 709.637.4761
c: stephenbalsom@gov.nl.ca


Steve,

Please review this revised draft and let me know if you have any concerns.

Thanks.

Dave
Steve.

Please review this revised draft and let me know if you have any concerns.

Thanks.

Dave
AGREEMENT IN PRINCIPLE

BETWEEN: Her Majesty in Right of Newfoundland and Labrador as represented by the Minister of Fisheries, Forestry and Agrifoods (the "Province")

AND: Newgreen Technology Inc. ("Newgreen")

WHEREAS:

1. On June 22, 2016, Newgreen submitted a proposal to develop a sawmill and biofuel manufacturing and export (BMEX) facility in Botwood, NL.

2. The discussions between the Parties have primarily been in respect to Newgreen establishing a sawmill and BMEX facility in the town of Botwood, Newfoundland and Labrador, and establishing partnerships and/or agreements with other forest industrial entities for additional fibre supply.

3. The Parties have reached an agreement on certain matters relating to these issues and need to discuss other specific matters relating thereto, and wish at this time to confirm the principles upon which they are prepared to proceed with future discussions.

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   (c) "Forestry Act" means the Forestry Act R.S.N.L. 1990, c F-23

   (d) "Parties" means the Province and Newgreen

2. Commitments

   (a) Subject to the receipt of all necessary consents and approvals, including its Board of Directors, Newgreen agrees to use commercially reasonable efforts for the following as outlined in its business plan of June 22, 2016:

      (i) purchase and operate the Harold Sheppard Sawmill facility as the initial stage of a two stage sawmilling strategy;
(ii) construct and operate a sawmill and BMEX facility in Botwood NL, with an annual production capacity of 50 million board feet and 40 million litres of diesel respectively per year;

(iii) provide to the Province the details of:

a. the ownership and management structure;
b. engineering and technical details and costs;
c. term sheet(s) outlining sources of financing and their terms and conditions with financial details;
d. human resource plan for achieving 99 direct new full time jobs within five years;
e. fibre requirements and supply sources and costs;
f. marketing strategy for all product lines and shipping arrangements;
g. the forest management arrangements proposed for a sawmill and BMEX facility in Botwood NL.

(iv) provide agreements achieved with other forest industrial entities in NL for the purchase, sale or exchange of fibre.

(b) Subject to Lieutenant-Governor in Council approval as necessary, the Province will:

(i) in accordance with the Forestry Act, provide Newgreen with a 20 year crown timber licence and forest management agreement to cut Crown Timber from Forest Management Districts 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 17 or 18 sufficient to meet the ongoing fibre requirements of sawmill and BMEX facilities, up to 285,000 solid cubic metres annually. The Province may issue commercial cutting permits under the Forestry Act for a portion of the aforementioned 285,000 solid cubic metres of Crown Timber until a forest management agreement between Newgreen and the Province is established;

(ii) establish an appropriate royalty regime for energy wood with associated royalty reductions similar to other classes of timber identified in the Schedule to the Timber Royalty Regulations O.C. 96-260 under the Forestry Act; and

(iii) foster partnerships with existing forestry entities to assist Newgreen in entering into contracts necessary to fulfill Newgreen's requirement for fibre.

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(a) The execution and delivery of this Agreement in Principle is not intended to and does not create legally enforceable rights or obligations among the Parties or between any of the Parties and any third party. No obligation is created upon any of the Parties to execute and deliver any subsequent binding contractual commitments or grant permissions under the Forestry Act or any other legislation. No Party shall have any remedy against any other Party as a result of a failure to execute and deliver any subsequent binding contractual commitments or grant permissions, to conduct negotiations towards any subsequent binding contractual commitments or grant permissions, or to perform any other provision of this Agreement in Principle.
(b) Each of the Parties acknowledges that the other Party must complete extensive additional activities and analysis, including due diligence on all aspects of the proposed arrangement, and obtain all necessary approvals and consents prior to any decision being made by each Party to execute and deliver any subsequent binding contractual commitments or permissions.

(c) The Parties acknowledge and agree that the sole remedy for any breach of this Agreement in Principle shall be the right to terminate this Agreement in Principle, and each hereby waives and releases any and all other actions, claims, or causes of action, in contract, tort, at equity or otherwise, for damages, equitable relief, or any other remedy that may be available to either against the other as a result of such a breach.

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Unless the Parties otherwise agree, this Agreement in Principle will terminate upon: (i) any subsequent binding contractual commitments being entered; (ii) six months from the date of the Agreement in Principle; or (iii) mutual agreement between the Parties, whichever is earlier.

5. Governing Law and Attornment

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This Agreement in Principle may be executed by the Parties in separate counterparts, each of which, when so executed, shall be deemed to be an original and all of which when together shall constitute one and the same Agreement in Principle. A facsimile of a counterpart executed by a party shall be acceptable evidence of the execution by that Party of that counterpart and shall be effective upon that party for all purposes as if it were an original signature.
This Agreement in Principle will be effective the ___ day of ____________, 2017.

HER MAJESTY IN RIGHT OF NEWFOUNDLAND AND LABRADOR

Minister of Fisheries, Forestry and Agrifoods or his or her designate

Newgreen Technology Inc.

________________________
Name
Position
Newgreen Technology Inc.
Steve.

I beefed up the commitments a bit more.

Dave
AGREEMENT IN PRINCIPLE

BETWEEN: Her Majesty in Right of Newfoundland and Labrador as represented by the Minister of Fisheries, Forestry and Agrifoods

(the “Province”)

AND: Newgreen Technology Inc.

(“Newgreen”)

WHEREAS:

1. On June 22, 2016, Newgreen submitted a proposal to develop a sawmill and biofuel manufacturing and export (BMEX) facility in Botwood.

2. The discussions between the Parties have primarily been in respect to Newgreen establishing a sawmill and BMEX facility in the town of Botwood, Newfoundland, and establishing partnerships and/or agreements with other forest industrial entities for additional fibre supply.

3. The Parties have reached an agreement on certain matters relating to these issues and need to discuss other specific matters relating thereto, and wish at this time to confirm the principles upon which they are prepared to proceed with future discussions.

NOW THEREFORE the Parties agree as follows:

1. Definitions

(a) “Crown Timber” has the same meaning as defined in the Forestry Act R.S.N.L. 1990, c F-23

(b) “Forest Management District” has the same meaning as defined in the Forestry Act R.S.N.L. 1990, c F-23

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(d) “Parties” means the Province and Newgreen

2. Commitments

(a) Subject to the receipt of all necessary consents and approvals, including its Board of Directors, Newgreen agrees to use commercially reasonable efforts to:

(i) purchase and operate the Harold Sheppard Sawmill facility as the initial stage of a two stage sawmilling strategy;

(ii) construct and operate a sawmill and BMEX facility in Botwood NL, with an anticipated annual production capacity of 36-40 million board feet and 40 million litres of diesel respectively per year;
(iii) provide a comprehensive business plan to the Province which outlines the details of the ownership and management structure; engineering and technical details and costs; term sheet(s) outlining sources of financing and their terms and conditions; financial details; human resource requirements expected to include approximately 100 direct new full time jobs within five years; fibre requirements and supply sources and costs; marketing strategy for all product lines and shipping arrangements; and the forest management arrangements proposed for the sawmill and BMEX facility in Botwood NL; and

(iv) establish partnerships and/or agreements with other forest industrial entities in the Province for the purchase, sale or exchange of fibre.

(b) Subject to Lieutenant-Governor in Council approval as necessary, the Province will:

(i) in accordance with the Forestry Act, provide Newgreen with a 20 year crown timber licence and forest management agreement to cut Crown Timber from Forest Management Districts 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 17 or 18 sufficient to meet the ongoing fibre requirements of the sawmill and BMEX facility, up to 285,000 solid cubic metres annually. The Province may issue commercial cutting permits under the Forestry Act for a portion of the aforementioned 285,000 solid cubic metres of Crown Timber until a forest management agreement between Newgreen and the Province is established;

(ii) establish an appropriate royalty regime for energy wood with associated royalty reductions similar to other classes of timber identified in the Schedule to the Timber Royalty Regulations O.C. 96-260 under the Forestry Act; and

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This Agreement in Principle will be effective the ___ day of ________, 2017.

HER MAJESTY IN RIGHT OF NEWFOUNDLAND AND LABRADOR

Minister of Fisheries, Forestry and Agrifoods or his or her designate

Newgreen Technology Inc.

Name:
Position
Newgreen Technology Inc.
Hillyard, Rod

From: Young, Eric M.  
Sent: Monday, January 16, 2017 2:09 PM  
To: Balsom, Stephen; Adams, Blair  
Subject: RE: Newgreen

Steve;

No nothing to report on my end.... other than what has been discussed in the media I have had no contact with them in months.

---

Eric Young, P.Eng., RPF  
Director Forest Engineering & Industry Services  
Forestry Services

Dept of Fisheries, Forestry and Agrifoods  
P.O. Box 2006  
Corner Brook, NL Canada A2H 6J8

t  709.637.2350  
c  709.632.9810  
f  709.637.2403


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---

From: Balsom, Stephen  
Sent: Monday, January 16, 2017 1:58 PM  
To: Adams, Blair; Young, Eric M.  
Subject: Newgreen

The DM and Minister are meeting with the Premier at 4:30pm to discuss Newgreen. Anything lately on Proton Power?

---

Stephen Balsom, RPF  
Assistant Deputy Minister  
Forest Service of Newfoundland and Labrador

Department of Fisheries, Forestry and Agrifoods  
P.O. Box 2005, Fortis Building  
Corner Brook, NL Canada A2H 6J8  
t  709.637.7339  
c  709.630.1330  
f  709.637.2411  
c  stephenbalsom@gov.nl.ca
I have not had any contact with them in months. I only get my updates from Larry Weatherby, on the business side.

The DM and Minister are meeting with the Premier at 4:30pm to discuss Newgreen. Anything lately on Proton Power?
Hillyard, Rod

From: Balsam, Stephen
Sent: Monday, January 16, 2017 11:00 AM
To: Weatherbie, Larry
Subject: RE: Newgreen update - January 16, 2017

Larry,

Please see below.

Stephen Balsam, RPF
Assistant Deputy Minister - Forestry
Forestry and Agrifoods Agency
P.O. Box 2006
Corner Brook, NL, A2H 6J8

Office: 709.637.2339
Cell: 709.640.1330
Fax: 709.637.2461
stephenbalsom@gov.nl.ca

From: Weatherbie, Larry
Sent: Monday, January 16, 2017 9:48 AM
To: Balsam, Stephen
Subject: Newgreen update - January 16, 2017

Good morning Steve, can you answer the questions posed below by my DM?

As far as I know, the plan is to continue with the Sheppard sawmill and the Agreement in Principle spells out many Forestry Management Districts, not just the ones identified by NTI.

I am unsure of the first question concerning size and how many nor can I address the question on stumpage fees.

Thanks
Larry

From: Lomond, Ted
Sent: Monday, January 16, 2017 9:26 AM
To: Weatherbie, Larry

Thanks Larry

- In terms of the fiber ask and size of sawmill, do we know how that compares to other operations in the province?
The fibre ask is more than enough to meet the needs of the proposed sawmill (36-40 million board feet). Comparing to Sexton who is sawing ~50 million board feet from approximately 200,000m3.

- Do you know if they are still planning to purchase Harold Sheppard Sawmill?

The business plan does state that they plan on running the Harold Sheppard Sawmill for two years and all recent discussions indicate the same.

- I am correct in saying that the plan needs to be revised to reflect fiber coming not just 10, 11, 12, 13? Correct – we are unable to allocate all 285,000m3 from FMD 10, 11, 12 and 13. We will have to look at other districts for the requirement. 29(1)(a), 35(1)(d)

- Plan has stump fee of 3.73. I thought stump fees were $5.75

Correct – Stumpage starts at $5.56/m3 and deductions may occur depending on a variety of factors. Average island stumpage is ~$2.50/m3

Ted Lomond
Deputy Minister
Dept. of Business, Tourism, Culture and Rural Development
2nd Floor, West Block, Confederation Building
St. John’s, NL A1B 4J6
Telephone: 709-729-4732

-----Original Message-----
From: Weatherbie, Larry
Sent: Monday, January 16, 2017 9:00AM
To: Lomond, Ted
Subject: HP TRIM DOCUMENT: DOC/01211/2017 : Newgreen update - January 16, 2017

Also Cc: Joy, Carla [EX:/o=PSNL/ou=FIRST ADMINISTRATIVE GROUP/cn=RECIPIENTS/cn=CARLAJOY]

------------------------

Hello Ted, as requested, please find attached a status update concerning Newgreen Technology.

Please advise should you have any questions or require clarification.

Larry

-----< HP TRIM Record Information >-----

Record Number: DOC/01211/2017
Title : Newgreen update - January 16, 2017
From: Lewis, David B. (Deputy Minister)
Sent: Friday, January 13, 2017 4:49 PM
To: Crocker, Steve
Subject: FW: Newgreen Technologies Letter January 10, 2017

FYI.

Dave

From: Weatherbie, Larry
Sent: Friday, January 13, 2017 1:28 PM
To: Lomond, Ted <TedLomond@gov.nl.ca>; Gardner, Ben <BenGardner@gov.nl.ca>
Cc: Balsam, Stephen <StephenBalsom@gov.nl.ca>; Lewis, David B. (Deputy Minister) <DavidLewis@gov.nl.ca>
Subject: FW: Newgreen Technologies Letter January 10, 2017

Ted, further to my second request for a revised business plan from NTI, below is their response.

Larry

From: Jeff P
Sent: Friday, January 13, 2017 1:26 PM
To: Weatherbie, Larry
Cc: Peter Steele; Jim Hughes
Subject: Re: Newgreen Technologies Letter January 10, 2017

Larry,

As previously advised, the requested additional information and amendments to the financial modeling will be provided after receipt of the "Conditional allocation of the requested fiber.

Thank you
Jeff

On Jan 10, 2017 10:41 AM, "Weatherbie, Larry" <lweather@gov.nl.ca> wrote:
Good morning Mr. Penney, further to our request dated November 28, 2016, we are seeking an update as to the status of a revised business plan detailing the project financing and market strategy for the proposed business opportunity Newgreen presented to Government.

Please feel free to contact me should you have any questions or require clarification.

Regards

Larry

"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
Thanks Larry.

Sent from my BlackBerry 10 smartphone on the Bell network.

Ted, further to my second request for a revised business plan from NTI, below is their response.

Larry

As previously advised, the requested additional information and amendments to the financial modeling will be provided after receipt of the "Conditional "allocation of the requested fiber.

Thank you

Jeff

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Regards

Larry

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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.”
Hillyard, Rod

From: Lomond, Ted
Sent: Thursday, January 12, 2017 5:39 PM
To: Lewis, David B. (Deputy Minister)
Subject: NewGreen


Ted Lomond
Deputy Minister
Dept. of Business, Tourism, Culture and Rural Development
2nd Floor, West Block, Confederation Building
St. John’s, NL A1B 4J6
Telephone: 709-729-4732
Hey Larry,

News to me as well.

Blair

Hi guys, did you see the latest?

I have no idea where Mr. Dean is getting his information.

As it stands today, we do not have a revised business plan to assess. We are far from providing Newgreen a decision on this matter.

I also note, the project cost has increased by $30M. Not sure if this is a fact or a misunderstanding.

Larry
Dave,

I have updated the Newgreen AIP and Lisa Gray will have it put back in TRIM for your review. I have added the condition that the BMEX facility will be built in Botwood NL. I have also added the potential for districts 17 and 18 to be considered.

I consulted with our departmental solicitor and based on her advice I

Steve

Stephen Balsom, RPF
Assistant Deputy Minister
Forest Service of Newfoundland and Labrador

Department of Fisheries, Forestry and Agriculure
P.O. Box 2006, Fortis Building
Corner Brook, NL Canada, A2H 6J8
P 709.637.2339
C 709.640.1330
F 709.637.7461
e stephenbalsom@gov.nl.ca

Hillyard, Rod

From: Balsom, Stephen  
Sent: Thursday, January 12, 2017 12:49 PM  
To: Furlong, Nancy  
Subject: RE: t00NL3PT.DOCX

Ok call you in 5 minutes.

Steve

Stephen Balsom, RPF  
Assistant Deputy Minister  
Forest Service of Newfoundland and Labrador

Department of Fisheries, Forestry and Agrifoods  
P.O. Box 7006, Fortis Building  
Corner Brook, NL Canada, A7H 6R6  
t: 709.637.7339  
c: 709.540.1530  
f: 709.637.2161  
c: stephenbalsom@gov.nl.ca


From: Furlong, Nancy  
Sent: Thursday, January 12, 2017 12:47 PM  
To: Balsom, Stephen  
Subject: RE: t00NL3PT.DOCX

Hi,

I'm available now if you are?

Nancy

Nancy L. Furlong  
Solicitor  
Civil Division  
Department of Justice & Public Safety  
Government of Newfoundland and Labrador  
Confederation Building, 4th Floor, East Block  
PO Box 8700  
St. John's, NL A1B 4J6  
T: (709) 729-2379 F: (709) 729-2129  
E: nancyfurlong@gov.nl.ca

This e-mail is confidential and solicitor-client privileged. Any unauthorized copying, distribution or disclosure is prohibited. Disclosure to anyone other than the recipient does not constitute a waiver of privilege. If you have received this e-mail in error, please notify me immediately and delete all versions of same.
Nancy,

I am working on the Agreement in Principle for Newgreen. This is forestry branch top file with the minister and I need your advice. Would you be able to give me a call when you are available to discuss?

Thanks

Steve
AGREEMENT IN PRINCIPLE

BETWEEN: 
Her Majesty in Right of Newfoundland and Labrador as represented by the 
Minister of Fisheries, Forestry and Agrifoods 
(the “Province”) 

AND: 
Newgreen Technology Inc. 
(“Newgreen”) 

WHEREAS: 
1. On June 22, 2016, Newgreen submitted a proposal to develop a sawmill and biofuel 
manufacturing and export (BMEX) facility in Botwood. 
2. The discussions between the Parties have primarily been in respect to Newgreen establishing a 
sawmill and BMEX facility in the town of Botwood, Newfoundland, and establishing 
partnerships and/or agreements with other forest industrial entities for additional fibre supply. 
3. The Parties have reached an agreement on certain matters relating to these issues and need to 
discuss other specific matters relating thereto, and wish at this time to confirm the principles upon 
which they are prepared to proceed with future discussions. 

NOW THEREFORE the Parties agree as follows: 

1. Definitions 
   (a) “Crown Timber” has the same meaning as defined in the Forestry Act R.S.N.L. 1990, c F-23 
   (b) “Forest Management District” has the same meaning as defined in the Forestry Act 
       R.S.N.L. 1990, c F-23 
   (c) “Forestry Act” means the Forestry Act R.S.N.L. 1990, c F-23 
   (d) “Parties” means the Province and Newgreen 

2. Commitments 
   (a) Subject to the receipt of all necessary consents and approvals, including its Board of 
       Directors, Newgreen agrees to use commercially reasonable efforts to: 
       (i) construct and operate a sawmill and BMEX facility in Botwood, NL with an 
           annual production capacity of 36-40 million board feet and 40 million litres of 
           diesel respectively per year; 
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           of the ownership and management structure, engineering and technical details 
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HER MAJESTY IN RIGHT OF
NEWFOUNDLAND AND LABRADOR

Minister of Fisheries, Forestry and Agrifoods or his or her designee

Newgreen Technology Inc.

Name
Position
From: Balsom, Stephen
Sent: Thursday, January 12, 2017 9:13 AM
To: Lewis, David B. (Deputy Minister)
Subject: RE: Newgreen AIP

OK will do.

Stephen Balsom, RPF
Assistant Deputy Minister - Forestry
Forestry and Agrifoods Agency
P.O. Box 2006
Corner Brook, NL, A2H 6J8

Office: 709.637.2339
Cell: 709.640.1330
Fax: 709.637.2461
stephenbalsom@gov.nl.ca

-----Original Message-----
From: Lewis, David B. (Deputy Minister)
Sent: Thursday, January 12, 2017 9:11 AM
To: Balsom, Stephen
Subject: FW: Newgreen AIP

Steve.

The Minister would like to have Section 2 (a) beefed up in terms of positive commitments from Newgreen - such as specifying that facility would be constructed in Botwood. Please review previous correspondence and business plan from Newgreen and include such commitments.

Also, a question has arisen regarding how Section 3(c) fits with Section 4. I think 4(ii) can probably be eliminated, and there may need to be an additional subsection added to reflect how the agreement could be terminated for a breach.

Please revise ASAP. We can discuss if you want.

Thanks.

Dave

-----Original Message-----
From: Xerox7855@gov.nl.ca [mailto:Xerox7855@gov.nl.ca]
Sent: Thursday, January 12, 2017 8:18 AM
To: Lewis, David B. (Deputy Minister) <DavidLewis@gov.nl.ca>
Subject: Newgreen AIP
Please open the attached document. It was scanned and sent to you using a Xerox Multifunction Device.

Attachment File Type: pdf, Multi-Page

Multifunction Device Location: 1\Fisheries & Aquaculture\St John's\NL\CAN\Device Name: XRX9C934E5EA042

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This Agreement in Principle will be effective the __ day of __________, 2017.

HER MAJESTY IN RIGHT OF NEWFOUNDLAND AND LABRADOR

Minister of Fisheries, Forestry and Agrifoods or his or her designate

Newgreen Technology Inc.

Name
Position
Newgreen Technology Inc.
Good morning Mr. Penney, further to our request dated November 28, 2016, we are seeking an update as to the status of a revised business plan detailing the project financing and market strategy for the proposed business opportunity Newgreen presented to Government.

Please feel free to contact me should you have any questions or require clarification.

Regards

Larry
January 10, 2017

Mr. Jeff Penney
President
Newgreen Technology Inc.
64 Main Street
Corner Brook, NL A2H 1C6

VIA EMAIL

Dear Mr. Penney:

Further to our correspondence dated November 28, 2016, the Department of Business, Tourism, Culture and Rural Development is seeking a status update concerning the project financing and a revised marketing plan for Newgreen Technologies.

As discussed, we require this information so we may proceed with our viability analysis of the proposed biofuel and sawmill project.

We look forward to receiving a fully revised business plan which addresses Government's concerns.

Sincerely,

Larry Weatherbie
Director

Cc: Mr. Ted Lomond, DM, BTCRD
    Mr. Dave Lewis, DM, FFA
    Mr. Ben Gardner, ADM, BTCRD
    Mr. Steve Balsam, ADM, FFA
From: Balsam, Stephen  
Sent: Monday, January 09, 2017 05:04 PM  
To: Young, Eric M.  
Subject: Newgreen

Eric,

What is the estimated volume needed for a 20 million fbm mill?

Steve

Stephen Balsom, RPF  
Assistant Deputy Minister  
Forest Service of Newfoundland and Labrador  
Department of Fisheries, Forestry and Agrifoods  
P.O. Box 2006, Fortis Building  
Corner Brook, NL Canada, A2H 6J8  
t: 709.637.2339  
c: 709.640.1330  
f: 709.637.2461  
e: stephenbalsom@gov.nl.ca

Hillyard, Rod

From: Balsom, Stephen
Sent: Monday, January 09, 2017 5:04 PM
To: Young, Eric M.
Subject: Newgreen

Eric,

What is the estimated volume needed for a 20 million fbm mill?

Steve

Stephen Balsom, RPF
Assistant Deputy Minister
Forest Service of Newfoundland and Labrador

Department of Fisheries, Forestry and Agrifoods
P.O. Box 7006, Fortis Building
Corner Brook, NL, Canada, A2H 6J8

1 709.637.2339
c 709.640.1330
f 709.637.2461
c stephenbalsom@gov.nlab.ca

Potential copyright material

If you wish to obtain a copy please contact the ATIPP Office at (709) 729-7072 or atippoffice@gov.nl.ca.
Will do. Thank you.

I think that should be added to the information for the Minister or MHA Dean.

Sent from my BlackBerry 10 smartphone on the Bell network.

OK. How about this?

No, we can still add, please.

Hi Connie,

I just got out of a meeting. Is it too late to add a line?

Blair
Hi Blair,

Could you add a line as Steve indicates, please. These are in preparation for an interview at 10 a.m.

Connie

From Balsom, Stephen
Sent: Thursday, January 05, 2017 9:05 AM
To: Boland, Connie
Subject: Re: Please review for MHA interview at 10

I would get Blair Adams to add a line on the current stage of this technology.

Sent from my Blackberry 10 smartphone on the Bell network.

From: Boland, Connie
Sent: Thursday, January 5, 2017 8:57 AM
To: Balsom, Stephen
Subject: Please review for MHA interview at 10

Hi,

MHA Jerry Dean is doing an interview at 10. Can you review these, please:

Department of Fisheries, Forestry and Agrifoods
Newgreen Technology Inc.
January 5, 2017

Summary:
Newgreen Technology Inc. (NTI) is proposing to establish a modern, highly efficient sawmill and Biofuel Manufacturing and Export facility in Botwood. The company has both short and long-term plans for the business. It proposes to create 100 direct jobs by year five and more than 200 indirect jobs for independent workers involved in tree harvesting and supply operations. NTI has requested access to 285,000 cubic metres of fibre, previously held by AbitibiBowater in Districts 10, 11, 12 and 13. Questions may include what deal government has with Newgreen Technology?
Key messages:

- The Department of Fisheries, Forestry and Agrifoods has been in discussions with Newgreen regarding their proposed business opportunity.

- Relevant line departments are engaged with Newgreen and have requested additional information to assist with the analysis of the business plan.

- Each investment we make as government further creates an environment to support the success of businesses that are helping diversify the provincial economy, either directly or indirectly.

- NTI's request for long-term access to 285,000 cubic metres of timber will be dependent on the approval of the tenure arrangements with the existing saw mills.

- As with any proposed opportunity, government must ensure full due diligence is carried out in the best interest of the province, its communities, and that of the businesses we support.

Connie Boland
Media Relations Manager
Department of Fisheries, Forestry and Agrifoods
Corner Brook, NL A2H 3V3
Office: (709) 637-2923
Cell: (709) 640-6409
Hi Jerry:

Please find the KMs attached. Please let me know you have received these!

Thanks.

MATTHEW WORTHMAN, B.Ed.  |  Executive Assistant to the Minister
Hon. Steve Crocker
Fisheries, Forestry and Agrifoods
Petten Building
30 Strawberry Marsh Road
P.O. Box 9700, St. John's, N.L. A1B 4L6

t 709-729-7967 | f 709-729-0360 | e matthewworthman@gov.nl.ca

From: Dean, Jerry
Sent: Thursday, January 5, 2017 8:55 AM
To: Crocker, Steve <SteveCrocker@gov.nl.ca>
Cc: Worthman, Matthew <MatthewWorthman@gov.nl.ca>
Subject: Re: Biofuel

Thanks.

Sent from my BlackBerry 10 smartphone on the Bell network.

From:
Crocker,
Steve
Sent:
Thursday,
January 5,
2017 8:54
AM
To: Dean,
Jerry
Cc:
Worthman,
Matthew
Subject:
Re: Biofuel

Thanks Jerry.

Matt can you ensure Jerry gets our notes. Thanks
Sent from my BlackBerry 10 smartphone on the Bell network.

From: Dean, Jerry
Sent: Thursday, January 5, 2017 8:51 AM
To: Crocker, Steve
Subject: Biofuel

Morning Minister,
Will be speaking with the Advertiser at approx ten.

Jerry

Sent from my BlackBerry 10 smartphone on the Bell network.
Department of Fisheries, Forestry and Agrifoods
Newgreen Technology Inc.
January 5, 2017

Summary:
Newgreen Technology Inc. (NTI) is proposing to establish a modern, highly efficient sawmill and Biofuel Manufacturing and Export facility in Botwood. The company has both short and long-term plans for the business. It proposes to create 100 direct jobs by year five and more than 200 indirect jobs for independent workers involved in tree harvesting and supply operations. NTI has requested access to 285,000 cubic metres of fibre, previously held by AbitibiBowater in Districts 10, 11, 12 and 13. Questions may include what deal government has with Newgreen Technology?

Key messages:

- The Department of Fisheries, Forestry and Agrifoods has been in discussions with Newgreen regarding their proposed business opportunity.

- Relevant line departments are engaged with Newgreen and have requested additional information to assist with the analysis of the business plan.

- Each investment we make as government further creates an environment to support the success of businesses that are helping diversify the provincial economy, either directly or indirectly.

- NTI’s request for long-term access to 285,000 cubic metres of timber will be dependent on the approval of the tenure arrangements with the existing sawmills.

- As with any proposed opportunity, government must ensure full due diligence is carried out in the best interest of the province, its communities, and that of the businesses we support.
Good morning Lisa,

Please update this note in TRIM with this latest version.

Thanks

Steve

Stephen Balsom, RPF
Assistant Deputy Minister
Forest Service of Newfoundland and Labrador

Department of Fisheries, Forestry and Agrifoods
P.O. Box 2006, Fortis Building,
Corner Brook, NL, Canada, A2H 6J8
T: 709.637.2339
C: 709.637.1330
F: 709.637.7461
e: stephenbalsom@gov.nl.ca


From: Lewis, David B. (Deputy Minister)
Sent: Wednesday, January 04, 2017 5:07 PM
To: Balsom, Stephen
Subject: Agreement in principle - Newgreen Technologies Inc. 2016-12-23.DOCX

I made a further change related to the 285,000 cubic metres as per the Minister’s suggestion – is now linked to actual utilization.

Dave
AGREEMENT IN PRINCIPLE

BETWEEN: Her Majesty in Right of Newfoundland and Labrador as represented by the Minister of Fisheries, Forestry and Agrifoods

(the “Province”)

AND: Newgreen Technology Inc.

(“Newgreen”)

WHEREAS:

1. On June 22, 2016, Newgreen submitted a proposal to develop a sawmill and biofuel manufacturing and export (BMEX) facility in Botwood.

2. The discussions between the Parties have primarily been in respect to Newgreen establishing a sawmill and BMEX facility in the town of Botwood, Newfoundland, and establishing partnerships and/or agreements with other forest industrial entities for additional fibre supply.

3. The Parties have reached an agreement on certain matters relating to these issues and need to discuss other specific matters relating thereto, and wish at this time to confirm the principles upon which they are prepared to proceed with future discussions.

NOW THEREFORE the Parties agree as follows:

1. Definitions

(a) “Crown Timber” has the same meaning as defined in the Forestry Act R.S.N.L. 1990, c F-23

(b) “Forest Management District” has the same meaning as defined in the Forestry Act R.S.N.L. 1990, c F-23

(c) “Forestry Act” means the Forestry Act R.S.N.L. 1990, c F-23

(d) “Parties” means the Province and Newgreen

2. Commitments

(a) Subject to the receipt of all necessary consents and approvals, including its Board of Directors, Newgreen agrees to use commercially reasonable efforts to:

(i) construct and operate a sawmill and BMEX facility with an anticipated annual production capacity of 20 million board feet and 40 million litres of diesel respectively per year;

(ii) provide a comprehensive business plan to the Province which outlines the details of the ownership and management structure; engineering and technical details and costs; term sheet(s) outlining sources of financing and their terms and conditions financial details; human resource requirements; fibre requirements
and supply sources and costs; marketing strategy for all product lines and shipping arrangements; and the forest management arrangements proposed for
the sawmill and BMEX facility in Botwood.

(iii) establish partnerships and/or agreements with other forest industrial entities in
the Province for the purchase, sale or exchange of fibre.

(b) Subject to Lieutenant-Governor in Council approval as necessary, the Province will:

(i) in accordance with the Foresty Act, provide Newgreen with a 20 year crown
 timber licence and forest management agreement to cut Crown Timber from
 Forest Management Districts 4,5,6,7,8,9,10,11,12, or 13 sufficient to meet the
 ongoing fibre requirements of the sawmill and BMEX facility in Botwood, up to
 285,000 solid cubic metres annually. The Province may issue commercial
 cutting permits under the Foresty Act for a portion of the aforementioned
 285,000 solid cubic metres of Crown Timber until a forest management
 agreement between Newgreen and the Province is established;

(ii) establish an appropriate royalty regime for energy wood with associated royalty
 reductions similar to other classes of timber identified in the Schedule to the
 Timber Royalty Regulations O.C. 96-260 under the Foresty Act; and

(iii) foster partnerships with existing forestry entities to assist Newgreen in entering
 into contracts necessary to fulfill Newgreen’s requirement for fibre.

3. Status of Agreement in Principle

(a) The execution and delivery of this Agreement in Principle is not intended to and does not
 create legally enforceable rights or obligations among the Parties or between any of the
 Parties and any third party. No obligation is created upon any of the Parties to execute
 and deliver any subsequent binding contractual commitments or grant permissions under
 the Foresty Act or any other legislation. No Party shall have any remedy against any
 other Party as a result of a failure to execute and deliver any subsequent binding
 contractual commitments or grant permissions, to conduct negotiations towards any
 subsequent binding contractual commitments or grant permissions, or to perform any
 other provision of this Agreement in Principle.

(b) Each of the Parties acknowledges that the other Party must complete extensive additional
 activities and analysis, including due diligence on all aspects of the proposed
 arrangement, and obtain all necessary approvals and consents prior to any decision being
 made by each Party to execute and deliver any subsequent binding contractual
 commitments or permissions.

(c) The Parties acknowledge and agree that the sole remedy for any breach of this Agreement
 in Principle shall be the right to terminate this Agreement in Principle, and each hereby
 waives and releases any and all other actions, claims, or causes of action, in contract, tort,
 at equity or otherwise, for damages, equitable relief, or any other remedy that may be
 available to either against the other as a result of such a breach.
4. Termination

Unless the Parties otherwise agree, this Agreement in Principle will terminate upon: (i) any subsequent binding contractual commitments being entered; (ii) written permission to cut being granted to Newgreen pursuant the *Forestry Act*; (iii) six months from the date of the Agreement in Principle; or (iv) mutual agreement between the Parties, whichever is earlier.

5. Governing Law and Attornment

This Agreement in Principle shall be subject to the laws of Newfoundland and Labrador and the Parties shall attorn to the jurisdiction of Newfoundland and Labrador courts to the extent any adjudication is required.

6. Entire Understanding

This Agreement in Principle sets out the entire understanding of the principles agreed to and supersedes all prior understandings, discussions, proposals, representations or other forms of communication on the issues between the Parties.

7. Counterpart Execution

This Agreement in Principle may be executed by the Parties in separate counterparts, each of which, when so executed, shall be deemed to be an original and all of which when together shall constitute one and the same Agreement in Principle. A facsimile of a counterpart executed by a party shall be acceptable evidence of the execution by that Party of that counterpart and shall be effective upon that party for all purposes as if it were an original signature.

This Agreement in Principle will be effective the ___ day of __________, 2017.

**HER MAJESTY IN RIGHT OF NEWFOUNDLAND AND LABRADOR**

________________________
Minister of Fisheries, Forestry and Agrifoods or his or her designate

Newgreen Technology Inc.

________________________
Name
Position
Newgreen Technology Inc.
Hillyard, Rod

From: Balsom, Stephen
Sent: Wednesday, January 04, 2017 4:40 PM
To: Gray, Lisa
Subject: RE: Agreement in principle - Newgreen Technologies Inc. 2016-12-23.DOCX

Thanks

Stephen Balsom, RPF
Assistant Deputy Minister
Forest Service of Newfoundland and Labrador

Department of Fisheries, Forestry and Agrifoods
P.O. Box 2005, Foris Building
Corner Brook, NL Canada, A2H 6J8
+1 709.667.7339
+1 709.660.1330
+1 709.667.2461
e stephenbalsom@gov.nl.ca


From: Gray, Lisa
Sent: Wednesday, January 04, 2017 4:08 PM
To: Balsom, Stephen
Subject: RE: Agreement in principle - Newgreen Technologies Inc. 2016-12-23.DOCX

Updated in TRIM

Lisa

From: Balsom, Stephen
Sent: Wednesday, January 04, 2017 3:36 PM
To: Gray, Lisa
Subject: Agreement in principle - Newgreen Technologies Inc. 2016-12-23.DOCX

Lisa,

Please update TRIM with this latest version.

Steve
Lisa,

Please update TRIM with this latest version.

Steve
AGREEMENT IN PRINCIPLE

BETWEEN: Her Majesty in Right of Newfoundland and Labrador as represented by the Minister of Fisheries, Forestry and Agrifoods

(the “Province”)

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WHEREAS:

1. On June 22, 2016, Newgreen submitted a proposal to develop a sawmill and biofuel manufacturing and export (BMEX) facility in Botwood.

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2. Commitments

(a) Subject to the receipt of all necessary consents and approvals, including its Board of Directors, Newgreen agrees to use commercially reasonable efforts to:

(i) construct and operate a sawmill and BMEX facility with an anticipated annual production capacity of 20 million board feet and 40 million litres of diesel respectively per year;

(ii) provide a comprehensive business plan to the Province which outlines the details of the ownership and management structure; engineering and technical details and costs; term sheet(s) outlining sources of financing and their terms and conditions financial details; human resource requirements; fibre requirements
and supply sources and costs; marketing strategy for all product lines and shipping arrangements; and the forest management arrangements proposed for the sawmill and BMEX facility in Botwood.

(iii) establish partnerships and/or agreements with other forest industrial entities in the Province for the purchase, sale or exchange of fibre.

(b) Subject to Lieutenant-Governor in Council approval as necessary, the Province will:

(i) in accordance with the Forestry Act, provide Newgreen with a 20 year crown timber licence and forest management agreement to cut 285,000 solid cubic metres of Crown Timber from Forest Management Districts 4,5,6,7,8,9,10,11,12, or 13 for the sawmill and BMEX facility in Botwood. The Province may issue commercial cutting permits under the Forestry Act for a portion of the aforementioned 285,000 solid cubic metres of Crown Timber until a forest management agreement between Newgreen and the Province is established;

(ii) establish an appropriate royalty regime for energy wood with associated royalty reductions similar to other classes of timber identified in the Schedule to the Timber Royalty Regulations O.C. 96-260 under the Forestry Act; and

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(c) The Parties acknowledge and agree that the sole remedy for any breach of this Agreement in Principle shall be the right to terminate this Agreement in Principle, and each hereby waives and releases any and all other actions, claims, or causes of action, in contract, tort, at equity or otherwise, for damages, equitable relief, or any other remedy that may be available to either against the other as a result of such a breach.
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This Agreement in Principle will be effective the ___ day of __________, 2017.

HER MAJESTY IN RIGHT OF NEWFOUNDLAND AND LABRADOR

Minister of Fisheries, Forestry and Agrifoods or his or her designate

Newgreen Technology Inc.

Name
Position
Newgreen Technology Inc.
Revised version.

Dave
Please see follow up questions from Patrick. These may require a response from BTCRD but we will consult with them on specifics.

From: Boland, Connie  
Sent: Wednesday, January 04, 2017 3:20 PM  
To: Colman-Sadd, Vanessa  
Subject: FW: NewGreen energy.

Please see below...

From: Murphy, Patrick  
Sent: Wednesday, January 04, 2017 3:20 PM  
To: Boland, Connie  
Subject: Re: NewGreen energy.

How long has the proposal been in your hands?

What kind of additional information is required? (If any, see below)

My understanding is they have given all the required documentation to the province and are once again waiting on a response from your side, can you confirm this?

At what stage of the process are you?

How long until the process has been completed?

Re: NewGreen energy.

Hi Patrick,

The Department of Fisheries, Forestry and Agrifoods has been in discussions with Newgreen regarding their proposed business opportunity.

Relevant line departments are engaged with Newgreen and have requested additional information to assist with the analysis of the business plan.
Each investment we make as government further creates an environment to support the success of businesses that are helping diversify the provincial economy, either directly or indirectly.

As with any proposed opportunity, government must ensure full due diligence is carried out in the best interest of the province, its communities, and that of the businesses we support.

Have a great day,

Connie

From: Murphy, Patrick  
Sent: Wednesday, January 04, 2017 9:26 AM  
To: Boland, Connie  
Cc: Colman-Sadd, Vanessa; Tompkins, John  
Subject: Re: NewGreen energy.  
Importance: High

Good Morning Connie; looking for an update on this query. Also, once I have the info I may want to speak with Minister Crocker.

Thanks,

Patrick.

From: "Boland, Connie"  
Date: Thursday, December 29, 2016 at 2:55 PM  
To: <patrick.murphy@tc.tc>  
Cc: "Colman-Sadd, Vanessa" <VanessaColmanSadd@gov.nl.ca>  
Subject: FW: NewGreen energy.

Hi Patrick,

This file involves several departments including the Department of Fisheries, Forestry and Agrifoods. We are looking into this for you however we will not be able to respond until next week. We will be in touch then.

Have a great week,

Connie

From: Tompkins, John  
Sent: Wednesday, December 28, 2016 1:45 PM  
To: Murphy, Patrick  
Cc: Colman-Sadd, Vanessa  
Subject: Re: NewGreen energy.

Hi Patrick, that would be Department of Fisheries Forestry and Agrifoods. Copying their Communications Director on this email. Thanks.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Murphy, Patrick  
Sent: Wednesday, December 28, 2016 1:39 PM
Hi John, I just spoke with Scott Sceviour, Mayor of Botwood. He confirmed the company name as Newgreen (he believes it to be one word) energy. Says the request (proposal?, unsure of the terminology there) for the MOU has been with the Forestry Dept for a few months. May not be within your purview if it is Forestry, if that is the case could you perhaps redirect the query to the correct party?

Thanks,

Patrick.
From: Balsom, Stephen  
Sent: Wednesday, January 04, 2017 2:49 PM  
To: Lewis, David B. (Deputy Minister)  
Subject: RE: Agreement in principle - Newgreen Technologies Inc. 2016-12-23.DOCX

Dave,

We did not reference the purchase of the Sheppard Sawmill so I would suggest that they could not be held to that under this agreement. The “and” should be removed. Newgreen has requested 285,000m3, and I can have this updated.

Steve

Stephen Balsom, RPF  
Assistant Deputy Minister  
Forest Service of Newfoundland and Labrador  

Department of Fisheries, Forestry and Agrifoods  
P.O. Box 2006, Fortis Building  
Corner Brook, NL Canada, A2H 6J8  
t. 709.637.2339  
c. 709.640.1330  
f. 709.637.7461  
c. stephenbalsom@gov.nl.ca

ISO 14001:2004  

From: Lewis, David B. (Deputy Minister)  
Sent: Wednesday, January 04, 2017 2:26 PM  
To: Balsom, Stephen  
Subject: Agreement in principle - Newgreen Technologies Inc. 2016-12-23.DOCX

Steve.

A couple of additional questions regarding this AIP.

1. Section 2. (a) (i) references construction and operation of a sawmill. Would this also cover off the acquisition and operation of Sheppard’s mill?
2. Section 2. (b) (iii) ends with “; and”. Is there supposed to be a (iv)?
3. WE commit to allocating 280,000 cubic metres – didn’t Newgreen ask for 285,000?

Thanks.

Dave
Hillyard, Rod

From: Lewis, David B. (Deputy Minister)  
Sent: Wednesday, January 04, 2017 2:26 PM  
To: Balsom, Stephen  
Subject: Agreement in principle - Newgreen Technologies Inc. 2016-12-23.DOCX  
Attachments: Agreement in principle - Newgreen Technologies Inc. 2016-12-23.DOCX

Steve:

A couple of additional questions regarding this AIP.

1. Section 2. (a) (i) references construction and operation of a sawmill. Would this also cover off the acquisition and operation of Sheppard's mill?
2. Section 2. (b) (iii) ends with “; and”. Is there supposed to be a (iv)?
3. WE commit to allocating 280,000 cubic metres – didn’t Newgreen ask for 285,000?

Thanks.

Dave
Thanks Larry.

Blair Adams, Ph.D.
Director, Ecosystem Sustainability and Research
Centre for Forest Science and Innovation
Forestry Services
www.gov.nl.ca/faa
@FAA_GovNL

This e-mail and any files transmitted are confidential and intended solely for the use of the individual or entity to whom they are addressed. If you have received this e-mail in error, please notify the sender.

Blair, as discussed.

Larry

FYI

Proposed Biofuel Plant in the Works for Botwood
Let's discuss.

-----Original Message-----
From: Colman-Sadd, Vanessa
Sent: Tuesday, January 3, 2017 1:46 PM
To: Lewis, David B. (Deputy Minister) <DavidLewis@gov.nl.ca>
Subject: FW: HP TRIM DEPARTMENTAL CORRESPONDENCE : COR/2016/2709 : Letter from Minister Steve Crocker to Peter Steele / Newgreen Technologies re sawmill/biofuel conversion plant in Botwood.

Please see below. Is this ok to share?

-----Original Message-----
From: Humber, Eric
Sent: Tuesday, January 03, 2017 1:28 PM
To: Colman-Sadd, Vanessa
Cc: Hunt-Grouch, Michelle
Subject: HP TRIM DEPARTMENTAL CORRESPONDENCE : COR/2016/2709 : Letter from Minister Steve Crocker to Peter Steele / Newgreen Technologies re sawmill/biofuel conversion plant in Botwood.

Hi Vanessa,

Hope all is well.

Our DM asked if FFA had responded to the email below from Peter Steele, if so, could he get a copy of the response?

Also, can you forward along the statement provided to Patrick Murphy of the GFW Advertiser regarding Newgreen?

Thanks,

Eric.

-----

Original Message
From: [redacted]
Sent: Tuesday, December 13, 2016 8:58 PM
To: Wheeler, Lisa
Cc: Ball, Dwight; Collier, Sonya; Mitchelmore, Christopher; Crisby, Lavinia; Dean, Jerry; Baker, Beatrice; Lomond, Ted; Lewis, David B. (Deputy Minister); Gardner, Ben; Weatherbie, Larry; judy.foote@parl.gc.ca; scott.simms@gc.ca; botwoodtowncouncil@nf.albn.com; jeff@newgreeninc.com; [redacted] Balsom, Stephen
Subject: Re: HP TRIM DEPARTMENTAL CORRESPONDENCE : COR/2016/2709 : Letter from Minister Steve Crocker to Peter Steele / Newgreen Technologies re sawmill/biofuel conversion plant in Botwood.
Honourable Steve Crocker  
MHA  
Minister Of Fisheries, Forestry and Agrifoods Government of Newfoundland and Labrador

Dear Sir,

We are in receipt of your letter, which was e-mailed today.

In correspondence dated November 18 2016, to Mr. Jeff Penney, Mr. Larry Weatherbie confirmed the availability of the requested fibre. He went on to advise that a 20 year forest management agreement was potentially available, for this fibre, pending Ministerial approval.

This was acknowledged by Mr. Penney, in his letter to Mr. Weatherbie, dated November 21, 2016, which formed the foundation for the meeting/conference call of November 29, 2016.

Assuming that the information provided in the November 16, 2016 letter and the discussions of same in the meeting/conference call of November 29, 2016, was accurate, we are again requesting Ministerial approval be provided, at least on a conditional basis. Should Cabinet Approval be required, we would respectfully request that this process be immediately initiated.

Thank You.

Newgreen Technologies Inc.

Peter D. Steele  
Chairman.

On 13 December, 2016 at 4:16 PM, "Lisa Wheeler" <lwheel@gov.nl.ca> wrote:

> The attached correspondence has been forwarded on behalf of Minister
> Steve Crocker.
>
> Thank you,
>
> Lisa M. Wheeler
> Secretary to Assistant Deputy Minister-Agrifoods Dept. of Fisheries,
> Forestry & Agrifoods
> 4 Herald Avenue, Suite 603
> P.O. Box 2006, Corner Brook, NL A2H 6J8
> Email: lwheel@gov.nl.ca
> Phone: (709) 637-2339
> Fax: (709) 637-2461
>
> ------< HP TRIM Record Information >------
>
> Record Number: COR/2016/2709
>
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> in error, please delete it immediately and notify the sender."
Hillyard, Rod

From: Balsom, Stephen
Sent: Thursday, December 29, 2016 2:35 PM
To: Colman-Sadd, Vanessa; Crocker, Steve; Lewis, David B. (Deputy Minister); Boland, Connie
Subject: RE: NewGreen energy.

Vanessa,

I have not objections to your statement. We are continuing to work with company on their proposal details.

Steve

Stephen Balsom, RPF
Assistant Deputy Minister
Forest Service of Newfoundland and Labrador

Department of Fisheries, Forestry and Agrifoods
P.O. Box 7006, Kate's Building
Corner Brook, NL Canada, A2H 6J8
t 709.637.2339
c 709.640.1330
f /D9.613.7461
c stephenbalsom@gov.nl.ca


From: Colman-Sadd, Vanessa
Sent: Thursday, December 29, 2016 2:33 PM
To: Crocker, Steve; Lewis, David B. (Deputy Minister); Balsom, Stephen; Boland, Connie
Subject: FW: NewGreen energy.

Hi,

We received the below request yesterday and through talking to BCRD and Steve, I would suggest that we would now take the lead on responding to media inquiries if there's an agreement in principle in for our review. We can indicate to the reporter that we won't be able to provide a response until next week (even if that response is that we are currently reviewing the agreement). Below is the suggested response we can send to the reporter now:

"This file involves several departments including the Department of Fisheries, Forestry and Agrifoods. We are looking into this for you however we will not be able to respond until next week. We will be in touch then."

Thanks
Vanessa

From: Tompkins, John
Sent: Wednesday, December 28, 2016 1:45 PM
Hi Patrick, that would be Department of Fisheries Forestry and Agrifoods. Copying their Communications Director on this email. Thanks.

Sent from my BlackBerry 10 smartphone on the Bell network.

Hi John, I just spoke with Scott Sceviour, Mayor of Botwood. He confirmed the company name as Newgreen (he believes it to be one word) energy. Says the request (proposal?, unsure of the terminology there) for the MOU has been with the Forestry Dept for a few months. May not be within your purview if it is Forestry, if that is the case could you perhaps redirect the query to the correct party?

Thanks,

Patrick.
Please prepare a cover letter for this agreement for the Minister's signature.

Thanks

Steve

Stephen Balsom, RPF
Assistant Deputy Minister - Forestry
Forestry and Agrifoods Agency
P.O. Box 2006
Corner Brook, NL, A2H 6J8

Office: 709.637.2339
Cell: 709.640.1330
Fax: 709.637.2461
stephenbalsom@gov.nl.ca

-----Original Message-----
From: Lewis, David B. (Deputy Minister)
Sent: Friday, December 23, 2016 12:04 PM
To: Balsom, Stephen
Subject: FW: HP TRIM DOCUMENT : DOC/2016/4280 : Agreement in principle - Newgreen Technologies Inc. 2016-12-23

Steve.

We will need a cover letter to go with this. I doubt the Minister will sign over Xmas, but probably will right after new years.

Dave

-----Original Message-----
From: Wheeler, Lisa
Sent: Friday, December 23, 2016 11:57 AM
To: Lewis, David B. (Deputy Minister) <DavidLewis@gov.nl.ca>
Cc: Balsom, Stephen <StephenBalsom@gov.nl.ca>
Subject: HP TRIM DOCUMENT : DOC/2016/4280 : Agreement in principle - Newgreen Technologies Inc. 2016-12-23

Attached document has been placed in TRIM as per your request.
Record Information

Record Number: DOC/2016/4280
Title: Agreement in principle - Newgreen Technologies Inc. 2016-12-23
AGREEMENT IN PRINCIPLE

BETWEEN: Her Majesty in Right of Newfoundland and Labrador as represented by the Minister of Fisheries, Forestry and Agrifoods

(the “Province”)

AND: Newgreen Technology Inc.

(“Newgreen”)

WHEREAS:

1. On June 22, 2016, Newgreen submitted a proposal to develop a sawmill and biofuel manufacturing and export (BMEX) facility in Botwood.

2. The discussions between the Parties have primarily been in respect to Newgreen establishing a sawmill and BMEX facility in the town of Botwood, Newfoundland, and establishing partnerships and/or agreements with other forest industrial entities for additional fibre supply.

3. The Parties have reached an agreement on certain matters relating to these issues and need to discuss other specific matters relating thereto, and wish at this time to confirm the principles upon which they are prepared to proceed with future discussions.

NOW THEREFORE the Parties agree as follows:

1. Definitions

(a) “Crown Timber” has the same meaning as defined in the Forestry Act R.S.N.L. 1990, c F-23

(b) “Forest Management District” has the same meaning as defined in the Forestry Act R.S.N.L. 1990, c F-23

(c) “Forestry Act” means the Forestry Act R.S.N.L. 1990, c F-23

(d) “Parties” means the Province and Newgreen

2. Commitments

(a) Subject to the receipt of all necessary consents and approvals, including its Board of Directors, Newgreen agrees to use commercially reasonable efforts to:

(i) construct and operate a sawmill and BMEX facility with an anticipated annual production capacity of 20 million board feet and 40 million litres of diesel respectively per year;

(ii) provide a comprehensive business plan to the Province which outlines the details of the ownership and management structure; engineering and technical details and costs; term sheet(s) outlining sources of financing and their terms and conditions financial details; human resource requirements; fibre requirements
and supply sources and costs; marketing strategy for all product lines and shipping arrangements; and the forest management arrangements proposed for the sawmill and BMEX facility in Botwood.

(iii) establish partnerships and/or agreements with other forest industrial entities in the Province for the purchase, sale or exchange of fibre.

(b) Subject to Lieutenant-Governor in Council approval as necessary, the Province will:

(i) in accordance with the Forestry Act, provide Newgreen with a 20 year crown timber licence and forest management agreement to cut 280,000 solid cubic metres of Crown Timber from Forest Management Districts 4,5,6,7,8,9,10,11,12, or 13 for the sawmill and BMEX facility in Botwood. The Province may issue commercial cutting permits under the Forestry Act for a portion of the aforementioned 280,000 solid cubic metres of Crown Timber until a forest management agreement between Newgreen and the Province is established;

(ii) establish an appropriate royalty regime for energy wood with associated royalty reductions similar to other classes of timber identified in the Schedule to the Timber Royalty Regulations O.C. 96-260 under the Forestry Act;

(iii) foster partnerships with existing forestry entities to assist Newgreen into entering into contracts necessary to fulfill Newgreen’s requirement for fibre; and

2. Status of Agreement in Principle

(a) The execution and delivery of this Agreement in Principle is not intended to and does not create legally enforceable rights or obligations among the Parties or between any of the Parties and any third party. No obligation is created upon any of the Parties to execute and deliver any subsequent binding contractual commitments or grant permissions under the Forestry Act or any other legislation. No Party shall have any remedy against any other Party as a result of a failure to execute and deliver any subsequent binding contractual commitments or grant permissions, to conduct negotiations towards any subsequent binding contractual commitments or grant permissions, or to perform any other provision of this Agreement in Principle.

(b) Each of the Parties acknowledges that the other Party must complete extensive additional activities and analysis, including due diligence on all aspects of the proposed arrangement, and obtain all necessary approvals and consents prior to any decision being made by each Party to execute and deliver any subsequent binding contractual commitments or permissions.

(c) The Parties acknowledge and agree that the sole remedy for any breach of this Agreement in Principle shall be the right to terminate this Agreement in Principle, and each hereby waives and releases any and all other actions, claims, or causes of action, in contract, tort, at equity or otherwise, for damages, equitable relief, or any other remedy that may be available to either against the other as a result of such a breach.
3. Termination

Unless the Parties otherwise agree, this Agreement in Principle will terminate upon: (i) any subsequent binding contractual commitments being entered; (ii) written permission to cut being granted to Newgreen pursuant the Forestry Act; (iii) six months from the date of the Agreement in Principle; or (iv) mutual agreement between the Parties, whichever is earlier.

4. Governing Law and Attornment

This Agreement in Principle shall be subject to the laws of Newfoundland and Labrador and the Parties shall attorn to the jurisdiction of Newfoundland and Labrador courts to the extent any adjudication is required.

5. Entire Understanding

This Agreement in Principle sets out the entire understanding of the principles agreed to and supersedes all prior understandings, discussions, proposals, representations or other forms of communication on the issues between the Parties.

6. Counterpart Execution

This Agreement in Principle may be executed by the Parties in separate counterparts, each of which, when so executed, shall be deemed to be an original and all of which when together shall constitute one and the same Agreement in Principle. A facsimile of a counterpart executed by a party shall be acceptable evidence of the execution by that Party of that counterpart and shall be effective upon that party for all purposes as if it were an original signature.

This Agreement in Principle will be effective the ___ day of ____________, 2016.

HER MAJESTY IN RIGHT OF
NEWFOUNDLAND AND LABRADOR

Minister of Fisheries, Forestry and Agrifoods or his or her designate

Newgreen Technology Inc.

Name
Position
Newgreen Technology Inc.
Lisa,

Please place the attached document in TRIM for Deputy Lewis’s review.

Thanks

Steve

Stephen Balsom, RPF
Assistant Deputy Minister
Forest Service of Newfoundland and Labrador

Department of Fisheries, Forestry and Agrifoods
P.O. Box 2006, Fortis Building
Corner Brook, NL Canada, A2H 0J8
(709) 637.2339
x709.640.1330
f/709.637.2481
c stephenbalsom@gov.nl.ca


From: Balsom, Stephen
Sent: Wednesday, December 21, 2016 9:04 AM
To: Lewis, David B. (Deputy Minister)
Subject: Agreement in Principle Newgreen Technology Inc (DRAFT).docx

Dave,

I have had this agreement in principle reviewed by BTCRD as well as DOJ. There are no concerns or comments. Should I send this to Newgreen for review and draft a cover letter for the Minister’s signature?

Thanks

Steve
Hillyard, Rod

From: Lewis, David B. (Deputy Minister)
Sent: Friday, December 23, 2016 11:29 AM
To: Balsom, Stephen
Subject: RE: Newgreen

Steve.

Do you know the status of the AIP? Perhaps Lisa can check – is it set up in TRIM now, etc.?

Dave

From: Balsom, Stephen
Sent: Friday, December 23, 2016 11:01 AM
To: Lewis, David B. (Deputy Minister) <DavidLewis@gov.nl.ca>
Subject: Newgreen

Dave,

I just spoke with Jeff Penney with Newgreen. He was looking for an update on the AIP. I informed him that we have developed a draft that is with executive for review. He did not seem like he was going to call the Minister but I thought you should know that I spoke with him.

Steve

Stephen Balsom, RPF
Assistant Deputy Minister
Forest Service of Newfoundland and Labrador
Department of Fisheries, Forestry and Agrifoods
P.O. Box 2006, Fortis Building
Corner Brook, N.L. Canada, A2H 6J8
T 709.637.2339
c 709.640.1330
f 709.637.2461
c stephenbalsom@gov.nl.ca

Hillyard, Rod

From: Lewis, David B. (Deputy Minister)
Sent: Wednesday, December 21, 2016 9:46 AM
To: Balsom, Stephen
Subject: RE: Agreement in Principle Newgreen Technology Inc (DRAFT).docx

Steve.

Please have this draft placed in TRIM and resend to me for the Minister’s consideration.

Thanks.

Dave

From: Balsom, Stephen
Sent: Wednesday, December 21, 2016 9:04 AM
To: Lewis, David B. (Deputy Minister) <DavidLewis@gov.nl.ca>
Subject: Agreement in Principle Newgreen Technology Inc (DRAFT).docx

Dave,

I have had this agreement in principle reviewed by BTCRD as well as DOJ. There are no concerns or comments. Should I send this to Newgreen for review and draft a cover letter for the Minister’s signature?

Thanks

Steve
Nancy,

Thank you for the quick turnaround. Deputy Lewis is interested in getting this one to the Minister before the Christmas break.

Thanks again and Merry Christmas

Steve

Stephen Balsom, RPF
Assistant Deputy Minister
Forest Service of Newfoundland and Labrador

Department of Fisheries, Forestry and Agriculture
P.O. Box 7005, Fortis Building
Corner Brook, N.L. Canada, A2H 6J8

709.637.2339
709.640.1330
709.637.2461
stephenbalsom@gov.nl.ca


From: Furlong, Nancy
Sent: Tuesday, December 20, 2016 5:27 PM
To: Balsam, Stephen
Subject: RE: Agreement in Principle Newgreen Technology Inc (DRAFT).docx

Hi Steve,
Nancy

Nancy L. Furlong
Solicitor
Civil Division
Department of Justice & Public Safety
Government of Newfoundland and Labrador

Confederation Building, 4th Floor, East Block
PO Box 8700
St. John's, NL A1B 4J6
T: (709) 729-2379 F: (709) 729-2129
E: nancyfurlong@gov.nl.ca

This e-mail is confidential and solicitor-client privileged. Any unauthorized copying, distribution or disclosure is prohibited. Disclosure to anyone other than the recipient does not constitute a waiver of privilege. If you have received this e-mail in error, please notify me immediately and delete all versions of same.

From: Balsom, Stephen
Sent: Thursday, December 15, 2016 2:59 PM
To: Furlong, Nancy
Subject: Agreement in Principle Newgreen Technology Inc (DRAFT).docx

Nancy,

I have been asked to prepare an Agreement in Principle with a proponent looking to establish a forestry business in central NL. 

Thanks

Steve
Thanks Larry

Stephen Balsom, RPF
Assistant Deputy Minister
Forest Service of Newfoundland and Labrador

Department of Fisheries, Forestry and Agriculture
P.O. Box 2095, Fortis Building
Corner Brook, NL Canada, A7H1E8

Tel 709.637.7339
Fax 709.637.7341
stephenbalsom@gov.nl.ca


Hi Steve, it looks like BTCRD has no issue or changes to your agreement with Newgreen.

Larry

Sent from my BlackBerry 10 smartphone on the Bell network.

Good here.

From: Weatherbie, Larry
Sent: Tuesday, December 20, 2016 3:52 PM
To: Balsam, Stephen; Gardner, Ben; Loder, Jeff
Subject: Re:
Hi Ben, did you or Jeff have comments regarding the agreement Steve sent out previously?

I have no concern with the agreement developed by FFA.

Larry

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Balsom, Stephen  
Sent: Tuesday, December 20, 2016 9:16 AM  
To: Weatherbie, Larry  
Subject:  

Hi Larry,

Dave Lewis was inquiring on the potential AOI for Newgreen. Are you able to provide me with a timeline on your review?

Sent from my BlackBerry 10 smartphone on the Bell network.
I am good.

Sent from my BlackBerry 10 smartphone on the Bell network.

Hi Ben, did you or Jeff have comments regarding the agreement Steve sent out previously?

I have no concern with the agreement developed by FFA.

Larry

Sent from my BlackBerry 10 smartphone on the Bell network.

Hi Larry,

Dave Lewis was inquiring on the potential AOI for Newgreen. Are you able to provide me with a timeline on your review?

Sent from my BlackBerry 10 smartphone on the Bell network.
Just finished a call with Steve Kent inquiring about Newgreen. I provided an update and informed him that we are actively working with the company on their proposal.

Sent from my BlackBerry 10 smartphone on the Bell network.
DOJ is hoping to have comments back sometime next week. So please take some time to review.

Sent from my BlackBerry 10 smartphone on the Bell network.

Hi Steve, I have no issue with the agreement you have prepared.

Ben, jeff:
Are you guys ok with this agreement as presented by Steve at FFA?

Thanks

Larry

Sent from my BlackBerry 10 smartphone on the Bell network.

I have been asked to prepare an Agreement in Principle with Newgreen. Would you please review the language and make any suggestions to their commitments that should be included.
Thanks
Steve
157
Larry,

I have been asked to prepare an Agreement in Principle with Newgreen. Would you please review the language and make any suggestions to their commitments that should be included.

Thanks

Steve
Hillyard, Rod

From: Lewis, David B. (Deputy Minister)
Sent: Wednesday, December 14, 2016 8:34 AM
To: O'Keefe, Dorothy
Subject: FW: HP TRIM DEPARTMENTAL CORRESPONDENCE : COR/2016/2709 : Letter from Minister Steve Crocker to Peter Steele / Newgreen Technologies re sawmill/biofuel conversion plant in Botwood.
Attachments: Letter from Minister Steve Crocker to Peter Steele / Newgreen Technologies re sawmill biofuel conversion plant in Botwood.PDF; Letter from Minister Steve Crocker to Peter Steele / Newgreen Technologies re sawmill biofuel conversion plant in Botwood.tr5

Dot.

Please see me to discuss protocol for sending out letters like this.

Thanks.

Dave

-----Original Message-----
From: Wheeler, Lisa
Sent: Tuesday, December 13, 2016 4:45PM
To: Ball, Dwight <DwightBall@gov.nl.ca>; Collier, Sonya <SonyaCollier@gov.nl.ca>; Mitchelmore, Christopher <CMitchelmore@gov.nl.ca>; Crisby, Lavinia <LaviniaCrisby@gov.nl.ca>; Dean, Jerry <JerryDean@gov.nl.ca>; Baker, Beatrice <BeatriceBaker@gov.nl.ca>; Lomond, Ted <TedLomond@gov.nl.ca>; Lewis, David B. (Deputy Minister) <DavidLewis@gov.nl.ca>; Gardner, Ben <BenGardner@gov.nl.ca>; Weatherbie, Larry <lweather@gov.nl.ca>; 'judy.foote@parl.gc.ca' <judy.foote@parl.gc.ca>; 'scott.simms@gc.ca' <scott.simms@gc.ca>; 'botwoodtowncouncil@nf.aibn.com' <botwoodtowncouncil@nf.aibn.com>; 'jeff@newgreeninc.com' <jeff@newgreeninc.com>; Balsam, Stephen <StephenBalsam@gov.nl.ca>
Cc: Ball, Dwight <DwightBall@gov.nl.ca>; Collier, Sonya <SonyaCollier@gov.nl.ca>; Mitchelmore, Christopher <CMitchelmore@gov.nl.ca>; Crisby, Lavinia <LaviniaCrisby@gov.nl.ca>; Dean, Jerry <JerryDean@gov.nl.ca>; Baker, Beatrice <BeatriceBaker@gov.nl.ca>; Lomond, Ted <TedLomond@gov.nl.ca>; Lewis, David B. (Deputy Minister) <DavidLewis@gov.nl.ca>; Gardner, Ben <BenGardner@gov.nl.ca>; Weatherbie, Larry <lweather@gov.nl.ca>; 'judy.foote@parl.gc.ca' <judy.foote@parl.gc.ca>; 'scott.simms@gc.ca' <scott.simms@gc.ca>; 'botwoodtowncouncil@nf.aibn.com' <botwoodtowncouncil@nf.aibn.com>; 'jeff@newgreeninc.com' <jeff@newgreeninc.com>

Subject: HP TRIM DEPARTMENTAL CORRESPONDENCE : COR/2016/2709 : Letter from Minister Steve Crocker to Peter Steele / Newgreen Technologies re sawmill/biofuel conversion plant in Botwood.

The attached correspondence has been forwarded on behalf of Minister Steve Crocker.

Thank you,

Lisa M. Wheeler
Secretary to Assistant Deputy Minister-Agrifoods Dept. of Fisheries, Forestry & Agrifoods
4 Herald Avenue, Suite 603
P.O. Box 2006, Corner Brook, NL A2H 6J8
Email: lwheeler@gov.nl.ca
Phone: (709) 637-2339
Fax: (709) 637-2461

-----< HP TRIM Record Information >-----

Record Number: COR/2016/2709
Mr. Peter D. Steele  
Chairman  
Newgreen Technology Inc.

Dear Mr. Steele:

Thank you for your email letter dated November 29, 2016, regarding your request for Ministerial approval on the awarding of 285,000 cubic metres of fibre for 20 years in relation to your sawmill and biofuel manufacturing and export facility proposal.

I understand your request and have asked officials with the Forestry Branch provide options that will meet your requirements and support the development of this potential opportunity for the Botwood area.

In this regard, officials from the Forestry Branch will get back to you regarding your request in the near future.

Sincerely,

[Signature]

STEVE CROCKER, MHA  
Carbonear – Trinity – Bay de Verde  
Minister

c: Honourable Dwight Ball, Premier  
Minister for Intergovernmental Affairs

Honourable Christopher Mitchelmore  
Minister of Business, Tourism, Culture and Rural Development

Ms. Judy Foote  
Member of Parliament for Bonavista – Burin – Trinity
Mr. Scott Simms  
Member of Parliament for Coast of Bays – Central – Notre Dame

Mr. Ted Lomond  
Deputy Minister - Business, Tourism, Culture and Rural Development

Mr. David Lewis  
Deputy Minister - Fisheries, Forestry and Agrifoods

Mr. Ben Gardner  
Assistant Deputy Minister - Business, Tourism, Culture and Rural Development

Mr. Jerry Dean  
MHA

Mr. Larry Weatherbee  
Director

Mr. Scott Sceviour  
Mayor of Botwood

Mr. Jeff Penney  
President – Newgreen Technology Inc

Mr. Jim Hughes  
Chief Financial Officer – Newgreen Technology Inc.
The attached correspondence has been forwarded on behalf of Minister Steve Crocker.

Thank you,

Lisa M. Wheeler
Secretary to Assistant Deputy Minister-Agrifoods Dept. of Fisheries, Forestry & Agrifoods
4 Herald Avenue, Suite 603
P.O. Box 2006, Corner Brook, NL A2H 6J8
Email: lwheeler@gov.nl.ca
Phone: (709) 637-2339
Fax: (709) 637-2461

------< HP TRIM Record Information >------
Record Number: COR/2016/2709
Hillyard, Rod

From: Balsom, Stephen
Sent: Monday, December 12, 2016 3:56 PM
To: Downton, Ivan N.
Cc: Skeard, Francis B.; Sutton, Robert; Poole, Carrie E.; Carroll, Colin; Lawlor, Mark; Sheppard, Eli
Subject: Newgreen Technology Inc.

We will be going forward with a potential Agreement in Principle with Newgreen Technology Inc. Please provide me with a timeline when I can expect the available allocation for each district that could be put forward for this new entrant.

Steve

Stephen Balsom, RPF
Assistant Deputy Minister
Forest Service of Newfoundland and Labrador

Department of Fisheries, Forest and Agricultural
P.O. Box 7006, Fortis Building
Corner Brook, NL Canada, A7H 6B8
1 709.637.2339
c 709.640.1330
f 709.637.2463
e stephenbalsom@gov.nl.ca

Hillyard, Rod

From: Balsom, Stephen
Sent: Monday, December 05, 2016 3:11 PM
To: Gray, Lisa
Subject: RE: HP TRIM DEPARTMENTAL CORRESPONDENCE : COR/2016/2709 : Letter from Minister Steve Crocker to Peter Steele / Newgreen Technologies re sawmill/biofuel conversation plant in Botwood.

Did this get emailed?

Stephen Balsom, RPF
Assistant Deputy Minister - Forestry
Forestry and Agrifoods Agency
P.O. Box 2006
Corner Brook, NL, A2H 6J8

Office: 709.637.2339
Cell: 709.640.1330
Fax: 709.637.2461
stephenbalsom@gov.nl.ca

-----Original Message-----
From: Gray, Lisa
Sent: Thursday, December 01, 2016 4:11PM
To: Balsom, Stephen
Cc: Wheeler, Lisa
Subject: HP TRIM DEPARTMENTAL CORRESPONDENCE : COR/2016/2709 : Letter from Minister Steve Crocker to Peter Steele / Newgreen Technologies re sawmill/biofuel conversation plant in Botwood.

Steve,

Back from the Minister, signed. I can email out to Mr. Steele if preferred.

Lisa

-----< HP TRIM Record Information >-----

Record Number: COR/2016/2709
Title : Letter from Minister Steve Crocker to Peter Steele / Newgreen Technologies re sawmill/biofuel conversation plant in Botwood.
Ok

Sent from my BlackBerry 10 smartphone on the Bell network.

Original Message
From: Gray, Lisa
Sent: Thursday, December 1, 2016 4:11 PM
To: Balsom, Stephen
Cc: Wheeler, Lisa
Subject: HP TRIM DEPARTMENTAL CORRESPONDENCE : COR/2016/2709 : Letter from Minister Steve Crocker to Peter Steele / Newgreen Technologies re sawmill/biofuel conversion plant in Botwood.

Steve,

Back from the Minister, signed. I can email out to Mr. Steele if preferred.

Lisa

-----< HP TRIM Record Information >-----

Record Number :  COR/2016/2709
Title : Letter from Minister Steve Crocker to Peter Steele / Newgreen Technologies re sawmill/biofuel conversion plant in Botwood.
Hi Minister:

Dave asked me to send this to you.

Bonita
Please TRIM to me for action.

Dave

-----Original Message-----
From: [REDACTED]
Sent: Tuesday, November 29, 2016 7:29 PM
To: Crocker, Steve <SteveCrocker@gov.nl.ca>
Cc: Ball, Dwight <DwightBall@gov.nl.ca>; Bennett, Cathy (Minister) <CBennett@gov.nl.ca>; Mitchelmore, Christopher <CMitchelmore@gov.nl.ca>; Weatherbie, Larry <lweather@gov.nl.ca>; Lomond, Ted <TedLomond@gov.nl.ca>; Lewis, David B. (Deputy Minister) <DavidLewis@gov.nl.ca>; Gardner, Ben <BenGardner@gov.nl.ca>; Dean, Jerry <JerryDean@gov.nl.ca>; Scott Sceviour <scott.sceviour@gov.nl.ca>; judy.foote@gov.nl.ca; scott.simms@gov.nl.ca; Jeff P <JeffP@gov.nl.ca>; Jim Hughes <Jim Hughes@gov.nl.ca>
Subject: Newgreen Technologies sawmill/ biofuel conversion plant in Botwood

Minister S. Crocker
November 29, 2016
Government of Newfoundland and Labrador
Ministry of Forestry, Foods and Agriculture P.O. Box 8700, St. John’s, Newfoundland, Canada A1B 4J6

Dear Sir,
Thank you for participating in the meeting/conference call of November 22, 2016.
In the wake of that event, we felt it necessary to clarify our position with respect to various items discussed, as follows:
Before we can initiate discussions with any third party financial institutions, subordinated debt, or equity players, it is critical that we are able to confirm the availability of 285,000 cbm of wood fibre/year for 20 years. Financing for a project such as this necessitates an amortization of 18 years, after commissioning/initiation of commercial production. No potential funder will give consideration under any other circumstance.
To that end, we would request that ministerial approval be provided, at least on a conditional basis, as requested.
Should cabinet approval be required, we would ask that this process be immediately initiated.
We are further aware of federal monies which might be available, but the fibre commitment is critical before we can have those discussions.

Once we have the ministerial approval detailed above, we will then initiate conversations with Mr. Weatherbie regarding: a) exactly what additional information needs to be included in the final version of the business plan/financial model and b) what form of direct and/or indirect financial support will be available, in lieu of the initially requested guarantee.
There is no point taking up the time of the bureaucracy, in the absence of a commitment on the most fundamental aspect of the proposed project.

We would respectfully request a timely response, as this project has been under consideration for an extended period of time.
The benefits to the Botwood area, in terms of employment, overall economic wellbeing and the resultant benefits of having a state of the art commercial enterprise in Central Newfoundland cannot be ignored. We would ask that you also consider this aspect of the request.

We look forward to your response.

Respectfully Submitted
Newgreen Technologies Inc.

Peter D. Steele
Chairman

Cc:
Dave,

Please find attached the draft Agreement in Principle related to the Newgreen proposal. I can have this reviewed by BTCRD and DOJ once you have approved for further action. I will also have a potential cutting permit arrangement for Harold Sheppard Limited drafted in the next few days if we want to extend the opportunity to the company.

Steve
AGREEMENT IN PRINCIPLE

BETWEEN: Her Majesty in Right of Newfoundland and Labrador as represented by the Minister of Fisheries, Forestry and Agrifoods

(the “Province”)

AND: Newgreen Technology Inc.

(“Newgreen”)

WHEREAS:

1. On June 22, 2016, Newgreen submitted a proposal to develop a sawmill and biofuel manufacturing and export (BMEX) facility in Botwood.

2. The discussions between the Parties have primarily been in respect to Newgreen establishing a sawmill and BMEX facility in the town of Botwood, Newfoundland, and establishing partnerships and/or agreements with other forest industrial entities for additional fibre supply.

3. The Parties have reached an agreement on certain matters relating to these issues and need to discuss other specific matters relating thereto, and wish at this time to confirm the principles upon which they are prepared to proceed with future discussions.

NOW THEREFORE the Parties agree as follows:

1. Definitions

(a) “Crown Timber” has the same meaning as defined in the Forestry Act R.S.N.L. 1990, c F-23

(b) “Forest Management District” has the same meaning as defined in the Forestry Act R.S.N.L. 1990, c F-23

(c) “Forestry Act” means the Forestry Act R.S.N.L. 1990, c F-23

(d) “Parties” means the Province and Newgreen

2. Commitments

(a) Subject to the receipt of all necessary consents and approvals, including its Board of Directors, Newgreen agrees to use commercially reasonable efforts to:

   (i) construct and operate a sawmill and BMEX facility with an anticipated annual production capacity of 20 million board feet and 40 million litres of diesel respectively per year;

   (ii) provide a comprehensive business plan to the Province which outlines the details of the ownership and management structure; engineering and technical details and costs; term sheet(s) outlining sources of financing and their terms and conditions financial details; human resource requirements; fibre requirements and supply sources and costs; marketing strategy for all product lines and
shipping arrangements; and the forest management arrangements proposed for the sawmill and BMEX facility in Botwood.

(iii) establish partnerships and/or agreements with other forest industrial entities in the Province for the purchase, sale or exchange of fibre.

(b) Subject to Lieutenant-Governor in Council approval as necessary, the Province will:

(i) in accordance with the Forestry Act, provide Newgreen with a 20 year crown timber licence and forest management agreement to cut 280,000 solid cubic metres of Crown Timber from one or a combination of Forest Management Districts ("FMDs") for the sawmill and BMEX facility in Botwood. The Province may issue commercial cutting permits under the Forestry Act for a portion of the aforementioned 280,000 solid cubic metres of Crown Timber until a forest management agreement between Newgreen and the Province is established;

(ii) establish an appropriate royalty regime for energy wood with associated royalty reductions similar to other classes of timber identified in the Schedule to the Timber Royalty Regulations O.C. 96-260 under the Forestry Act;

(iii) foster partnerships with existing forestry entities to assist Newgreen into entering into contracts necessary to fulfill Newgreen’s requirement for fibre; and

2. Status of Agreement in Principle

(a) The execution and delivery of this Agreement in Principle is not intended to and does not create legally enforceable rights or obligations among the Parties or between any of the Parties and any third party. No obligation is created upon any of the Parties to execute and deliver any subsequent binding contractual commitments or grant permissions under the Forestry Act or any other legislation. No Party shall have any remedy against any other Party as a result of a failure to execute and deliver any subsequent binding contractual commitments or grant permissions, to conduct negotiations towards any subsequent binding contractual commitments or grant permissions, or to perform any other provision of this Agreement in Principle.

(b) Each of the Parties acknowledges that the other Party must complete extensive additional activities and analysis, including due diligence on all aspects of the proposed arrangement, and obtain all necessary approvals and consents prior to any decision being made by each Party to execute and deliver any subsequent binding contractual commitments or permissions.

(c) The Parties acknowledge and agree that the sole remedy for any breach of this Agreement in Principle shall be the right to terminate this Agreement in Principle, and each hereby waives and releases any and all other actions, claims, or causes of action, in contract, tort, at equity or otherwise, for damages, equitable relief, or any other remedy that may be available to either against the other as a result of such a breach.
3. **Termination**

Unless the Parties otherwise agree, this Agreement in Principle will terminate upon: (i) any subsequent binding contractual commitments being entered; (ii) written permission to cut being granted to Newgreen pursuant the *Forestry Act*; (iii) six months from the date of the Agreement in Principle; or (iv) mutual agreement between the Parties, whichever is earlier.

4. **Governing Law and Attornment**

This Agreement in Principle shall be subject to the laws of Newfoundland and Labrador and the Parties shall attorn to the jurisdiction of Newfoundland and Labrador courts to the extent any adjudication is required.

5. **Entire Understanding**

This Agreement in Principle sets out the entire understanding of the principles agreed to and supersedes all prior understandings, discussions, proposals, representations or other forms of communication on the issues between the Parties.

6. **Counterpart Execution**

This Agreement in Principle may be executed by the Parties in separate counterparts, each of which, when so executed, shall be deemed to be an original and all of which when together shall constitute one and the same Agreement in Principle. A facsimile of a counterpart executed by a party shall be acceptable evidence of the execution by that Party of that counterpart and shall be effective upon that party for all purposes as if it were an original signature.

This Agreement in Principle will be effective the ____ day of ____________, 2016.

**HER MAJESTY IN RIGHT OF NEWFOUNDLAND AND LABRADOR**

Minister of Fisheries, Forestry and Agrifoods or his or her designate

Newgreen Technology Inc.

Name
Position
Newgreen Technology Inc.
Hillyard, Rod

From: Lewis, David B. (Deputy Minister)
Sent: Monday, November 28, 2016 10:34 AM
To: Balsam, Stephen
Subject: RE: Newgreen Sawmill/Biodiesel Project in Central

I will discuss with the Minister tomorrow and get back to you.

From: Balsam, Stephen
Sent: Monday, November 28, 2016 10:22 AM
To: Lewis, David B. (Deputy Minister) <DavidLewis@gov.nl.ca>
Subject: FW: Newgreen Sawmill/Biodiesel Project in Central

Dave, [29(1)(a)]

Steve

Stephen Balsom, RPF
Assistant Deputy Minister
Forest Service of Newfoundland and Labrador

Department of Fisheries, Forestry and Agriculture
P.O. Box 2006, Fortis Building
Corner Brook, NL Canada, A2H 6J8
t 709.637.2339
c 709.640.1330
f 709.637.7467

[Environmenta l Management System registered to ISO 14001:2004.]

From: Weatherbie, Larry
Sent: Monday, November 28, 2016 9:58 AM
To: Jeff P'
Cc: Mitchelmore, Christopher; Dean, Jerry; Worthman, Matthew; Peter Steele; Jim Hughes; Holloway, Colin; Crocker, Steve; Balsom, Stephen; Gardner, Ben; Lomond, Ted
Subject: RE: Newgreen Sawmill/Biodiesel Project in Central

Good morning Jeff, further to our meeting on November 22, please find attached a letter requesting additional information.

Please feel free to contact me should you have any questions or require clarification.
Minister Steve Crocker,

The purpose of this email is to update the file so that we can move on to the next steps required to begin our project in central Newfoundland. I have some very pertinent information in several attachments that will help to move this forward. I would very much appreciate if there are any questions, that you contact me. My partners and I are anxious to move this forward as soon as possible.

Kindest Regards,

Geoffrey Penney
President
Newgreen Technology Inc.
As requested, please find attached the Newgreen Technology Inc. business plan.

Steve

Stephen Balsom, RPF
Assistant Deputy Minister
Forest Service of Newfoundland and Labrador
Department of Fisheries, Forestry and Agrifoods
P.O. Box 2395, Fortis Building
Corner Brook, NL, Canada, A7H 2J9
C: 709.637.2339
C: 709.640.1330
F 709.637.2761
C stephenbalsom@gov.nl.ca


Honorable Minister Mitchelmore,

Minister of Business, Tourism, Culture & Rural Development; Forestry & Agrifoods; Research Development Corp.

Attached please find the concise business plan including narrative and financial modeling for the BMEX and Timber milling operations to be located in Botwood Newfoundland. We respectfully request the timely confirmation of support of the government of Newfoundland and Labrador of the requested timber allocation and financing support.

Best regards
Jeff Penney
President
Newgreen Technology Inc.
Potential copyright material

If you wish to obtain a copy please contact the ATIPP Office at (709) 729-7072 or atipoffice@gov.nl.ca.
Not a problem Matthew.

See you later this morning.

Larry

-----Original Message-----
From: Worthman, Matthew
Sent: Tuesday, November 22, 2016 9:05AM
To: Weatherbie, Larry
Subject: RE: HP TRIM DOCUMENT : DOC/23495/2016 : BN - Newgreen Technology Inc. (Revised November 17 2016)

Excellent.

Thank you, Larry.

MATTHEW WORTHMAN, B.Ed. | Executive Assistant to the Minister

Hon. Steve Crocker
Fisheries, Forestry and Agrifoods
Petten Building
30 Strawberry Marsh Road
P.O. Box 8700, St. John’s, NL A1B 4J6

t 709-729-7967 | f 709-729-0360 | e matthewworthman@gov.nl.ca

-----Original Message-----
From: Weatherbie, Larry
Sent: Tuesday, November 22, 2016 8:39 AM
To: Worthman, Matthew <MatthewWorthman@gov.nl.ca>
Cc: George, Bradley <BradleyGeorge@gov.nl.ca>
Subject: FW: HP TRIM DOCUMENT : DOC/23495/2016 : BN - Newgreen Technology Inc. (Revised November 17 2016)

Hi Matthew, as requested, here is a copy of the Newgreen note I prepared for Minister Mitchelmore.

Larry
Minister approved note. I understand this meeting may be going ahead tomorrow at 11; however, have only rec’d a meeting cancellation. Colin, I understand you may also be going to launch.

Bradley, did you want to confirm with Matthew?

Thanks,

-----< HP TRIM Record Information >-----

Record Number                 :  DOC/23495/2016
Title                          :  BN - Newgreen Technology Inc. (Revised November 17 2016)
<table>
<thead>
<tr>
<th>From:</th>
<th>Weatherbie, Larry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sent:</td>
<td>Tuesday, November 22, 2016 8:39 AM</td>
</tr>
<tr>
<td>To:</td>
<td>Worthman, Matthew</td>
</tr>
<tr>
<td>Cc:</td>
<td>George, Bradley</td>
</tr>
<tr>
<td>Subject:</td>
<td>FW: HP TRIM DOCUMENT : DOC/23495/2016 : BN - Newgreen Technology Inc. (Revised November 17 2016)</td>
</tr>
<tr>
<td>Attachments:</td>
<td>BN - Newgreen Technology Inc. (Revised November 17 2016).DOC; BN - Newgreen Technology Inc. (Revised November 17 2016).tr5</td>
</tr>
</tbody>
</table>

Hi Matthew, as requested, here is a copy of the Newgreen note I prepared for Minister Mitchelmore.

Larry

-----Original Message-----
From: Halliday, Janice
Sent: Monday, November 21, 2016 9:56 AM
To: George, Bradley; Weatherbie, Larry
Cc: Joy, Carla
Subject: HP TRIM DOCUMENT : DOC/23495/2016 : BN - Newgreen Technology Inc. (Revised November 17 2016)

Also To: Holloway, Colin [SMTP:colinholloway@gov.nl.ca]

Minister approved note. I understand this meeting may be going ahead tomorrow at 11; however, have only rec'd a meeting cancellation. Colin, I understand you may also be going to launch.

Bradley, did you want to confirm with Matthew?

Thanks,

--------< HP TRIM Record Information >--------

Record Number : DOC/23495/2016
Title : BN - Newgreen Technology Inc. (Revised November 17 2016)
Title: Newgreen Technology Inc. (NTI)

Issue: Newgreen Technology is proposing to establish a modern, highly efficient sawmill and Biofuel Manufacturing and Export (BMEX) facility in Botwood, NL.

Background and Current Status:

- NTI is a Newfoundland and Labrador company proposing to use clean innovative technologies and underutilized forestry biomass to establish a modern, highly efficient sawmill and Biofuel facility in Botwood.

- The President of NTI is Mr. Jeff Penney.

- Peter Steele, Chairman of Newgreen has a background

- Jim Hughes, Executive Vice President, Corporate Development

- NTI is requesting access to the 285,000 cubic metres of available fibre in Central Newfoundland, previously held by AbitibiBowater.

- NTI plans to establish a new modern 50 million board feet (MBF) sawmill and the initial steps towards a biofuel conversion program.

- The company is projecting based on the available fibre basket in Central Newfoundland; they will produce 40,000,000 litres of diesel per year from forestry waste streams.

- The company proposes to create a total of 100 direct jobs by year five and more than 200 indirect jobs for independent workers involved in tree harvesting and supply operations. The company also estimates approximately 600 induced jobs will be generated.

- The company estimates between 60 to 150 construction jobs will be created during the 2 year construction phase.

Analysis:

- BTCRD and Forestry Services Branch (FSB) officials met with the principals of Newgreen Technology on August 19, 2016 to discuss the merits of their proposal and address outstanding issues.
• NTI proposes to introduce Cellulose to Hydrogen Power (CHyP) as a clean energy application to produce synthetic diesel fuel from residual forestry biomass. The diesel fuel to be produced will be exported via tankers from Botwood.

• The core technology to be used by NTI, through an exclusive licensing agreement, is the patented technology offered by Proton Power Inc. located in Tennessee. Proton Power has developed a patented renewable energy system that produces inexpensive hydrogen on demand from biomass and waste sources. Cellulose to Hydrogen Power is ideal for clean energy applications such as distributed or central-stations electrical power generation, hydrogen production or producing synthetic fuels such as renewable gasoline, aviation fuel or in NTI’s case, diesel.

• In addition to diesel fuel, as its primary product, two significant useable secondary by-products will be generated by the biomass waste to fuel process. The first by-product is known as bio char. The second by-product is heat. NTI has not identified the most effective use(s) of this excess heat, but it will aggressively examine options.

• Newgreen is seeking access to the Central NL fibre for a 20 year period, with a first and fair right to re-negotiate a second 20 year term at the end of the first 20 year term. FSB advises the Minister, with the approval of the Lieutenant-Governor in Council, may issue a Crown timber license to a person who owns or operates a timber processing facility and has entered into a 20 year forest management agreement with the minister.

• The company has suggested a capital investment of approximately $155 million is required to bring the facility into operation. The total project cost is $155.5 million, $29.58M is required for the sawmill operation and $126M for the biofuel reactor units.

• NTI formally advised in writing on November 9, 2016, they are no longer requesting direct financial assistance in the form of a Loan Guarantee from the Province, however the company further states in the same memo they would like to begin discussions on the form and the amount the provincial government’s financial support of the project will be. It is unclear how the client intents to finance this project.

• NTI has secured an off take agreement with a large European buyer however details need to be ironed out. It is anticipated this broker will take all 40,000,000 litres of diesel. In order to properly assess the proposal, signed off-take agreement with need to be concluded including pricing for all products.

• Forestry Services Branch is currently engaged in the development of long-term tenure arrangements for two existing saw mills. The request from NTI for long term access to 285,000 cubic metres of timber from FMD 10, 11, 12 and 13 will be dependent on the approval of the tenure arrangements with the existing saw mills. The 285,000 cubic metres would be available from other FMD’s in Central NL and other regions within the province which may impact the predicted cost of fibre outlined in the proposal and would require further analysis if the proposed tenure arrangements for the two existing saw mills is approved.
• The initial production target of 36-40 million board feet (MBF) is achievable from 285,000 cubic metres based on achieving a harvesting level of 50% saw logs and a lumber recover factor of 250 board feet per cubic metre. In order to reach the full 50 MBF will require the harvest/purchase of an estimated additional 115,000 cubic metres for a total of 400,000 cubic metres.

• The biofuel manufacturing and export (BMEX) plant proposal has not specifically stated the conversion factors for softwood residue (bark, sawdust and chips) to diesel. It can only be inferred from the proposal that the BMEX plant is predicted to produce 40,000,000 litres of diesel from 140,000 cubic metres of residue (page 11). Therefore it is unclear if the fibre volume requested is adequate to run both the saw mill and BMEX. The conversion rate would need to be verified as the technology risk on this product remains very significant.

• According to FSB, there is no commercial production of diesel fuel from cellulose based biomass in the world. FSB has already had conversations with others in the industry and questions around this technology have been raised. Therefore, it is incumbent upon Government to fully investigate this technology in the context of this business plan.

• In general terms a saw mill centrally located with markets outside the province would be beneficial to Central NL. NTI will need to provide evidence on how this proposal will not impact the other existing saw mills. NTI has confirmed they intent to sell product within Newfoundland as well as elsewhere in North America.

• FSB advises the identification of lumber markets is weak. The estimate of $500 per thousand board feet is considered high and Forestry Services Branch feel $400-$450 is more realistic.

• NTI has recently provided a proforma invoice and contract from [redacted].

Action Being Taken: 29(1)(a)
- Determine whether Government should approve another saw mill operation in Central Newfoundland.

- Confirm proof of the technology proposed by Newgreen Technology Inc., including specific conversion rates for softwood residue by way of third party independent evaluation.

Prepared/Approved by: L. Weatherbie/T. Lomond
Ministerial Approval: Received from Hon. Christopher Mitchelmore

November 17, 2016
Hillyard, Rod

From: Adams, Blair
Sent: Tuesday, November 22, 2016 9:17 AM
To: Weatherbie, Larry
Subject: RE: Response to Letter Dated November 18th, 2016

Larry,

If I may ask, where is the NTI proposal now? Are they still seeking funding from Gov NL? Are they also seeking federal funding? I have had no new information recently.

Cheers,

Blair Adams, Ph.D.
Director, Ecosystem Sustainability and Research
Centre for Forest Science and Innovation
Forestry Services

www.gov.nl.ca/faa
@FAA_GovNL


This e-mail and any files transmitted are confidential and intended solely for the use of the individual or entity to whom they are addressed. If you have received this e-mail in error, please notify the sender.

From: Weatherbie, Larry
Sent: Monday, November 21, 2016 2:43 PM
To: Adams, Blair
Subject: RE: Response to Letter Dated November 18th, 2016

Thanks for the prompt response and confirmation of this point Blair.

Regards
Larry

From: Adams, Blair
Sent: Monday, November 21, 2016 2:41 PM
To: Weatherbie, Larry
Subject: Re: Response to Letter Dated November 18th, 2016

Hi Larry,

We have not completed any technical evaluation of the new green technology.
Blair

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Weatherbie, Larry
Sent: Monday, November 21, 2016 2:35 PM
To: Adams, Blair
Subject: FW: Response to Letter Dated November 18th, 2016

Hi Blair, I hope all is well.

Blair attached are files we received today from Newgreen in relation to my letter to the company on November 18th.

Two emails are from you regarding proof of technology. Has this issue been addressed by you or your department?

Thanks
Larry

From: Jeff Penney
Sent: Monday, November 21, 2016 1:46 PM
To: Weatherbie, Larry; Peter Steele; Jim Hughes
Cc: Ball, Dwight; Mitchelmore, Christopher; Crocker, Steve; Bennett, Cathy (Minister); Lomond, Ted; Lewis, David B. (Deputy Minister); Gardner, Ben; Balsom, Stephen; judy.foote@parl.gc.ca; scott.simms@parl.gc.ca
Subject: Response to Letter Dated November 18th, 2016

Dear Mr. Weatherbie,

Please see attached letter of response and supporting documents to your email from Friday November 18, 2016.

Regards,
Geoff Penney
President
Newgreen Technology Inc.
Excellent.

Thank you, Larry.

MATTHEW WORTHMAN, B.Ed. | Executive Assistant to the Minister

Hon. Steve Crocker
Fisheries, Forestry and Agrifoods
Petten Building
30 Strawberry Marsh Road
P.O. Box 8700, St. John's, NL A1B 4J6

t 709-729-7967 | f 709-729-0360 | e matthewworthman@gov.nl.ca

----- Original Message ----- 
From: Weatherbie, Larry
Sent: Tuesday, November 22, 2016 8:39 AM
To: Worthman, Matthew <MatthewWorthman@gov.nl.ca>
Cc: George, Bradley <BradleyGeorge@gov.nl.ca>
Subject: FW: HP TRIM DOCUMENT : DOC/23495/2016 : BN - Newgreen Technology Inc. (Revised November 17 2016)

Hi Matthew, as requested, here is a copy of the Newgreen note I prepared for Minister Mitchelmore.

Larry

----- Original Message -----  
From: Halliday, Janice
Sent: Monday, November 21, 2016 9:56 AM
To: George, Bradley; Weatherbie, Larry
Cc: Joy, Carla
Subject: HP TRIM DOCUMENT : DOC/23495/2016 : BN - Newgreen Technology Inc. (Revised November 17 2016)

Also To: Holloway, Colin [SMTP:colinholloway@gov.nl.ca]


Minister approved note. I understand this meeting may be going ahead tomorrow at 11; however, have only rec'd a meeting cancellation. Colin, I understand you may also be going to launch.

Bradley, did you want to confirm with Matthew?

Thanks,

-----< HP TRIM Record Information >-----

Record Number : DOC/23495/2016
Title : BN - Newgreen Technology Inc. (Revised November 17 2016)
Hi Steve,

Wondering if you could send me a copy of the meeting note for the Minister, and if you have a copy of the one that was prepared by BTCRD as well to send.

Thanks.

MATTHEW WORTHMAN, B.Ed. | Executive Assistant to the Minister
Hon. Steve Crocker
Fisheries, Forestry and Agrifoods
Petten Building
30 Strawberry Marsh Road
P.O. Box 8700, St. John's, NL A1B 4J0

t 709-729-7967 | f 709-729-0360 | e matthewworthman@gov.nl.ca
This is the letter from Geoff Penney re NewGreen project.

Dave

Dear Mr. Weatherbie,

Please see attached letter of response and supporting documents to your email from Friday November 18, 2016.

Regards,

Geoff Penney
President
Newgreen Technology Inc.
Hi Blair, I hope all is well.

Blair attached are files we received today from Newgreen in relation to my letter to the company on November 18th.

Two emails are from you regarding proof of technology. Has this issue been addressed by you or your department?

Thanks

Larry

From: Jeff PL
Sent: Monday, November 21, 2016 1:46 PM
To: Weatherbie, Larry; Peter Steele; Jim Hughes
Cc: Ball, Dwight; Mitchelmore, Christopher; Crocker, Steve; Bennett, Cathy (Minister); Lomond, Ted; Lewis, David B. (Deputy Minister); Gardner, Ben; Balsom, Stephen; judy.foote@parl.gc.ca; scott.simms@parl.gc.ca
Subject: Response to Letter Dated November 18th, 2016

Dear Mr. Weatherbie,

Please see attached letter of response and supporting documents to your email from Friday November 18, 2016.

Regards,
Geoff Penney
President
Newgreen Technology Inc.
Hey Steve,
Everything is as we discussed. And yes, the phone in numbers are the same.

MATTHEW WORTHMAN, B.Ed. | Executive Assistant to the Minister

Hon. Steve Crocker
Fisheries, Forestry and Agrifoods
Petten Building
30 Strawberry Marsh Road
P.O. Box 8700 St. John's, NL A1B 4J6

709-729-7967 | matthewworthman@gov.nl.ca

Sent from my BlackBerry 10 smartphone on the Bell network.

Matthew,

I have confirmed that Newgreen will be attending tomorrow at 11am. Do we need to adjust the meeting note and contact BTCRD to let them know that the meeting is going ahead? Are the call in numbers the same for Newgreen representatives that are out of town?

Steve

Stephen Balsom, RPF
Assistant Deputy Minister
Forest Service of Newfoundland and Labrador

Department of Fisheries, Forestry and Agrifoods
P.O. Box 2006, Fortis Building
Corner Brook, NL Canada, A2H 6J6
t 709.697.2339
c 709.640.1330
f 709.637.2461
e stephenbalsom@gov.nl.ca
Steve,
Can you please confirm with Mr. Penney.
11:00am on Tuesday.
I have sent a calendar invite.

Thanks.

MATTHEW WORTHMAN, B.Ed. | Executive Assistant to the Minister

Hon. Steve Crocker
Fisheries, Forestry and Agrifoods
Petten Building
30 Strawberry Marsh Road
P.O. Box 8700 St. John’s, NL A1B 4J6

709-729-7967 | matthewworthman@gov.nl.ca
--
Sent from my BlackBerry 10 smartphone on the Bell network.

Newgreen are available for Tuesday.

I have sent a message to Mr Penney. I will let you know if Tuesday will work.

Minister Mitchelmore wrote to say that he can have his ADM and Colin Holloway attend on Tuesday.
Should we attempt to reschedule this again for Tuesday, as originally planned? I mentioned this to the Minister and he would like to get this meeting done if possible.

MATTHEW WORTHMAN, B.Ed. | Executive Assistant to the Minister

Hon. Steve Crocker
Fisheries, Forestry and Agrifoods
Petten Building
30 Strawberry Marsh Road
P.O. Box 8700 St. John’s, NL A1B 4J6

709-729-7967 | matthewworthman@gov.nl.ca

Sent from my BlackBerry 10 smartphone on the Bell network.
Yes

Sent from my BlackBerry 10 smartphone on the Bell network.

Sorry. I meant Ben Gardner and Colin.

Thank you.

MATTHEW WORTHMAN, B.Ed. | Executive Assistant to the Minister

Hon. Steve Crocker
Fisheries, Forestry and Agrifoods
Petten Building
30 Strawberry Marsh Road
P.O. Box 8700 St. John’s, NL A1B 4J6

709-729-7967 | matthewworthman@gov.nl.ca

Thank you Minister Mitchelmore:

We will attempt to reschedule for Tuesday.

Just to be certain, Carla Joy would be attending, along with Colin?

Thanks.

MATTHEW WORTHMAN, B.Ed. | Executive Assistant to the Minister

Hon. Steve Crocker
Fisheries, Forestry and Agrifoods
Hi Matthew,

We can have our ADM and Colin Holloway attend on Tuesday, just my DM and I will be doing an event at that time if you prefer this vs cancel or we can reschedule.

Christopher

Sent from my BlackBerry 10 smartphone on the Bell network.
I can check.

Sent from my BlackBerry 10 smartphone on the Bell network.

Minister Mitchelmore wrote to say that he can have his ADM and Colin Holloway attend on Tuesday.

Should we attempt to reschedule this again for Tuesday, as originally planned? I mentioned this to the Minister and he would like to get this meeting done if possible.

MATTHEW WORTHMAN, B.Ed. | Executive Assistant to the Minister

Hon. Steve Crocker
Fisheries, Forestry and Agrifoods
Petten Building
30 Strawberry Marsh Road
P.O. Box 8700 St. John’s, NL A1B 4J6

709-729-7967 | matthewworthman@gov.nl.ca

Sent from my BlackBerry 10 smartphone on the Bell network.
Dave

Attached is the note. I haven't sent it to the Minister's office because the meeting has been cancelled for now.

I'm sending it to you in the event you want to forward it.

Dot
Meeting Note
Department of Fisheries, Forestry and Agrifoods
Newgreen Technology Inc.
Monday, November 21, 9:00am
Department of Fisheries, Forestry and Agrifoods Minister’s Boardroom
Petten Building
30 Strawberry Marsh Road
St. John’s, NL

Attendees:
Honourable Steve Crocker, Minister - Department of Fisheries, Forestry and Agrifoods (FFA)
David Lewis, Deputy Minister – Department of Fisheries, Forestry and Agrifoods, FFA
Stephen Balsom – Assistant Deputy Minister, FFA
Matthew Worthman – Executive Assistant, Minister’s Office, FFA
Jerry Dean – MHA, Exploits
Colin Holloway – MHA, Terra Nova, Parliamentary Secretary to the Minster of BTCRD
Ted Lomond – Deputy Minster BTCRD
Larry Weatherbie – Director, BTCRD
Geoffrey Penney – President, Newgreen Technology Inc.

Purpose of Meeting:
• To discuss the Newgreen Technology Inc. Botwood saw mill and Biofuel project proposal.
• No agenda provided

Background:
• Newgreen Technology Inc. (NTI) is proposing to establish a modern, highly efficient sawmill and biofuel production facility in Botwood, NL.
• NTI’s initial proposal included a request for 285,000 cubic metres of Crown timber in the form of a Crown timber licence and 20 year Forest Management Agreement from Forest Management Districts (FMD) 10, 11, 12 and 13 (former Abitibi-Bowater Crown timber licence).
• NTI’s initial proposal also included a request that Government provide a $155 million third party loan guarantee.
• NTI through a recent letter addressed to Minister Crocker, officially withdrew their request for the third party loan guarantee.
• Government, through BTCRD has recently responded to NTI indicating that additional information is needed to complete a business analysis. Information on competitive impact to local lumber producers, lumber and biodiesel markets and off take agreements and proof of biodiesel production technology.

29(1)(a)
- Alternate FMD's have the potential to supply NTI with Crown Timber however this will have an impact on the fibre costs and NTI's business plan will have to be adjusted accordingly.

Potential Agenda Items

Agenda Item #1
- NTI has indicated that in order to proceed with business plan development they will require a commitment from Government for 280,000 cubic metres of Crown timber and are looking for a fibre agreement to allow them to secure financing for the project.

  o Analysis

  29(1)(a)

  - Alternate volume is available however it is across all FMD's in central NL (4, 5, 6, 7, 8, 9, 10, and 13).

  - An Agreement in Principle was previously used with Rentech Inc. (Pellet Plant Proposal) which provided security to the fibre pending business plan approval, and meeting other conditions deemed appropriate by Government.

Prepared/approved by: S. Balsom
Ministerial Approval: Received from Honourable Steve Crocker

November 18, 2016
Ok

Sent from my BlackBerry 10 smartphone on the Bell network.

Mr. Penney also emailed me directly. Monday is not an option for them [they have asked to have the meeting rescheduled]. Tuesday does not work for BCRD, and the Minister’s Calendar doesn’t allow for the meeting any other time this week. Therefore, I do not see any other option than to cancel for this week and look at other options on Monday.

Steve,

Would you please copy me on the emails ... Dave has been forwarding them to me. :)

Also, Matt says Tuesday is not an option for BCRD and he is wondering what to do. Should he look at another week other than next week?

I’m leaving soon, even though I asked to be copied on the emails. I will be able to see what happened when I get in on Monday!

Dorothy O’Keefe
Sent from my BlackBerry 10 smartphone on the Bell network.

They could meet on Tuesday as but Monday is out completely according to Jeff.

Steve

Stephen Balsom, RPF
Assistant Deputy Minister
Forest Service of Newfoundland and Labrador

Department of Fisheries, Forestry and Agrifoods
P.O. Box 2006, Fortis Building
Corner Brook, NL Canada, A2H 6J8
t 709.637.7339
c 709.640.1330
f 709.637.7461
e stephenbalsom@gov.nl.ca

To: Balsam, Stephen  
Subject: Re: Newgreen Meeting

Did they suggest an alternate time?

Sent from my BlackBerry 10 smartphone on the Bell network.

From:
Balsam,  
Stephen  

Sent:
Friday,  
November 18, 2016  
3:47 PM  

To: Lewis,  
David B.  
(Deputy Minister)  
Cc:  
Crocker,  
Steve;  
Worthman,  
Matthew  

Subject:  
Newgreen Meeting

Dave,

I was just informed by Mr. Penney with Newgreen that they cannot make the meeting on Monday.

Steve

Stephen Balsom, RPF  
Assistant Deputy Minister  
Forest Service of Newfoundland and Labrador  

Department of Fisheries, Forestry and Agrifoods  
P.O. Box 2005, Fortis Building  
Corner Brook, NL Canada, A2H 6B  
T 709.637.2339  
F 709.637.2461  
c stephenbalsom@gov.nl.ca

I believe it would be best to wait. We should meet with BTCRD to discuss the proposal and then meet with Newgreen. If BTCRD is not there we will be missing a large piece of the conversation.

Steve

Stephen Balsom, RPF
Assistant Deputy Minister
Forest Service of Newfoundland and Labrador

Department of Fisheries, Forestry and Agrifoods
P.O. Box 7006, Fortis Building
Corner Brook, Nl. Canada, A7H 6J8
(709) 637.2339
c (709) 640.1330
t (709) 637.2461
c stephenbalsom@gov.nl.ca


Steve,

Would you please copy me on the emails ... Dave has been forwarding them to me. :) 

Also, Matt says Tuesday is not an option for BTCRD and he is wondering what to do. Should he look at another week other than next week?

I’m leaving soon, even though I asked to be copied on the emails. I will be able to see what happened when I get in on Monday!

Dorothy O’Keefe
Administrative Assistant to the Deputy Minister
Department of Fisheries, Forestry and Agrifoods
From: Lewis, David B. (Deputy Minister)  
Sent: Friday, November 18, 2016 4:25 PM  
To: O'Keefe, Dorothy  
Subject: Fw: Newgreen Meeting

FYI.

Sent from my BlackBerry 10 smartphone on the Bell network.

---

From: Balsom, Stephen <StephenBalsom@gov.nl.ca>  
Sent: Friday, November 18, 2016 3:54 PM  
To: Lewis, David B. (Deputy Minister)  
Cc: Worthman, Matthew  
Subject: RE: Newgreen Meeting

They could meet on Tuesday as but Monday is out completely according to Jeff.

Steve

Stephen Balsom, RPF  
Assistant Deputy Minister  
Forest Service of Newfoundland and Labrador  
Department of Fisheries, Forestry and Agrifoods  
P.O. Box 2006, Fortis Building  
Corner Brook, NL Canada, A2H 6J8  
t 709.637.7339  
c 709.640.1330  
f 709.637.2461  
e stephenbalsom@gov.nl.ca

---

From: Lewis, David B. (Deputy Minister)  
Sent: Friday, November 18, 2016 4:19 PM  
To: Balsom, Stephen  
Subject: Re: Newgreen Meeting

Did they suggest an alternate time?

Sent from my BlackBerry 10 smartphone on the Bell network.
Dave,

I was just informed by Mr. Penney with Newgreen that they cannot make the meeting on Monday.

Steve

Stephen Balsom, RPF
Assistant Deputy Minister
Forest Service of Newfoundland and Labrador

Department of Fisheries, Forestry and Agrifoods
P.O. Box 7005, Fortis Building
Corner Brook, NL Canada, A2H 6J8
+ 709 637 2335
x 709 640 1580
+ 709 637 7461
e stephenbalsom@gov.nl.ca

Matt is going to talk to Steve directly. I'm leaving soon.

Steve wasn't sure what to do about his flight arrangements because he has them changed to Sunday. He will speak to Matt about the meeting and then decide. I told Steve to email you directly re his flight plans if he needs direction.

I'm leaving shortly but Bonita is here.

Dorothy O'Keefe  
Administrative Assistant to the Deputy Minister  
Department of Fisheries, Forestry and Agrifoods  
Government of Newfoundland and Labrador  
Petten Building, 30 Strawberry Marsh Road  
St. John's, NL A1B 4J6  
(t) 709 729-3722  
(f) 709 729-0360

Dave,

Sent from my BlackBerry 10 smartphone on the Bell network.

Dave,

I was just informed by Mr. Penney with Newgreen that they cannot make the meeting on Monday.

Steve
Matthew,

Unfortunately this time is no good for us as both Peter and Jim are not available for Monday morning. It will have to be rescheduled.

Jeff

On Nov 18, 2016 3:42 PM, "Worthman, Matthew" <MatthewWorthman@gov.nl.ca> wrote:

Hi Jeff,

Unfortunately due to circumstances beyond our control, we’ve had to reschedule the meeting to Monday, November 21 at 9:00am (our office – Petten Building, 30 Strawberry Marsh Road).

The current list of confirmed attendees are:
Minister Steve Crocker (Fisheries, Forestry and Agrifoods [FFA])

Minister Christopher Mitchelmore (Business, Tourism, Culture and Rural Development [BTCRD])

Dave Lewis (DM; FFA)

Ted Lomond (DM; BTCRD)

Larry Weatherbie (BTCRD)

Steve Balsom (ADM Forestry; FFA)

Jerry Dean (MHA; Exploits) and Colin Holloway (Parliamentary Secretary to Minister Mitchelmore) are also invited.

From my understanding, the meeting is in response to an email you had sent to Minister Crocker on November 9, regarding your project in Central Newfoundland.

Teleconference Information is as follows:
Steve Balsom will be making contact with you to discuss.

Thank you and I apologize again for the change.

MATTHEW WORTHMAN, B.Ed. | Executive Assistant to the Minister

From: Jeff P  
Sent: Friday, November 18, 2016 1:33 PM  
To: Worthman, Matthew <MatthewWorthman@gov.nl.ca>  
Cc: Peter Steele Jim Hughes  
Subject: Re: Meeting with Minister Crocker

Matthew,

In regards to the time change for the meeting on November 22 from 10:30 to 11:00 will not be a problem for me. I look forward to meeting you at that time.

I would like to get a list of attendees and the Agenda for this meeting.
I would also like to request a conference line to be available so my partners, Peter Steele and Jim Hughes can attend as well.

Best regards

Jeff Penney

President

Newgreen Technology Inc.

On Fri, Nov 18, 2016 at 11:23 AM, Worthman, Matthew <MatthewWorthman@gov.nl.ca> wrote:

Good Day Mr. Penney:

I am writing with respects to your meeting with Minister Crocker.

Please note that due to unforeseeable circumstances, we have had to move your meeting to:

Tuesday, November 22, 2016 at 11:00am (our office – Petten Building, 30 Strawberry Marsh Road).

Please confirm that this time will work for you.

Best regards,

MATTHEW WORTHMAN, B.Ed. | Executive Assistant to the Minister

Hon. Steve Crocker
Fisheries, Forestry and Agriculture
Petten Building
30 Strawberry Marsh Road
P.O. Box 7200, St. John's, NL A1B 1H7
"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."
Hillyard, Rod

From: Balsom, Stephen
Sent: Friday, November 18, 2016 4:04 PM
To: Gray, Lisa
Subject: RE: New green

Lisa,

Would you please add DM Lewis to the list of attendees and then give to Dave?

Thanks

Steve

Stephen Balsom, RPF
Assistant Deputy Minister
Forest Service of Newfoundland and Labrador
Department of Fisheries, Forestry and Agrifoods
P.O. Box 7006, Fortis Building
Corner Brook, NL Canada, A7H 6B8
t 709.637.2339
c 709.640.1330
f 709.637.7461
c stephenbalsom@gov.nl.ca

[Environmental Management System registered to ISO 14001:2004.]

From: Gray, Lisa
Sent: Friday, November 18, 2016 3:50 PM
To: Balsom, Stephen
Subject: RE: New green

Updated to reflect Monday at 9:00am ;)
Thanks

Steve

Stephen Balsom, RPF
Assistant Deputy Minister
Forest Service of Newfoundland and Labrador

Department of Fisheries, Forestry and Agrifoods
P.O. Box 2006, Fortis Building
Corner Brook, NL Canada, A2H 6J8
t 709.637.2339
c 709.640.1330
f 709.637.2461
e stephenbalsom@gov.nl.ca


From: O'Keefe, Dorothy
Sent: Friday, November 18, 2016 1:32 PM
To: Balsom, Stephen; Worthman, Matthew
Cc: Hiscock, Bonita
Subject: RE: New green

It would be best if whoever arranged the meeting were to reschedule it. Was that one of you?

Dorothy O'Keefe
Administrative Assistant to the Deputy Minister
Department of Fisheries, Forestry and Agrifoods
Government of Newfoundland and Labrador
Petten Building, 30 Strawberry Marsh Road
St. John's, NL A1B 4J6

(t) 709 729-3722
(f) 709 729-0360

From: Lewis, David B. (Deputy Minister)
Sent: Friday, November 18, 2016 1:28 PM
To: O'Keefe, Dorothy; Balsom, Stephen; Crocker, Steve
Cc: Worthman, Matthew
Subject: Fw: New green

Dot/Steve.

You will need to change the meeting time.
Dave

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Joy, Carla <CarlaJoy@gov.nl.ca>
Sent: Friday, November 18, 2016 11:37 AM
To: Lomond, Ted; Lewis, David B. (Deputy Minister)
Cc: Halliday, Janice
Subject: RE: New green

Dave,

As Ted said we have a launch on Tuesday, November 22. It will take place from 10:30 – 1:30. Minister will not be available at this time.

Best Regards,

Carla Joy
Administrative Assistant to Deputy Minister Business, Tourism, Culture & Rural Development 2nd Floor, West Block Confederation Building St. John’s, NL A1B 4J6
Tel: 709.729.4732

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From: Lomond, Ted
Sent: Friday, November 18, 2016 11:49 AM
To: Lewis, David B. (Deputy Minister)
Cc: Joy, Carla
Subject: New green

We have an innovation agenda launch that conflicts. Carla can fill you in. Can we move the meeting back a bit? Thanks. Ted

Sent from my BlackBerry 10 smartphone on the Bell network.
Done

Stephen Balsom, RPF
Assistant Deputy Minister
Forest Service of Newfoundland and Labrador
Department of Fisheries, Forestry and Agrifoods
100 Fortis Building
Corner Brook, NL Canada, A2H 6J8
(t) 709.637.2339
c 709.640.1330
(f) 709.637.2461
c stephenbalsom@gov.nl.ca


From: Lewis, David B. (Deputy Minister)
Sent: Friday, November 18, 2016 3:52 PM

Dorothy, I have included your flight arrangements below.

Dave would like you to change your flight arrangements and fly in on Sunday evening. See notes below.

Dorothy O'Keefe
Administrative Assistant to the Deputy Minister
Department of Fisheries, Forestry and Agrifoods
Government of Newfoundland and Labrador
Petten Building, 30 Strawberry Marsh Road
St. John's, NL A1B 4J6
(t) 709 729-3722
(f) 709 729-0360
To: O'Keefe, Dorothy  
Subject: Re: NewGreen Meeting Note

Yes pls.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: O'Keefe, Dorothy  
Sent: Friday, November 18, 2016 3:18 PM  
To: Lewis, David B. (Deputy Minister)  
Subject: RE: NewGreen Meeting Note

Steve is asking if you want him to change his flight arrangements and fly in on Sunday night instead of Tuesday morning in order to attend the NewGreen meeting in person.

Dorothy O'Keefe  
Administrative Assistant to the Deputy Minister  
Department of Fisheries, Forestry and Agrifoods  
Government of Newfoundland and Labrador  
Petten Building, 30 Strawberry Marsh Road  
St. John's, NL A1B 4J6  
(t) 709 729-3722  
(f) 709 729-0360
Thanks Dave. I'll ask Steve to change his flight arrangements.

Dorothy O'Keefe
Administrative Assistant to the Deputy Minister
Department of Fisheries, Forestry and Agrifoods
Government of Newfoundland and Labrador
Petten Building, 30 Strawberry Marsh Road
St. John's, NL A1B 4J6
(t) 709 729-3722
(f) 709 729-0360

Yes pls.

Sent from my BlackBerry 10 smartphone on the Bell network.

Steve is asking if you want him to change his flight arrangements and fly in on Sunday night instead of Tuesday morning in order to attend the NewGreen meeting in person.

Dorothy O'Keefe
Administrative Assistant to the Deputy Minister
Department of Fisheries, Forestry and Agrifoods
Government of Newfoundland and Labrador
Petten Building, 30 Strawberry Marsh Road
St. John's, NL A1B 4J6
(t) 709 729-3722
(f) 709 729-0360
To: O'Keefe, Dorothy  
Subject: Re: NewGreen Meeting Note

Yes and send to him by email.

Thanks.

Dave

Sent from my BlackBerry 10 smartphone on the Bell network.

From: O'Keefe, Dorothy  
Sent: Friday, November 18, 2016 3:10 PM  
To: Lewis, David B. (Deputy Minister)  
Subject: RE: NewGreen Meeting Note

Dave,

Earlier today, Steve sent you a meeting note for Monday’s meeting. It just needs to be updated with the new date and time. I’m wondering if I should send a copy over to the Minister’s office so that he has it when he gets in on Monday morning.

Dot

Dorothy O'Keefe  
Administrative Assistant to the Deputy Minister  
Department of Fisheries, Forestry and Agrifoods  
Government of Newfoundland and Labrador  
Petten Building, 30 Strawberry Marsh Road  
St. John's, NL A1B 4J6  
(t) 709 729-3722  
(f) 709 729-0360

From: Lewis, David B. (Deputy Minister)  
Sent: Friday, November 18, 2016 3:19 PM  
To: O'Keefe, Dorothy  
Subject: Re: New green

He can join by phone if he can’t get to town for Monday morning.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: O'Keefe, Dorothy  
Sent: Friday, November 18, 2016 2:40 PM  
To: Lewis, David B. (Deputy Minister)  
Subject: RE: New green

I think so but I’ll get back to you once I find out for sure...
From: Lewis, David B. (Deputy Minister)  
Sent: Friday, November 18, 2016 3:04PM  
To: O'Keefe, Dorothy  
Subject: Re: New green

Yes, if my schedule is open. How about Steve?

Dave

Sent from my BlackBerry 10 smartphone on the Bell network.

From: O'Keefe, Dorothy  
Sent: Friday, November 18, 2016 2:32PM  
To: Lewis, David B. (Deputy Minister)  
Subject: RE: New green

Dave,

Matthew has this meeting rescheduled to Monday, November 21, 9 a.m. Will you be attending?

Dorothy O'Keefe  
Administrative Assistant to the Deputy Minister  
Department of Fisheries, Forestry and Agrifoods  
Government of Newfoundland and Labrador  
Petta Building, 30 Strawberry Marsh Road  
St. John's, NL A1B 4J6

(t) 709 729-3722  
(f) 709 729-0360

From: Lewis, David B. (Deputy Minister)  
Sent: Friday, November 18, 2016 1:28PM  
To: O'Keefe, Dorothy; Balsom, Stephen; Crocker, Steve  
Cc: Worthman, Matthew  
Subject: Fw: New green

Dot/Steve.

You will need to change the meeting time.
Dave

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Joy, Carla <CarlaJoy@gov.nl.ca>
Sent: Friday, November 18, 2016 11:37 AM
To: Lomond, Ted; Lewis, David B. (Deputy Minister)
Cc: Halliday, Janice
Subject: RE: New green

Dave,

As Ted said we have a launch on Tuesday, November 22. It will take place from 10:30 – 1:30. Minister will not be available at this time.

Best Regards,

Carla Joy
Administrative Assistant to Deputy Minister Business, Tourism, Culture & Rural Development 2nd Floor, West Block Confederation Building St. John’s, NL A1B 4J6
Tel: 709.729.4732

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From: Lomond, Ted
Sent: Friday, November 18, 2016 11:49 AM
To: Lewis, David B. (Deputy Minister)
Cc: Lewis, David B. (Deputy Minister)
Subject: New green

We have an innovation agenda launch that conflicts. Carla can fill you in. Can we move the meeting back a bit?
Thanks. Ted

Sent from my BlackBerry 10 smartphone on the Bell network.
Matthew,

The meeting note has been forwarded to Deputy Lewis for review and approval and will be placed in TRIM. I will have Lisa Gray send you the COR number when finalized.

Steve

Stephen Balsom, RPF
Assistant Deputy Minister
Forest Service of Newfoundland and Labrador

Department of Fisheries, Forestry and Agrifoods
P.O. Box 2006, Fortis Building
Corner Brook, NL Canada, A2H 6J8

(709) 637-2339
(709) 690-1330
(709) 637-2461
stephenbalsom@gov.nl.ca

Lisa,

Please review and format if needed the attached meeting note and TRIM to Minister Crocker for a meeting taking place next week.

Thanks

Steve
Hello Jeff, please see attached letter pertaining to your business proposal to establish a sawmill and biodiesel project in Central Newfoundland.

Looking forward to our meeting next week.

Regards

Larry
Hillyard, Rod

From: Balsom, Stephen
Sent: Thursday, November 17, 2016 3:50 PM
To: Lewis, David B. (Deputy Minister)
Subject: Re: Newgreen Agreement in Principle

Ok

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Lewis, David B. (Deputy Minister)
Sent: Thursday, November 17, 2016 3:49 PM
To: Balsom, Stephen
Subject: Re: Newgreen Agreement in Principle

Not without a discussion with the Minister first.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Balsom, Stephen
Sent: Thursday, November 17, 2016 1:03 PM
To: Lewis, David B. (Deputy Minister)
Subject: Newgreen Agreement in Principle

Dave,

Would it be appropriate to present the draft Agreement in Principle to Newgreen in anticipation of discussing it next Tuesday?

Steve

Stephen Balsom, RPF
Assistant Deputy Minister
Forest Service of Newfoundland and Labrador
Department of Fisheries, Forestry and Agrifoods
P.O. Box 2006, Fortis Building
Corner Brook, NL Canada, A2H 6J8
t 709.637.7339
c 709.637.7339
t 709.637.2661
e stephenbalsom@gov.nl.ca

Attached is a draft Agreement in Principle for your consideration that is being requested by Newgreen. This would allow the company to move forward. The issues that need to be considered:

1. This would limit any other requests for volume in the districts outlined. 35(1)(d), 29(1)(a)

Steve
AGREEMENT IN PRINCIPLE

BETWEEN: Her Majesty in Right of Newfoundland and Labrador as represented by the Minister of Fisheries, Forestry and Agrifoods

(the "Province")

AND: Newgreen Technology Inc. 

(“Newgreen”)

WHEREAS:

1. On June 22, 2016, Newgreen submitted a proposal to develop a sawmill and biofuel manufacturing and export (BMEX) facility in Botwood.

2. The discussions between the Parties have primarily been in respect to Newgreen establishing a sawmill and BMEX facility in the town of Botwood, Newfoundland, and establishing partnerships and/or agreements with other forest industrial entities for additional fibre supply.

3. The Parties have reached an agreement on certain matters relating to these issues and need to discuss other specific matters relating thereto, and wish at this time to confirm the principles upon which they are prepared to proceed with future discussions.

NOW THEREFORE the Parties agree as follows:

1. Definitions

(a) “Crown Timber” has the same meaning as defined in the *Forestry Act* R.S.N.L. 1990, c F-23

(b) “Forest Management District” has the same meaning as defined in the *Forestry Act* R.S.N.L. 1990, c F-23

(c) “Forestry Act” means the *Forestry Act* R.S.N.L. 1990, c F-23

(d) “Parties” means the Province and Newgreen

2. Commitments

(a) Subject to the receipt of all necessary consents and approvals, including its Board of Directors, Newgreen agrees to use commercially reasonable efforts to:

   (i) construct and operate a sawmill and BMEX facility with an anticipated annual production capacity of 50 million board feet and 40 million litres of diesel respectively per year;

   (ii) provide a comprehensive business plan to the Province which outlines the details of the ownership and management structure; engineering and technical details and costs; financial details; human resource requirements; fibre requirements and supply sources and costs; marketing and shipping arrangements; and the forest
management arrangements proposed for the sawmill and BMEX facility in Botwood; and

(iii) establish partnerships and/or agreements with other forest industrial entities in the Province for the purchase, sale or exchange of fibre.

(b) Subject to Lieutenant-Governor in Council approval as necessary, the Province will:

(i) in accordance with the Forestry Act, provide Newgreen with a 20 year crown timber licence and forest management agreement to cut 280,000 solid cubic metres of Crown Timber in Forest Management Districts 4, 5, 6, 7, 8 and 9 ("FMDs") for the sawmill and BMEX facility in Botwood. The Province may issue commercial cutting permits under the Forestry Act for a portion of the aforementioned 280,000 solid cubic metres of Crown Timber until a forest management agreement between Newgreen and the Province is established;

(iv) establish an appropriate royalty regime for energy wood with associated royalty reductions similar to other classes of timber identified in the Schedule to the Timber Royalty Regulations O.C. 96-260 under the Forestry Act;

(v) foster partnerships with existing forestry entities to assist Newgreen into entering into contracts necessary to fulfill Newgreen’s requirement for fibre; and

(vi) support Newgreen in its effort to seek an Atlantic Canada Investment Tax Credit.

3. Status of Agreement in Principle

(a) The execution and delivery of this Agreement in Principle is not intended to and does not create legally enforceable rights or obligations among the Parties or between any of the Parties and any third party. No obligation is created upon any of the Parties to execute and deliver any subsequent binding contractual commitments or grant permissions under the Forestry Act or any other legislation. No Party shall have any remedy against any other Party as a result of a failure to execute and deliver any subsequent binding contractual commitments or grant permissions, to conduct negotiations towards any subsequent binding contractual commitments or grant permissions, or to perform any other provision of this Agreement in Principle.

(b) Each of the Parties acknowledges that the other Party must complete extensive additional activities and analysis, including due diligence on all aspects of the proposed arrangement, and obtain all necessary approvals and consents prior to any decision being made by each Party to execute and deliver any subsequent binding contractual commitments or permissions.
(c) The Parties acknowledge and agree that the sole remedy for any breach of this Agreement in Principle shall be the right to terminate this Agreement in Principle, and each hereby waives and releases any and all other actions, claims, or causes of action, in contract, tort, at equity or otherwise, for damages, equitable relief, or any other remedy that may be available to either against the other as a result of such a breach.

4. Termination

Unless the Parties otherwise agree, this Agreement in Principle will terminate upon: (i) any subsequent binding contractual commitments being entered; (ii) written permission to cut being granted to Newgreen pursuant the Forestry Act; (iii) six months from the date of the Agreement in Principle; or (iv) mutual agreement between the Parties, whichever is earlier.

5. Governing Law and Attornment

This Agreement in Principle shall be subject to the laws of Newfoundland and Labrador and the Parties shall attorn to the jurisdiction of Newfoundland and Labrador courts to the extent any adjudication is required.

6. Entire Understanding

This Agreement in Principle sets out the entire understanding of the principles agreed to and supersedes all prior understandings, discussions, proposals, representations or other forms of communication on the issues between the Parties.

7. Counterpart Execution

This Agreement in Principle may be executed by the Parties in separate counterparts, each of which, when so executed, shall be deemed to be an original and all of which when together shall constitute one and the same Agreement in Principle. A facsimile of a counterpart executed by a party shall be acceptable evidence of the execution by that Party of that counterpart and shall be effective upon that party for all purposes as if it were an original signature.

This Agreement in Principle will be effective the ____ day of ________, 2016.

HER MAJESTY IN RIGHT OF
NEWFOUNDLAND AND LABRADOR

Minister of Fisheries, Forestry and Agrifoods or his or her designate

Newgreen Technology Inc.
<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Newgreen Technology Inc.</td>
</tr>
</tbody>
</table>
From: Balsom, Stephen  
Sent: Wednesday, November 16, 2016 11:07 AM  
To: Worthman, Matthew  
Subject: RE: NewGreen Meeting Briefing Note

I have the information note, and will prepare a meeting note. Can you confirm the attendees?

Thanks  
Steve

Stephen Balsom, RPF  
Assistant Deputy Minister  
Forest Service of Newfoundland and Labrador  

Department of Fisheries, Forestry and Agrifoods  
P.O. Box 2006, Fortis Building  
Corner Brook, NL Canada, A7H 5E  
t 709.637.2339  
c 709.560.1330  
f 709.631.2451  
c stephenbalsom@gov.nl.ca


From: Worthman, Matthew  
Sent: Wednesday, November 16, 2016 11:05 AM  
To: Balsom, Stephen  
Cc: George, Bradley  
Subject: NewGreen Meeting Briefing Note

Hi Steve:  
I assume you are preparing/have prepared a meeting/briefing note for the Minister for his meeting next week with NewGreen. Could you please forward along a copy of this note to MHA Colin Holloway once it is ready? He will be attending the meeting on behalf of Minister Mitchelmore.

Thanks.

MATTHEW WORTHMAN, B.Ed. | Executive Assistant to the Minister

Hon. Steve Crocker  
Fisheries, Forestry and Agrifoods  
Petten Building  
30 Strawberry Marsh Road  
P.O. Box 8700, St. John's, NL A1B 4J6  
t 709-729-7967 | f 709-729-0360 | e matthewworthman@gov.nl.ca
Hillyard, Rod

From: Crocker, Steve
Sent: Monday, November 14, 2016 2:27 PM
To: Lewis, David B. (Deputy Minister)
Subject: Re: Meeting with NewGreen Technology

Yes please add.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Lewis, David B. (Deputy Minister)
Sent: Monday, November 14, 2016 2:21 PM
To: Crocker, Steve
Subject: FW: Meeting with NewGreen Technology

Minister.

I have asked Ted if Minister Mtichelmore and/or him and/or Larry Weatherbie can attend as well.

Do you want to invite Jerry Dean as well?

Dave

From: Balsom, Stephen
Sent: Monday, November 14, 2016 2:11 PM
To: Lewis, David B. (Deputy Minister) <DavidLewis@gov.nl.ca>
Subject: Meeting with NewGreen Technology

Dave,

We are good for 10:30am Tuesday, November 22, 2016. I suggested the Minister’s boardroom.

Steve

Stephen Balsom, RPF
Assistant Deputy Minister
Forest Service of Newfoundland and Labrador

Department of Fisheries, Forestry and Agrifoods
P.O. Box 2006, Fortis Building
Corner Brook, NL Canada, A9H 6J8
t 709.637.7339
c 709.674.1330
f 709.637.2461
c stephenbalsom@gov.nl.ca

Thanks David. We will be there. Ted

Ted Lomond
Deputy Minister
Dept. of Business, Tourism, Culture and Rural Development
2nd Floor, West Block, Confederation Building
St. John’s, NL A1B 4J6
Telephone: 709-729-4732

Minister Crocker has arranged to meet Jeff Penny of NewGreen Technologies at 10:30 am on Tuesday, Nov 22nd in the Minister’s Boardroom at the Petten Building. Also attending from FFA will be Steve Balsom (ADM) and Matthew Worthman (EA). Most likely the Minister will also want to invite Jerry Dean, MHA for the Botwood area.

It would be great if your Minister and/or you and/or Larry Weatherbie was able to attend as well. Please let me know.

Dave
From: Balsam, Stephen  
Sent: Monday, November 14, 2016 2:11 PM  
To: Lewis, David B. (Deputy Minister) <DavidLewis@gov.nl.ca>  
Subject: Meeting with NewGreen Technology

Dave,

We are good for 10:30am Tuesday, November 22, 2016. I suggested the Minister’s boardroom.

Steve

Stephen Balsom, RPF  
Assistant Deputy Minister  
Forestry Service of Newfoundland and Labrador  

Department of Fisheries, Forestry and Agrifoods  
P.O. Box 2006, Torris Building  
Corner Brook, Nl. Canada, AJ1 IJ8  
t /09.637.2339  
c /09.640.1330  
f 709.637.2461  
e stephenbalsom@gov.nl.ca

Hillyard, Rod

From: Lewis, David B. (Deputy Minister)
Sent: Monday, November 14, 2016 12:44 PM
To: Balsom, Stephen
Cc: Crocker, Steve
Subject: RE: Meeting with NewGreen Technology

Steve,

The Minister could be available at 10:30 am Tuesday, Nov 22\textsuperscript{nd} for a meeting with NewGreen. If NewGreen can meet at that time, we would need to try to have someone from BTCRD attend as well (preferably Minister Mitchelmore and Ted Lomond).

Please check with NewGreen about ability to meet on the 22\textsuperscript{nd}.

Thanks.

Dave

From: Balsom, Stephen
Sent: Monday, November 14, 2016 11:39 AM
To: Lewis, David B. (Deputy Minister) <DavidLewis@gov.nl.ca>
Subject: Meeting with NewGreen Technology

Dave,

Should I make arrangements to meet with NewGreen next week in St. John’s and will the Minister be attending?

Thanks

Steve

Stephen Balsom, RPF
Assistant Deputy Minister
Forest Service of Newfoundland and Labrador

Department of Fisheries, Forestry and Agrifoods
P.O. Box 7000, Fortis Building,
Corner Brook, NL Canada, A2H 6J8
t 709.637.2339
c 709.640.1330
f 709.637.7461
e stephenbalsom@gov.nl.ca

Sounds good.

Thanks.

Dave

From: Balsam, Stephen
Sent: Monday, November 14, 2016 11:38 AM
To: Lewis, David B. (Deputy Minister) <DavidLewis@gov.nl.ca>
Cc: Crocker, Steve <SteveCrocker@gov.nl.ca>
Subject: NewGreen Technology Letter

Dave,

I spoke with Larry Weatherbie with BTCRD and he is working on the NewGreen Technology response letter today and he will provide it to me for review. We will be stating that the timber requested (285,000m3) from FMD 10, 11, 12 and 13 is not available as originally requested and that a portion of the request is available from these districts with the remainder available in other districts.

I will send you the draft letter for your final review and approval.

Steve

Stephen Balsom, RPF
Assistant Deputy Minister
Forestry Service of Newfoundland and Labrador

Department of Fisheries, Forestry and Agrifoods
P.O. Box 2006, Fortis Building
Corner Brook, NL Canada, A2H 6J8
(709) 637-2339
(709) 640-1330
(709) 637-2461
stephenbalsom@gov.nl.ca

From: Balsom, Stephen  
Sent: Monday, November 14, 2016 11:38 AM  
To: Lewis, David B. (Deputy Minister) <DavidLewis@gov.nl.ca>  
Cc: Crocker, Steve <SteveCrocker@gov.nl.ca>  
Subject: NewGreen Technology Letter

Dave,

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I will send you the draft letter for your final review and approval.

Steve

Stephen Balsom, RPF  
Assistant Deputy Minister  
Forest Service of Newfoundland and Labrador  
Department of Fisheries, Forestry and Agriculture  
P.O. Box 7005, Fortis Building  
Corner Brook, NL Canada, A2H 6J8  
t 709.637.2339  
c 709.640.1330  
f 709.637.2461  
c stephenbalsom@gov.nl.ca

Hillyard, Rod

From: Balsom, Stephen
Sent: Monday, November 14, 2016 11:12 AM
To: Weatherbie, Larry
Subject: RE: NewGreen Tech Proposal

637-2269

Stephen Balsom, RPF
Assistant Deputy Minister
Forest Service of Newfoundland and Labrador

Department of Fisheries, Forestry and Agrifoods
P.O. Box 2006, Fortis Building
Corner Brook, NF, Canada, A2H 6J8
t 709.637.2339
c 709.640.1330
l 709.637.2461

StephenBalsom@gov.nl.ca


From: Weatherbie, Larry
Sent: Monday, November 14, 2016 11:11 AM
To: Balsom, Stephen
Subject: RE: NewGreen Tech Proposal

Hi Steve, what number shall I call?

From: Balsom, Stephen
Sent: Monday, November 14, 2016 10:40 AM
To: Weatherbie, Larry
Subject: NewGreen Tech Proposal

Good Morning Larry,

Would you please give me a call at your earliest convenience?

Thanks

Steve

Stephen Balsom, RPF
Assistant Deputy Minister
Forest Service of Newfoundland and Labrador

Department of Fisheries, Forestry and Agrifoods
Hillyard, Rod

From: Lomond, Ted
Sent: Wednesday, November 09, 2016 9:07 PM
To: Lewis, David B. (Deputy Minister)
Subject: Re: Newgreen Sawmill/Biodiesel Project in Central

Thanks. We will get this one moving next week. Ted

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Lewis, David B. (Deputy Minister)
Sent: Wednesday, November 9, 2016 8:08 PM
To: Lomond, Ted; Balsam, Stephen
Subject: Fw: Newgreen Sawmill/Biodiesel Project in Central

FYI.

Dave

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Crocker, Steve <SteveCrocker@gov.nl.ca>
Sent: Wednesday, November 9, 2016 4:35 PM
To: Lewis, David B. (Deputy Minister)
Subject: Fw: Newgreen Sawmill/Biodiesel Project in Central

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Jeff P
Sent: Wednesday, November 9, 2016 4:34 PM
To: Crocker, Steve
Cc: Mitchelmore, Christopher; Dean, Jerry; Weatherbie, Larry; Worthman, Matthew; Peter Steele; Jim Hughes
Subject: Newgreen Sawmill/Biodiesel Project in Central

Minister Steve Crocker,
The purpose of this email is to update the file so that we can move on to the next steps required to begin our project in central Newfoundland. I have some very pertinent information in several attachments that will help to move this forward. I would very much appreciate if there are any questions, that you contact me. My partners and I are anxious to move this forward as soon as possible.

Kindest Regards,

Geoffrey Penney

President
Thanks. Ted

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Lewis, David B. (Deputy Minister)  
Sent: Wednesday, November 9, 2016 8:06 PM  
To: Lomond, Ted; Balsam, Stephen  
Subject: NewGreen Letter to Minister Crocker

FYI.

Dave

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Crocker, Steve <SteveCrocker@gov.nl.ca>  
Sent: Wednesday, November 9, 2016 6:40 PM  
To: Lewis, David B. (Deputy Minister); Balsom, Stephen  
Subject: Fw: Signed Letter to Minister Crocker

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Jeff P  
Sent: Wednesday, November 9, 2016 6:25 PM  
To: Crocker, Steve  
Cc: Peter Steele  
Subject: Signed Letter to Minister Crocker
<table>
<thead>
<tr>
<th>Hillyard, Rod</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>From:</strong> Lewis, David B. (Deputy Minister)</td>
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<td><strong>Sent:</strong> Wednesday, November 09, 2016 8:09 PM</td>
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<td><strong>To:</strong> Lomond, Ted; Balsom, Stephen</td>
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<tr>
<td><strong>Subject:</strong> Fw: Newgreen Sawmill/Biodiesel Project in Central</td>
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<tr>
<td><strong>Attachments:</strong> Letter to Minister Crocker 1182016.pdf</td>
</tr>
</tbody>
</table>

FYI.

Dave

Sent from my BlackBerry 10 smartphone on the Bell network.

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| From: Crocker, Steve <SteveCrocker@gov.nl.ca> |
| **Sent:** Wednesday, November 9, 2016 4:35PM |
| **To:** Lewis, David B. (Deputy Minister) |
| **Subject:** Fw: Newgreen Sawmill/Biodiesel Project in Central |

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| From: Jeff P |
| **Sent:** Wednesday, November 9, 2016 4:34PM |
| **To:** Crocker, Steve |
| **Cc:** Mitchelmore, Christopher; Dean, Jerry; Weatherbie, Larry; Worthman, Matthew; Peter Steele; Jim Hughes |
| **Subject:** Newgreen Sawmill/Biodiesel Project in Central |

Minister Steve Crocker,

The purpose of this email is to update the file so that we can move on to the next steps required to begin our project in central Newfoundland. I have some very pertinent information in several attachments that will help to move this forward. I would very much appreciate if there are any questions, that you contact me. My partners and I are anxious to move this forward as soon as possible.

Kindest Regards,

Geoffrey Penney

President

Newgreen Technology Inc.
Steve Crocker  
Minister of Fisheries, Forestry and Agrifoods

Thank you for your diligence and commitment to moving the Newgreen Technology Inc. Botwood Sawmill Biofuel project forward. Newgreen Technology Inc is officially withdrawing our request for the loan guarantee as was submitted in our business plan/proposal for our project in Botwood, Newfoundland. We would however like to request discussions regarding other direct and or indirect financial support from the provincial government. The purpose of this email is to update the file so that we can move on to the next steps required to begin the project. The first step is the approval by your Department to Newgreen Technology Inc. of 285,000 cubic meters of fiber for 20 years, with an option to extend for an additional 20 years. This is required for two reasons. They are: 1. Newgreen Technology needs the approval of the fiber to secure the project financing. 2. It is our understanding that the Department of Business, Tourism, Culture and Rural Development (BTCRD) is waiting for your signed approval of the aforementioned fiber allocation before giving their approval as well as releasing their financial offer of project support to Newgreen. They too, like the funder, require confirmed certainty of fiber over 20 years to ensure the successful operation and sustained viability of the project.

Newgreen has been negotiating with your Department for almost 2 years and remains committed to bringing this sawmill/biofuel plant into production. This project will contribute to the economy of the central Newfoundland region with 300 direct/indirect jobs and attendant spinoffs. Newgreen Technology is a Newfoundland Company led by Newfoundlanders with the experience and commitment to the province. We are aligned with your Department and the Province, in its goal and requirement, that the maximum amount of jobs and economic benefits from the central fiber basket resource be prudent for present and future generations.

Once this is done we can begin discussions on the form and amount the provincial government’s financial support of the project will be.

Ours is a made in Newfoundland, truly transformative, carbon negative project, using state of the art green technology in the biofuel plant, as well as the latest most efficient industry leading technology in our sawmill operation. For these reasons we respectfully request your signed approval of the fiber allocation of 285,000 cubic meters for 20 years at your earliest convenience. I have attached the offtake agreements for the production from this potential project. I have also attached three letters from two different lumber buyers for 16 million board feet of lumber leaving only 4 million board feet remaining to be sold. There is an offtake agreement, as was attached in the business plan, for the biofuel to a European buyer. I have also signed a supply contract with a Chinese company for

(39) (1)(a)(1), (39)(b), (39)(c)(1)

This agreement with China will increase the financial model considerably but also add more jobs into the projects bottom line.

With respects to supply for white lumber in the province, Newgreen is attempting to narrow the gap of what would now be imported from NS, NB and Quebec.
See below exposure of some of the major players:

RETAILERS:
- **Ledrew Lumber** (Kelli Grews): 4 million FBM
- **Rona** (7 NL locations): 7 million FBM
- **Kent** (8 NL locations): 7 million FBM
- **NDA** (7 NL locations): 6 million FBM
- **Stan Dawe** (5 NL locations): 4 million FBM

REMANUFACTURERS/Treaters:
- **Marwood**: 16 million FBM
- **Goodfellow**: 12 million FBM

This list represents approximately 40% of the provincial annual usage of white dimension lumber purchased in the province. Currently in the province, the sawmill industry is struggling to supply a very small portion of this demand. See the list of sawmill operators in NL for annual production:

- **Sexton Lumber**: 50 million FBM, primarily only produce 8' lumber for stud grade applications. Most production would be used for export to Atlantic Canada and North Eastern US.
- **Burtons Cove Logging**: 15 million FBM, primarily R/L (Random Length 8' - 12') supply to island users.
- **Harold Sheppard Ltd**: 1 million FBM, primarily R/L supply to island users.
- **Cottles Island Lumber**: 8 million FBM, primarily R/L supply to island users in the form of value added siding and paneling products.
- **Coats Lumber**: 1 million FBM, primarily R/L supply to island users.

As you can see the demand for R/L dimension lumber is very high in the province as most retailers and manufacturers find it necessary to import product from other provinces. Newgreens purpose is to offer high quality wain free lumber to provincial users and to narrow the gap of imported production. Personally, from 22 years of trade experience, I have found it very difficult to find NL production to fill my wholesale and manufacturing requirements. For example Goodfellow lumber presently imports from Atlantic Canada and Quebec, approximately 85% of their annual requirements.

This new business will aid the Dept of Forestry in their search for means to fill the required demand in NL, while utilizing the forest resource that we presently have.

Respectfully yours,
Geoffrey Penney
President
Newgreen Technology Inc.

CC. Minister Chris Mitchelmore
Jerry Dean, Larry Weatherbie, Matthew Worthman
November 3rd, 2016

To the attention of;

Ref; Letter of intent

[Redacted], has a capacity of treating [Redacted] board feet of premium lumber per year. This facility was built with the sole purpose of supplying the province of Newfoundland.

The objective of [Redacted] is to purchase as much fibre in the local market as possible.

[Redacted] has always been a loyal supplier to [Redacted] in the past.

We were informed of a major upgrade at [Redacted], and have every intention, after negotiating pricing, of purchasing between [Redacted] board feet of premium wood from them. The wood varies in sizes from 2x4 to 2x10, 5/4x4 and 5/4x6 decking, 4x4 and 6x6. 8’ to 12’ in length.

Sincerely,

[Redacted]

Head purchaser
Subject: Intent to purchase

would like to buy FBM of different kinds of lumber per year from
The mill can make the lumber that we need every day and sometimes
find hard to get.

President
November 06th, 2016

To Whom It May Concern:

Please consider this letter in support of the application of [REDACTED] to have their cutting permit allocation/ quota increased.

In the capacity of my role purchasing agent/ owner of [REDACTED], a major wholesaler in the province of Newfoundland and Labrador, should this company's application for an increase in quota be successful, I would welcome the opportunity to purchase an amount of lumber produced up to [REDACTED] fbm.

Signed
FYI.

Dave

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Crocker, Steve <SteveCrocker@gov.nl.ca>
Sent: Wednesday, November 9, 2016 6:40 PM
To: Lewis, David B. (Deputy Minister); Balsom, Stephen
Subject: Fw: Signed Letter to Minister Crocker

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Jeff P
Sent: Wednesday, November 9, 2016 6:25 PM
To: Crocker, Steve
Cc: Peter Steele
Subject: Signed Letter to Minister Crocker
Steve Crocker
Minister of Fisheries, Forestry and Agrifoods

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39 (1)(a)(i), 39(1)(b), 39(1)(c)(i)

This agreement with China will increase the financial model considerably but also add more jobs into the projects bottom line.

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This new business will aid the Dept of Forestry in their search for means to fill the required demand in NL, while utilizing the forest resource that we presently have.

Respectfully yours,

Geoffrey Penney
President
Newgreen Technology Inc.

CC: Minister Chris Mitchelmore
Jerry Dean, Larry Weatherbie, Matthew Worthman
Dave,

I spoke with Ted Lomond regarding the NewGreen Tech file. He said he is going to call you tomorrow. When you are available I would like to discuss the decision note and how we should move this file forward. [29(1)(a)]

Steve

Stephen Balsom, RPF
Assistant Deputy Minister
Forest Service of Newfoundland and Labrador

department of Fisheries, Forestry and Agriculture
P.O. Box 7866, Fortis Building
Corner Brook, NL Canada, A2H 6J6
l 709.637.2339
c 709.640.1330
f 709.637.2461
c stephenbalsom@gov.nl.ca

Larry, 35(1)(d), 29(1)(a) Therefore Forestry would be informing NewGreen that the volume is not available as requested, however if directed by Government, there is alternate volume available from other districts that NewGreen could consider. I think you are aware of all of this from our past conversations I just want to reconfirm.

Steve

Stephen Balsom, RPF
Assistant Deputy Minister
Forest Service of Newfoundland and Labrador

Department of Fisheries, Forestry and Agriculture
P.O. Box 7006, Fortis Building
Corner Brook, NL Canada, A2H 6J8
p 709.637.2339
c 709.640.1330
f 709.637.2316
e stephenbalsom@gov.nl.ca


From: Weatherbie, Larry
Sent: Monday, November 07, 2016 11:00 AM
To: Balsom, Stephen
Subject: RE: NTI Response October 27, 2016.doc

Ok, I will let you know as I have a meeting with my DM and this file has a lot of eyes on it!

Talk soon.

Larry

From: Balsom, Stephen
Sent: Monday, November 07, 2016 10:56 AM
To: Weatherbie, Larry
Subject: RE: NTI Response October 27, 2016.doc
Larry,

I did not get to discuss it with Dave as he was called away to deal with the Premier’s Office business. He is off today as well so I suggest that you remove the forestry branch references so that you can get your response out. If you can wait until tomorrow I will call Dave first thing in the morning.

Steve

Stephen Balsom, RPF
Assistant Deputy Minister
Forest Service of Newfoundland and Labrador

Department of Fisheries, Forestry and Agrifoods
P.O. Box 2006, Fortis Building
Corner Brook, NL Canada, A2H 6J8

t 709.637.7339
c 709.640.1330
f 709.637.2461
e stephenbalsom@gov.nl.ca


From: Weatherbie, Larry
Sent: Monday, November 07, 2016 10:54 AM
To: Balsom, Stephen
Subject: RE: NTI Response October 27, 2016.doc

Hi Steve, anything new to report from your meeting with your DM on Friday?

Thanks
Larry

From: Balsom, Stephen
Sent: Friday, November 04, 2016 10:59 AM
To: Weatherbie, Larry
Subject: Re: NTI Response October 27, 2016.doc

I’m here with him now and will find out, his week was sidelined and he is only back in the office today.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Weatherbie, Larry
Sent: Friday, November 4, 2016 10:57 AM
To: Balsom, Stephen
Cc: Gardner, Ben
Subject: Re: NTI Response October 27, 2016.doc

Hi Steve, anything new to report after your discussion with your Deputy?
Thanks

Larry

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Balsam, Stephen  
Sent: Monday, October 31, 2016 2:59 PM  
To: Weatherbie, Larry  
Subject: RE: NTI Response October 27, 2016.doc

Larry,

I would like to review this with my DM to ensure he is comfortable with the information. I have a decision note forwarded that could impact our response. If you want to go forward and remove the forestry remarks in 1. and 2. that would be fine by me.

Steve

Stephen Balsom, RPF 
Assistant Deputy Minister  
Forest Service of Newfoundland and Labrador

Department of Fisheries, Forestry and Agrifoods  
P.O. Box 2006, Fortis Building  
Corner Brook, NL Canada, A2H 5J8  
t /09.63./7339  
c /09.640.1330  
f /09.63./7461  
E stephenbalsom@gov.nl.ca


From: Weatherbie, Larry  
Sent: Monday, October 31, 2016 11:22 AM  
To: Balsom, Stephen  
Subject: NTI Response October 27, 2016.doc

Hi Steve, could you review the attached letter I have been instructed to send to Mr. Penney at NTI.

Please feel free to offer any suggestions or edits.

Thanks  
Larry
Central NL Expression of Interest – NewGreen Technology Proposal
Information Note
Department of Fisheries, Forestry and Agrifoods

Title: Newgreen Technology Inc. Central Newfoundland Proposal

Issue: Newgreen Technology Inc. (NTI) is proposing to establish a modern, highly efficient sawmill and Biofuel Manufacturing and Export (BMEX) facility in Botwood, Newfoundland and Labrador.

Background and Current Status:

- NTI is a Newfoundland and Labrador company proposing to establish a modern, highly efficient sawmill and biofuel production facility in Botwood.

- The President of NTI is Mr. Jeff Penney.

- Peter Steele, Chairman of NTI has a background.

- Jim Hughes, Executive Vice President.

- NTI’s short-term plan is to establish a new modern 50 million board feet (MBF) sawmill and the initial steps towards a biofuel conversion program.

- In the long-term, NTI will expand both operations and additionally take full responsibilities for forestry management programs for its fibre allocation.

- The company proposes to create a total of 100 direct jobs by year five and more than 200 indirect jobs for independent workers involved in tree harvesting and supply operations. The company also estimates approximately 600 induced jobs will be generated.

- The company estimates between 60 to 150 construction jobs will be created during the 2 year construction phase.

- NTI has requested access to the 285,000 cubic metres of available fibre in Central Newfoundland, previously held by AbitibiBowater in forest management district’s 10, 11, 12, and 13.

- The company is projecting based on the available fibre basket in Central Newfoundland; they will produce 40,000,000 litres of diesel per year from forestry waste streams.

- NTI advises they have secured an off-take agreement with a large European buyer for the 40,000,000 litres of diesel.
Analysis:

- BTCRD and Forestry Branch (FB) officials met with the principals of NTI on August 19, 2016 to discuss the merits of their proposal and address outstanding issues.

- NTI proposes to introduce Cellulose to Hydrogen Power (CHyP) as a clean energy application to produce synthetic diesel fuel from residual forestry biomass. The diesel fuel to be produced will be exported via tankers from Botwood.

- The core technology to be used by NTI, through an exclusive licensing agreement, is the patented technology offered by Proton Power Inc. located in Tennessee. Proton Power has developed a patented renewable energy system that produces inexpensive hydrogen on demand from biomass and waste sources. Cellulose to Hydrogen Power is ideal for clean energy applications such as distributed or central-stations electrical power generation, hydrogen production or producing synthetic fuels such as renewable gasoline, aviation fuel or in NTI’s case, diesel.

- In addition to diesel fuel, as its primary product, two significant useable secondary by-products will be generated by the biomass waste to fuel process. The first by-product is known as bio char. The second by-product is heat. NTI has not identified the most effective use(s) of this excess heat, but it will aggressively examine options.

- Newgreen is seeking access to the Central Newfoundland fibre for a 20 year period, with a first and fair right to re-negotiate a second 20 year term at the end of the first 20 year term.

- FB advises the Minister, with the approval of the Lieutenant-Governor in Council, may issue a Crown timber license to a person who owns or operates a timber processing facility and has entered into a 20 year forest management agreement with the minister.

- The company has suggested a capital investment of approximately $155 million is required to bring the facility into operation. The total project cost is $155.5 million, $29.58M is required for the sawmill operation and $126M for the biofuel reactor units.

- NTI advises they are not requesting direct financial assistance from the Province however the company is seeking a full third party guarantee which will support the company’s debt financing requirements from Government. This guarantee will serve to provide credit enhancement to the funders, to ensure the provision of optimal terms and conditions, while providing clear demonstration of the commitment of Government to the future of the forest industry.

- When questioned, NTI did not confirm whether they would be providing a personal contribution to the project. They did however expect Government to advise what level of funding may be available to the company.
• The company is proposing to put in place an Output Performance Warranty insurance policy from [35(1)(d)] feels the guarantee being requested is a suitable match to the comfort level in providing output guarantees centered on the Proton Power System.

• The Output Performance Warranty will be structured as a ten year policy term with flexible insured amounts. The Proton Power system has been approved for this policies applications and underwriting is ongoing to fit the needs specific to the project presented by NTI.

• NTI has secured an off take agreement with a large European buyer however details need to be confirmed. It is anticipated this broker will take all 40,000,000 litres of diesel. In order to properly assess the proposal, signed off-take agreement with [35(1)(d)] need to be concluded including pricing for all products.

• Forestry Branch is currently engaged in the development of long-term tenure arrangements for two existing saw mills [35(1)(d)]. The request from NTI for long term access to 285,000 cubic metres of timber from FMD 10, 11, 12 and 13 will be dependent on the approval of the tenure arrangements with the existing saw mills. The 285,000 cubic metres would be available from other FMD's in Central Newfoundland and other regions within the province which may impact the predicted cost of fibre outlined in the proposal and would require further analysis if the proposed tenure arrangements for the two existing saw mills is approved.

• The initial production target of 36-40 million board feet (MBF) is achievable from 285,000 cubic metres based on achieving a harvesting level of 50% saw logs and a lumber recover factor of 250 board feet per cubic metre. In order to reach the full 50 MBF will require the harvest/purchase of an estimated additional 115,000 cubic metres for a total of 400,000 cubic metres.

• The biofuel manufacturing and export (BMEX) plant proposal has not specifically stated the conversion factors for softwood residue (bark, sawdust and chips) to diesel. It can only be inferred from the proposal that the BMEX plant is predicted to produce 40,000,000 litres of diesel from the residue produced from 285,000 cubic metres. Therefore it is unclear if the fibre volume requested is adequate to run both the saw mill and BMEX. The conversion rate would need to be verified as the technology risk on this product remains very significant.
• According to FB, there is no commercial production of diesel fuel from cellulose based biomass in the world. FB has already had conversations with others in the industry and questions around this technology have been raised. Therefore, it is incumbent upon Government to fully investigate this technology in the context of this business plan.

• In general terms a saw mill centrally located with markets outside the province would be beneficial to Central Newfoundland. NTI will need to provide evidence on how this proposal will not impact the other existing saw mills. NTI has confirmed they intend to sell product within Newfoundland and Labrador as well as elsewhere in North America.

• FB advises the identification of lumber markets is weak. The estimate of $500 per thousand board feet is considered high and Forestry Branch feel $400-$450 is more realistic. Market identification for the sale of Bio Char and Wood Vinegar is also required.

• The company reports they are prepared to proceed with an Environmental Assessment. Furthermore, they advise they do not anticipate there will not be any environmental concerns introduced or left behind from the biofuel operation.

**Action Being Taken:** 29(1)(a)

• Determine whether Government should approve another saw mill operation in Central Newfoundland.

• Confirm proof of the technology proposed by Newgreen Technology Inc., including specific conversion rates for softwood residue by way of third party independent evaluation.

• Confirm details of potential product off take agreements.
• Seek a legal opinion from Department of Justice to determine whether the proposed Output Performance Warranty insurance policy actually mitigates any of the risk to the Province in the context of issuing a sizeable loan guarantee.

• Determine if Government is prepared to provide a $155 million loan guarantee to NTI considering GNL would be risk-exposed to the remaining balance owed on the debt.

Prepared/Approved by: S. Balsom/D. Lewis with input from BTCRD

Ministerial Approval: Received from Honourable Steve Crocker

November 7, 2016
Hillyard, Rod

From: Balsom, Stephen
Sent: Monday, October 31, 2016 4:20 PM
To: Lewis, David B. (Deputy Minister)
Subject: NewGreen Response October 27 2016 (2).doc
Attachments: NTI Response October 27 2016 (2).doc

Dave,

Here is the response letter from BTCRD. I have included a revised section 1.

With Rentech Inc. the Government signed an agreement in principle that outlined the commitments from both parties. Rentech committed to providing a comprehensive business plan and Government committed to a 20 year forest management agreement to harvest in FMD 10, 11, 12, and 13.

remaining volume
potential to NewGreen is as follows:

1. The potential unallocated volume in FMD 10, 11, 12 and 13 is 124,000m³. This means that the NewGreen Proposal would be 161,000m³ short.

The agreement in principle was for 6 months with the ability to extend. This “tied” up the timber so that no other interested parties could apply.

Please let me know when you can discuss. Larry with BTCRD would like to send the letter out tomorrow (Tuesday).

Steve
October 31, 2016

Mr. Jeff Penney
President
Newgreen Technology Inc.
64 Main Street
Corner Brook, NL A2H 1C6

Dear Mr. Penney:

I would like to thank you for your request for financial assistance to establish a modernized sawmill and a biofuel conversion operation in Central Newfoundland. Further to our meeting on August 19, 2016, the purpose of this letter is to provide you a status update and to seek further clarification on some other outstanding issues.

1. Access to Fibre - Pending receipt and analysis of a revised business plan as outlined below, the Department of Fisheries, Forestry and Agrifoods is prepared to proceed with discussions on providing a 20 year crown timber licence and forest management agreement.

2. Lumber markets - Without specific identification of lumber markets, it is not possible to determine if Government should be creating the proposed saw mill operation in Central Newfoundland. The creation of a new saw mill in central Newfoundland could have potential negative impacts on the existing saw mill industry if the proposed market is local provincial lumber retailers resulting in lower the local lumber price. If the potential proposed market is outside the province there may be no impact on local existing saw mills, however, depending on the results of the ongoing Canadian/United States Softwood Lumber Agreement negotiations, markets outside NL could also be impacted. Can NTI provide confirmation the company’s marketing strategy including potential impacts to the other saw mills in Central Newfoundland?

3. Off-take Agreement - Government is seeking further details to the proposed agreement with [redacted] As discussed, the proposed term sheet previously submitted is not clear.

4. Exclusive licensing agreement - could you elaborate further on the exclusive licensing agreement referenced on page 5 of the business plan, specifically who are the parties of this agreement and their relationship with NTI?

Based on our conversation, this is to confirm Newgreen Technologies is no longer seeking a loan guarantee to finance your business opportunity, however in order to assess your proposal, Government still requires confirmation of the sources and uses of funds; and the company’s marketing strategy for lumber and biodiesel.
This request for additional information in no way obligates the Government of Newfoundland and Labrador to provide the requested forestry permits without further analysis and due diligence of additional information as requested.

We look forward to receiving a revised business plan addressing these outstanding issues. Once this information has been assessed, officials with BTCRD and FFA will be in contact with you.

Sincerely,

Larry Weatherbie
Director

Cc: Mr. Ben Gardner, ADM, BTCRD
    Mr. Steve Balsom, ADM, FFA
Hillyard, Rod

From:               Balsom, Stephen
Sent:               Friday, October 28, 2016 4:19 PM
To:                 Lewis, David B. (Deputy Minister)
Subject:            RE: NewGreen Technology

Dave,

The Agreement in Principle was used with Rentech Inc. before they invested in a proper business plan. We could go this route; it just means that some timber allocations will be tied up while under the agreement period.

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

Steve

Stephen Balsom, RPF
Assistant Deputy Minister
Forest Service of Newfoundland and Labrador

Department of Fisheries, Forestry and Agriculture
P.O. Box 7006, Fortis Building
Corner Brook, NL, Canada, A2H 6J6
T: 709.667.2339
c: 709.640.1330
t: 709.637.2461
e: stephenbalsom@gov.nl.ca


From: Lewis, David B. (Deputy Minister)
Sent: Friday, October 28, 2016 4:12 PM
To: Balsom, Stephen
Subject: Re: NewGreen Technology

Steve.

Thanks for the update.

29(1)(a)

Dave

Sent from my BlackBerry 10 smartphone on the Bell network.
From: Balsom, Stephen  
Sent: Friday, October 28, 2016 3:56 PM  
To: Lewis, David B. (Deputy Minister)  
Subject: NewGreen Technology

Dave,

I just finished a call with Jeff Penny of NewGreen Technology Inc. He is stating that Forestry Branch is stalling their project, that until the Government provides a long term forest tenure arrangement to his company they are not able to secure the financing they require. This is similar to Rentech Inc., and we issued them an Agreement in Principle (see attached). If we want to move this file forward we could enter into this kind of agreement that will put the workload back on this company to meet required targets to move forward. These are items such as an acceptable business plan, establish partnerships and arrangements for the purchase, sale and exchange of fibre, and also proof of technology.

29(1)(a)

Steve

Stephen Balsom, RPF  
Assistant Deputy Minister  
Forest Service of Newfoundland and Labrador

Department of Fisheries, Forestry and Agriculture  
P.O. Box 2006, Fortis Building  
Corner Brook, NL Canada, A2H 6B8  
t 709.637.2339  
c 709.640.1390  
f 709.637.2461  
c stephenbalsom@gov.nl.ca

Agreed.

Sent from my BlackBerry 10 smartphone on the Bell network.

Dave

Sent from my BlackBerry 10 smartphone on the Bell network.

David Balsom, RPF
Assistant Deputy Minister
Forest Service of Newfoundland and Labrador

Department of Fisheries, Forestry and Agrifoods
P.O. Box 7006, Fortis Building
Corner Brook, NL Canada, A2H 6R8
(709) 637-2399
c: 709.637.2133
f: 709.637.2161
c: stephenbalsom@gov.nl.ca
From: Balsam, Stephen <StephenBalsom@gov.nl.ca>
Sent: Friday, October 28, 2016 3:56 PM
To: Lewis, David B. (Deputy Minister)
Subject: NewGreen Technology

Dave,

I just finished a call with Jeff Penny of NewGreen Technology Inc. He is stating that Forestry Branch is stalling their project, that until the Government provides a long term forest tenure arrangement to his company they are not able to secure the financing they require. This is similar to Rentech Inc., and we issued them an Agreement in Principle (see attached). If we want to move this file forward we could enter into this kind of agreement that will put the workload back on this company to meet required targets to move forward. These are items such as an acceptable business plan, establish partnerships and arrangements for the purchase, sale and exchange of fibre, and also proof of technology.

Steve

Stephen Balsom, RPF
Assistant Deputy Minister
Forest Service of Newfoundland and Labrador

Department of Fisheries, Forestry and Agriculture
P.O. Box 2006, Fortis Building
Corner Brook, NL Canada, A7H 6C6
1 709.637.2339
c 709.640.1330
f 709.637.7467
e stephenbalsom@gov.nl.ca

Hillyard, Rod

From: Balsom, Stephen
Sent: Thursday, October 27, 2016 4:15 PM
To: Lewis, David B. (Deputy Minister)
Subject: NewGreen Botwood Business Plan
Attachments:

Dave,

As discussed please find attached the NewGreen Tech proposal. Would you also want this put into TRIM?

Steve

Stephen Balsom, RPF
Assistant Deputy Minister
Forest Service of Newfoundland and Labrador

Department of Fisheries, Forestry and Agrifoods
P.O. Box 1025, St. John's
Corner Brook, NL, Canada, A7H 2J8
709.637.2339
c. 709.640.1330
f. 709.637.2339
c. stephenbalsom@gov.nl.ca


From: Jeff P
Sent: Wednesday, June 22, 2016 10:58 AM
To: Balsom, Stephen
Subject: Botwood Business Plan

Honorable Minister Mitchelmore,

Minister of Business, Tourism, Culture & Rural Development; Forestry & Agrifoods; Research Development Corp.

Attached please find the concise business plan including narrative and financial modeling for the BMEX and Timber milling operations to be located in Botwood Newfoundland. We respectfully request the timely conformation of support of the government of Newfoundland and Labrador of the requested timber allocation and financing support.

Best regards
Jeff Penney
President
Newgreen Technology Inc.
Hillyard, Rod

From: Balsom, Stephen
Sent: Wednesday, September 28, 2016 1:56 PM
To: Rideout, Lynne
Subject: RE: Meeting with Daryl re. Newgreen

Lynne,

Unfortunately I am not available in the am and could only meet at 3:30pm.

Steve

Stephen Balsom, RPF
Assistant Deputy Minister
Forest Service of Newfoundland and Labrador

Department of Fisheries, Forestry and Agrifoods
P.O. Box 2006, Fortis Building
Cornerbrook, Nl. Canada, A7H 6J8

1 709.637.2339
c 709.640.1330
f 709.637.7463
c stephenbalsom@gov.nl.ca


From: Rideout, Lynne
Sent: Wednesday, September 28, 2016 1:55 PM
To: Balsom, Stephen
Subject: Meeting with Daryl re. Newgreen

Hi Mr. Balsom,

I am trying to get this meeting scheduled and would like to confirm your availability. Would early morning work 9:00 or 9:30?

Regards,

Lynne Rideout
From: Balsom, Stephen  
Sent: Wednesday, September 28, 2016 1:14 PM  
To: Genge, Daryl  
Subject: Re: Newgreen

3:30?

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Genge, Daryl  
Sent: Wednesday, September 28, 2016 1:11 PM  
To: Balsom, Stephen  
Cc: Rideout, Lynne  
Subject: Re: Newgreen

I'm have some time just after 9, and possibly later in the afternoon if either works.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Balsom, Stephen  
Sent: Wednesday, September 28, 2016 1:07 PM  
To: Genge, Daryl  
Subject: Re: Newgreen

I am in St Johns tomorrow with an appointment from 2-3pm any way to squeeze in.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Genge, Daryl  
Sent: Wednesday, September 28, 2016 1:05 PM  
To: Balsom, Stephen  
Subject: Re: Newgreen

No, St John's. We can do this by Lynn if need be.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Balsom, Stephen  
Sent: Wednesday, September 28, 2016 1:04 PM  
To: Genge, Daryl  
Subject: Re: Newgreen

Are you located in Corner Brook?

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Genge, Daryl  
Sent: Wednesday, September 28, 2016 1:00 PM  
To: Balsom, Stephen; Rideout, Lynne
Lynn,

Can you set something up for us, and ask Larry to join as well. Thx.

Daryl

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Balsom, Stephen
Sent: Wednesday, September 28, 2016 12:58 PM
To: Genge, Daryl
Subject: Re: Newgreen

Let's schedule Monday.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Genge, Daryl
Sent: Wednesday, September 28, 2016 12:46 PM
To: Balsom, Stephen
Subject: Re: Newgreen

I'm out of the office one Friday. How about later tomorrow or Monday?

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Balsom, Stephen
Sent: Wednesday, September 28, 2016 12:42 PM
To: Genge, Daryl
Subject: Newgreen

Do you have time to meet on Friday?
Sent from my BlackBerry 10 smartphone on the Bell network.
Hillyard, Rod

From: Balsom, Stephen
Sent: Friday, September 23, 2016 7:32 AM
To: Lewis, David B.
Subject: Re: Newgreen

I will be there.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Lewis, David B.
Sent: Friday, September 23, 2016 7:24 AM
To: Balsom, Stephen
Subject: Newgreen

Steve.

We are having a quick mtg with Newgreen at the Glyn mill Inn at 8:30 if you can make it. If not I will fill you in afterwards. No problem either way.

Dave

Sent from my BlackBerry 10 smartphone on the Bell network.
The approach is reasonable to me. Let’s discuss with the Minister when we are in Corner Brook.

Dave

Dave, I am getting weekly calls from Newgreen Technology pressuring for an agreement in principle for access to timber in central Newfoundland.  

Sent from my BlackBerry 10 smartphone on the Bell network.
Daryl, would you be able to call me to discuss the NewGreen file? I'm out of the office and would appreciate a call on my cell 204-340-1234.

Sent from my BlackBerry 10 smartphone on the Bell network.
Lisa would you be able to find the ADM for BTCRD's contact information for me? Thanks

Sent from my BlackBerry 10 smartphone on the Bell network.

---

Confirmed. DOC/2016/3043

Lisa

---

I believe we have placed one in TRIM.

Lisa, Please confirm.

---

Hi,

Please see attached. I am including Steve so that he is in the loop.

Connie

---

Hi Connie,
Are you able to send me any information notes on NewGreen Technology?
You had sent some previously but these were for RenTech. Not sure if these are the same.

Thanks.

MATTHEW WORTHMAN, B.Education  |  Executive Assistant to the Minister

Hon. Steve Crocker
Fisheries, Forestry and Agrifoods
Pettle Building
30 Strawberry Marsh Road
P.O. Box 8700, St. John’s, N.L. A1B 4J6

t 709-729-7967  |  f 709-729-0360  |  e matthewworthman@gov.nl.ca
Hi,

Please see attached. I am including Steve so that he is in the loop.

Connie

---

Hi Connie,

Are you able to send me any information notes on NewGreen Technology?

Thanks.

MATTHEW WORTHMAN, B.Ed | Executive Assistant to the Minister

Hon. Steve Crocker
Fisheries, Forestry and Agrifoods
Pêton Building
30 Strawberry Marsh Road
P.O. Box 8700, St. John's, NL A1B 4J6

t 709-729-7967 | f 709-729-0360 | e matthewworthman@gov.nl.ca
Information Note
Department of Business, Tourism, Culture and Rural Development

Title: Newgreen Technology Inc. (NTI)

Issue: Newgreen Technology is proposing to establish a modern, highly efficient sawmill and Biofuel Manufacturing and Export (BMEX) facility in Botwood, NL.

Background and Current Status:
- NTI is a Newfoundland and Labrador company proposing to use clean innovative technologies and underutilized forestry biomass to establish a modern, highly efficient sawmill and Biofuel facility in Botwood.
- The President of NTI is Mr. Jeff Penney
- Peter Steele, Chairman of Newgreen has
- Jim Hughes, Executive Vice President, Corporate Development
- NTI’s short-term plan is to establish a new modern 50 million board feet (MBF) sawmill and the initial steps towards a biofuel conversion program.
- In the long-term, NTI will expand both operations and additionally take full responsibilities for forestry management programs for its fibre allocation.
- The company proposes to create a total of 100 direct jobs by year five and more than 200 indirect jobs for independent workers involved in tree harvesting and supply operations. The company also estimates approximately 600 induced jobs will be generated.
- The company estimates between 60 to 150 construction jobs will be created during the 2 year construction phase.
- NTI requires access to the 285,000 cubic metres of available fibre in Central Newfoundland, previously held by AbitibiBowater.
- The company is projecting based on the available fibre basket in Central Newfoundland; they will produce 40,000,000 litres of diesel per year from forestry waste streams.
- NTI advises they have secured an off-take agreement with a large European buyer for the 40,000,000 litres of diesel.
Analysis:
BTRCD and Forestry Services Branch (FSB) officials met with the principals of Newgreen Technology on August 19, 2016 to discuss the merits of their proposal and address outstanding issues.

- NTI proposes to introduce Cellulose to Hydrogen Power (CHyP) as a clean energy application to produce synthetic diesel fuel from residual forestry biomass. The diesel fuel to be produced will be exported via tankers from Botwood.

- The core technology to be used by NTI, through an exclusive licensing agreement, is the patented technology offered by Proton Power Inc. located in Tennessee. Proton Power has developed a patented renewable energy system that produces inexpensive hydrogen on demand from biomass and waste sources. Cellulose to Hydrogen Power is ideal for clean energy applications such as distributed or central-stations electrical power generation, hydrogen production or producing synthetic fuels such as renewable gasoline, aviation fuel or in NTI’s case, diesel.

- In addition to diesel fuel, as its primary product, two significant useable secondary by-products will be generated by the biomass waste to fuel process. The first by-product is known as bio char. The second by-product is heat. NTI has not identified the most effective use(s) of this excess heat, but it will aggressively examine options.

- Newgreen Technology is seeking access to the Central NL fibre for a 20 year period, with a first and fair right to re-negotiate a second 20 year term at the end of the first 20 year term. The company has suggested a capital investment of approximately $155 million is required to bring the facility into operation. The total project cost is $155.5 million, $29.58M is required for the sawmill operation and $126M for the biofuel reactor units.

- NTI advises they are not requesting direct financial assistance from the Province however the company is seeking a full third party guarantee which will support the company’s debt financing requirements from Government. This guarantee will serve to provide credit enhancement to the funders, to ensure the provision of optimal terms and conditions, while providing clear demonstration of the commitment of GNL to the future of the forest industry.

- When questioned, NTI did not confirm whether they would be providing a personal contribution to the project. They did however expect Government to advise what level of funding may be available to the company.
• The company is proposing to put in place an Output Performance Warranty insurance policy from 35(1)(d) feels the guarantee being requested is a suitable match to the comfort level in providing output guarantees centered on the Proton Power System.

• The Output Performance Warranty will be structured as a ten year policy term with flexible insured amounts. The Proton Power system has been approved for this policies applications and underwriting is ongoing to fit the needs specific to the project presented by Newgreen Technology. 29(1)(a)

• NTI has secured an off take agreement with a large European buyer however details need to be ironed out. It is anticipated this broker will take all 40,000,000 litres of diesel. In order to properly assess the proposal, signed off-take agreement with 35(1)(d) need to be concluded including pricing for all products.

• Forestry Services Branch is currently engaged in the development of long-term tenure arrangements for two existing saw mills 35(1)(d). The request from NTI for long term access to 285,000 cubic metres of timber from FMD 10, 11, 12 and 13 will be dependent on the approval of the tenure arrangements with the existing saw mills. The 285,000 cubic metres would be available from other FMD’s in Central NL and other regions within the province which may impact the predicted cost of fibre outlined in the proposal and would require further analysis if the proposed tenure arrangements for the two existing saw mills is approved.

• The initial production target of 36-40 million board feet (MBF) is achievable from 285,000 cubic metres based on achieving a harvesting level of 50% saw logs and a lumber recover factor of 250 board feet per cubic metre. In order to reach the full 50 MBF will require the harvest/purchase of an estimated additional 115,000 cubic metres for a total of 400,000 cubic metres.

• The biofuel manufacturing and export (BMEX) plant proposal has not specifically stated the conversion factors for softwood residue (bark, sawdust and chips) to diesel. It can only be inferred from the proposal that the BMEX plant is predicted to produce 40,000,000 litres of diesel from 140,000 cubic metres of residue (page 11). Therefore it is unclear if the fibre volume requested is adequate to run both the saw mill and BMEX. The conversion rate would need to be verified as the technology risk on this product remains very significant.

• According to FSB, there is no commercial production of diesel fuel from cellulose based biomass in the world. FSB has already had conversations with others in the industry and questions around this technology have been raised. Therefore, it is incumbent upon Government to fully investigate this technology in the context of this business plan.
• In general terms a saw mill centrally located with markets outside the province would be beneficial to Central NL. NTI will need to provide evidence on how this proposal will not impact the other existing saw mills. NTI has confirmed they intent to sell product within Newfoundland as well as elsewhere in North America.

• FSB advises the identification of lumber markets is weak. The estimate of $500 per thousand board feet is considered high and Forestry Services Branch feel $400-$450 is more realistic. Market identification for the sale of Bio Char and Wood Vinegar is also required.

• The company reports they are prepared to proceed with an Environmental Assessment. Furthermore, they advise they do not anticipate there will not be any environmental concerns introduced or left behind from the biofuel operation.

Action Being Taken:

• Determine whether Government should approve another saw mill operation in Central Newfoundland.

• Confirm proof of the technology proposed by Newgreen Technology Inc., including specific conversion rates for softwood residue by way of third party independent evaluation.

• Seek a legal opinion from Department of Justice to determine whether the proposed Output Performance Warranty insurance policy actually mitigates any of the risk to the Province in the context of issuing a sizeable loan guarantee.
- Determine if Government is prepared to provide a $155 million loan guarantee to NTI considering GNL would be risk-exposed to the remaining balance owed on the debt.

Prepared/Approved by: L. Weatherbie with input from the Forestry Services Branch and Finance/D. Genge/T. Lomond

Ministerial Approval: Received from Hon. Christopher Mitchelmore

September 2, 2016
Thanks again.

Stephen Balsom, RPF
Assistant Deputy Minister
Forest Service of Newfoundland and Labrador
Department of Fisheries, Forestry and Agriculture
P.O. Box 2005, Fortis Building
Corner Brook, NL Canada, A2H 6E4
T: 709.637.7339
C: 709.640.1330
F: 709.637.2461
E: stephenbalsom@gov.nl.ca


From: Weatherbie, Larry
Sent: Monday, September 12, 2016 12:28 PM
To: Balsom, Stephen
Subject: DOC 17461 2016 Newgreen Technology Inc. Revised August 22 2016(2).DOC

Steve, the note I shared earlier was a draft note.

Attached please find a copy of the revised note which received Ministerial approval.

Larry
From: Balsom, Stephen  
Sent: Thursday, September 15, 2016 2:53 PM  
To: Boland, Connie  
Subject: RE: CBC request

Please check with your counterpart with BTCRD to see what they think.

Steve

Stephen Balsom, RPF  
Assistant Deputy Minister  
Forest Service of Newfoundland and Labrador

Department of Fisheries, Forestry and Agriculture  
P.O. Box 2006, Nortis Building  
Corner Brook, NL Canada, A0H 1V0  
t 709-637-7339  
c 709-637-1330  
f 709-637-2461  
e stephenbalsom@gov.nl.ca

ISO 14001:2004  

From: Boland, Connie  
Sent: Thursday, September 15, 2016 2:34 PM  
To: Balsam, Stephen  
Subject: FW: CBC request

FYI follow-up from CBC regarding NewGreen. Do you me to put together a response?

From: RYAN COOKE [mailto:ryan.cooke@cbc.ca]  
Sent: Thursday, September 15, 2016 1:48 PM  
To: Boland, Connie  
Subject: Re: CBC request

Hi Connie,

Just checking in on the former Abitibi timber area again and the discussions with NewGreen.  
I'm interested in knowing what kinds of things the province considers when doing its due diligence on something like this, and also if there's any timeline right now as to when their proposal will be accepted or rejected.

Thanks,
Ryan

On Mon, Aug 1, 2016 at 2:47 PM, Boland, Connie <ConnieBoland@gov.nl.ca> wrote:

Hi Ryan,

To date no agreement has been entered into for the timber rights to the former Abitibi limits. The Agreement in Principle with Rentech expired in January 2015. The Provincial Government continues to work on finding options for the timber from this area.

I hope this helps,

Connie

From: RYAN COOKE [mailto: ryan.cooke@cbc.ca]
Sent: Monday, August 01, 2016 11:19 AM
To: Boland, Connie
Subject: Re: CBC request

Thanks!

On Mon, Aug 1, 2016 at 11:07 AM, Boland, Connie <ConnieBoland@gov.nl.ca> wrote:

Hi Ryan,

I will look into this for you and be back in touch.

Have a great day,

Connie
Hi Connie,

I'm hearing the province has entered an agreement on the rights to the former Abitibi timber stands. I was wondering if someone from the minister's office could confirm or deny that and answer a few questions.

If you can get back to me ASAP on that, I'd really appreciate it.

Thanks,

Ryan Cooke

Reporter/Editor, CBC Central Morning

709-256-4311 (office)
“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.”

--
Ryan Cooke
Reporter/Editor, CBC/Radio-Canada
Lisa,

Would you please place the attachments in TRIM for David's review.

Thanks

Steve
Title: Newgreen Technology Inc. (NTI)

Issue: Newgreen Technology is proposing to establish a modern, highly efficient sawmill and Biofuel Manufacturing and Export (BMEX) facility in Botwood, NL.

Background and Current Status:
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- The President of NTI is Mr. Jeff Penney.

- Peter Steele, Chairman of Newgreen.

- Jim Hughes, Executive Vice President, Corporate Development.

- NTI’s short-term plan is to establish a new modern 50 million board feet (MBF) sawmill and the initial steps towards a biofuel conversion program.

- In the long-term, NTI will expand both operations and additionally take full responsibilities for forestry management programs for its fibre allocation.

- The company proposes to create a total of 100 direct jobs by year five and more than 200 indirect jobs for independent workers involved in tree harvesting and supply operations. The company also estimates approximately 600 induced jobs will be generated.

- The company estimates between 60 to 150 construction jobs will be created during the 2 year construction phase.

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Analysis:

BTCRD and Forestry Services Branch (FSB) officials met with the principals of Newgreen Technology on August 19, 2016 to discuss the merits of their proposal and address outstanding issues.

- NTI proposes to introduce Cellulose to Hydrogen Power (CHyP) as a clean energy application to produce synthetic diesel fuel from residual forestry biomass. The diesel fuel to be produced will be exported via tankers from Botwood.

- The core technology to be used by NTI, through an exclusive licensing agreement, is the patented technology offered by Proton Power Inc. located in Tennessee. Proton Power has developed a patented renewable energy system that produces inexpensive hydrogen on demand from biomass and waste sources. Cellulose to Hydrogen Power is ideal for clean energy applications such as distributed or central-stations electrical power generation, hydrogen production or producing synthetic fuels such as renewable gasoline, aviation fuel or in NTI's case, diesel.

- In addition to diesel fuel, as its primary product, two significant useable secondary by-products will be generated by the biomass waste to fuel process. The first by-product is known as biochar. The second by-product is heat. NTI has not identified the most effective use(s) of this excess heat, but it will aggressively examine options.

- Newgreen is seeking access to the Central NL fibre for a 20 year period, with a first and fair right to re-negotiate a second 20 year term at the end of the first 20 year term. The Agreement in Principle with Rentech expired in January 2015, thus the unallocated fibre in Central NL is open to proposals. FSB advises the Minister, with the approval of the Lieutenant-Governor in Council, may issue a Crown timber license to a person who owns or operates a timber processing facility and has entered into a 20 year forest management agreement with the minister.

- The company has suggested a capital investment of approximately $155 million is required to bring the facility into operation. The total project cost is $155.5 million, $29.58M is required for the sawmill operation and $126M for the biofuel reactor units.

- NTI advises they are not requesting direct financial assistance from the Province however the company is seeking a full third party guarantee which will support the company's debt financing requirements from Government. This guarantee will serve to provide credit enhancement to the funders, to ensure the provision of optimal terms and conditions, while providing clear demonstration of the commitment of GNL to the future of the forest industry.

- When questioned, NTI did not confirm whether they would be providing a personal contribution to the project. They did however expect Government to advise what level of funding may be available to the company.
• The company is proposing to put in place an Output Performance Warranty insurance policy feels the guarantee being requested is a suitable match to the comfort level in providing output guarantees centered on the Proton Power System.

• The Output Performance Warranty will be structured as a ten year policy term with flexible insured amounts. The Proton Power system has been approved for this policies applications and underwriting is ongoing to fit the needs specific to the project presented by Newgreen Technology.

• NTI has secured an off take agreement with a large European buyer however details need to be ironed out. It is anticipated this broker will take all 40,000,000 litres of diesel. In order to properly assess the proposal, signed off-take agreement with need to be concluded including pricing for all products.

• Forestry Services Branch is currently engaged in the development of long-term tenure arrangements for two existing saw mills. The request from NTI for long term access to 285,000 cubic metres of timber from FMD 10, 11, 12 and 13 will be dependent on the approval of the tenure arrangements with the existing saw mills. The 285,000 cubic metres would be available from other FMD’s in Central NL and other regions within the province which may impact the predicted cost of fibre outlined in the proposal and would require further analysis if the proposed tenure arrangements for the two existing saw mills is approved.

• The initial production target of 36-40 million board feet (MBF) is achievable from 285,000 cubic metres based on achieving a harvesting level of 50% saw logs and a lumber recover factor of 250 board feet per cubic metre. In order to reach the full 50 MBF will require the harvest/purchase of an estimated additional 115,000 cubic metres for a total of 400,000 cubic metres.

• The biofuel manufacturing and export (BMEX) plant proposal has not specifically stated the conversion factors for softwood residue (bark, sawdust and chips) to diesel. It can only be inferred from the proposal that the BMEX plant is predicted to produce 40,000,000 litres of diesel from 140,000 cubic metres of residue (page 11). Therefore it is unclear if the fibre volume requested is adequate to run both the saw mill and BMEX. The conversion rate would need to be verified as the technology risk on this product remains very significant.

• According to FSB, there is no commercial production of diesel fuel from cellulose based biomass in the world. FSB has already had conversations with others in the industry and questions around this technology have been raised. Therefore, it is incumbent upon Government to fully investigate this technology in the context of this business plan.
• In general terms a saw mill centrally located with markets outside the province would be beneficial to Central NL. NTI will need to provide evidence on how this proposal will not impact the other existing saw mills. NTI has confirmed they intend to sell product within Newfoundland as well as elsewhere in North America.

• FSB advises the identification of lumber markets is weak. The estimate of $500 per thousand board feet is considered high and Forestry Services Branch feel $400-$450 is more realistic. Market identification for the sale of Bio Char and Wood Vinegar is also required.

• The company reports they are prepared to proceed with an Environmental Assessment. Furthermore, they advise they do not anticipate there will not be any environmental concerns introduced or left behind from the biofuel operation.

Action Being Taken:

• Determine whether Government should approve another saw mill operation in Central Newfoundland.

• Confirm proof of the technology proposed by Newgreen Technology Inc., including specific conversion rates for softwood residue by way of third party independent evaluation.

• Seek a legal opinion from Department of Justice to determine whether the proposed Output Performance Warranty insurance policy actually mitigates any of the risk to the Province in the context of issuing a sizeable loan guarantee.
• Determine if Government is prepared to provide a $155 million loan guarantee to NTI considering GNL would be risk-exposed to the remaining balance owed on the debt.

Prepared/Approved by: L. Weatherbie with input from the Forestry Services Branch and Finance/D. Genge/T. Lomond
Ministerial Approval: Received from Hon. Christopher Mitchelmore

September 2, 2016
The following are FAA's comments on this info note:

- 29(1)(a)

Thanks.

Dave
From: Balsom, Stephen  
Sent: Monday, September 12, 2016 12:20 PM  
To: Weatherbie, Larry  
Subject: RE: NTI note

Larry,

Has it gone to your Minister for signature?

Stephen Balsom, RPF  
Assistant Deputy Minister  
Forest Service of Newfoundland and Labrador  
Department of Fisheries, Forestry and Agriculture  
P.O. Box 2000, Fortis Building  
Corner Brook, Nl. Canada, A7T 1E8  
t: 709.637.2239  
c: 709.640.1330  
f: 709.637.2661  
c: stephenbalsom@gov.nl.ca

From: Weatherbie, Larry  
Sent: Monday, September 12, 2016 12:20 PM  
To: Balsom, Stephen  
Subject: RE: NTI note

Yes, normally however this was a draft note.

From: Balsom, Stephen  
Sent: Monday, September 12, 2016 12:18 PM  
To: Weatherbie, Larry  
Subject: RE: NTI note

Larry,

I notice that the Minister's name is not at the bottom, do you normally include this in your notes?

Steve  

Stephen Balsom, RPF  
Assistant Deputy Minister  
Forest Service of Newfoundland and Labrador
From: Weatherbie, Larry  
Sent: Monday, September 12, 2016 11:14 AM  
To: Balsom, Stephen  
Subject: RE: NTI note

Here you are Steve.

FYI, this note has been informed by Finance and Gary and Blair from your shop.

Larry

From: Balsom, Stephen  
Sent: Monday, September 12, 2016 11:10 AM  
To: Weatherbie, Larry  
Subject: NTI note

Larry,

Would I be able to get a copy of the latest NewGreen Tech note?

Thanks

Steve

Stephen Balsom, RPF  
Assistant Deputy Minister  
Forest Service of Newfoundland and Labrador  

Department of Fisheries, Forestry and Agrifoods  
P.O. Box 2006, Fortis Building  
Corner Brook, NL Canada, A2H 6J8  
Tel 709.637.2339  
Fax 709.637.2141  
e stephenbalsom@gov.nl.ca
Hillyard, Rod

From: Weatherbie, Larry
Sent: Wednesday, August 24, 2016 4:10 PM
To: Forward, Gary
Cc: Adams, Blair
Subject: RE: Newgreen Technology Inc. Revised August 22, 2016.doc

Thanks for your reply Gary.

It seems I have interchanged the company names, as one is the trading company and the other is the shipping company. I will correct this.

You are absolutely spot-on concerning verification of the technology. It is imperative this be done by an independent evaluator.

Larry

From: Forward, Gary
Sent: Wednesday, August 24, 2016 4:06 PM
To: Weatherbie, Larry
Cc: Adams, Blair
Subject: RE: Newgreen Technology Inc. Revised August 22, 2016.doc

Hi Larry,

The note looks fine... the update captures the discussion of August 19 quite well.

Just a couple of comments I have; 35(1)(d)

[Redacted]

Gary Forward
Supervisor of Industry Services
709.637.2225

From: Weatherbie, Larry
Sent: Wednesday, August 24, 2016 12:16 PM
To: Adams, Blair; Forward, Gary; Sharpe, Dennis
Subject: Newgreen Technology Inc. Revised August 22, 2016.doc

Hello all, further to our meeting on Friday, I have revised the note regarding Newgreen Technology.

Could you please review and provide any comments as it pertains to your Departments?

Once I have your input I will discuss with my new ADM and DM to discuss next steps.
Thank you.

Larry
Yes, I agree Eric. I already passed that recommendation along to Larry.

Blair Adams, Ph.D.
Director, Ecosystem Sustainability and Research
Centre for Forest Science and Innovation
Forestry Services

Blair;
From: Adams, Blair  
Sent: Wednesday, August 24, 2016 12:38 PM  
To: Young, Eric M.; Balsam, Stephen  
Subject: Fw: Newgreen Technology Inc. Revised August 22, 2016.doc

Attached is the revised NTI note from Larry.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Weatherbie, Larry <lweather@gov.nl.ca>  
Sent: Wednesday, August 24, 2016 12:15 PM  
To: Adams, Blair; Forward, Gary; Sharpe, Dennis  
Subject: Newgreen Technology Inc. Revised August 22, 2016.doc

Hello all, further to our meeting on Friday, I have revised the note regarding Newgreen Technology.

Could you please review and provide any comments as it pertains to your Departments?

Once I have your input I will discuss with my new ADM and DM to discuss next steps.

Thank you.

Larry
From: Weatherbie, Larry
Sent: Wednesday, August 24, 2016 2:03 PM
To: Adams, Blair
Subject: RE: Newgreen Technology Inc. Revised August 22, 2016.doc

Thanks Blair.

Excellent point Blair.

Your point is very valid and I shall update the note to reflect your comment in the note.

All the best.

Larry

From: Adams, Blair
Sent: Wednesday, August 24, 2016 1:58 PM
To: Weatherbie, Larry
Subject: RE: Newgreen Technology Inc. Revised August 22, 2016.doc

Larry,

I found a few moments on the road to have a look at this. The note is well written and looks good to me, I only have one suggestion.

Cheers,
Hello all, further to our meeting on Friday, I have revised the note regarding Newgreen Technology.

Could you please review and provide any comments as it pertains to your Departments?

Once I have your input I will discuss with my new ADM and DM to discuss next steps.

Thank you.

Larry
Thanks Blair.

Very much looking forward to your feedback.

Larry

Thanks Larry, I will give this a look as soon as I am back in the office tomorrow.

Sent from my BlackBerry 10 smartphone on the Bell network.

Hello all, further to our meeting on Friday, I have revised the note regarding Newgreen Technology.

Could you please review and provide any comments as it pertains to your Departments?

Once I have your input I will discuss with my new ADM and DM to discuss next steps.

Thank you.

Larry
Attached is the revised NTI note from Larry.

Sent from my BlackBerry 10 smartphone on the Bell network.

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Sent: Wednesday, August 24, 2016 12:15 PM
To: Adams, Blair; Forward, Gary; Sharpe, Dennis
Subject: Newgreen Technology Inc. Revised August 22, 2016.doc

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Could you please review and provide any comments as it pertains to your Departments?

Once I have your input I will discuss with my new ADM and DM to discuss next steps.

Thank you.

Larry
Hello all, further to our meeting on Friday, I have revised the note regarding Newgreen Technology.

Could you please review and provide any comments as it pertains to your Departments?

Once I have your input I will discuss with my new ADM and DM to discuss next steps.

Thank you.

Larry
From: Hillyard, Rod
Sent: Thursday, August 18, 2016 3:31 PM
To: Wheeler, Lisa
Subject: Contact info

Lisa contact details below. No idea on fax, haven’t used on since 2006..

Sent from my BlackBerry 10 smartphone on the Bell network.

Blair Adams, Ph.D.
Director, Ecosystem Sustainability and Research
Centre for Forest Science and Innovation
Forestry Services

www.gov.nl.ca/FAA
Forestry and Agrifoods Agency
222 Airport Blvd
Gander, NL Canada A1Y 2T6


This e-mail and any files transmitted are confidential and intended solely for the use of the individual or entity to whom they are addressed. If you have received this e-mail in error, please notify the sender.

From: Weatherbie, Larry
Sent: Wednesday, August 10, 2016 4:28 PM
To: Adams, Blair
Subject: FW: Meeting with New Green Technologies

Hi Blair, attached is a copy of the New Green business plan for your review in preparation of the client meeting next Friday.

Not sure if you recall, we met a couple of years ago when RJ Bioenergy was in St. John’s.
I look forward to meeting you again and receiving your knowledge and expertise in matters of this regard.

Please feel free to contact me if you have any questions at 729-7125.

Larry

---

**From:** Evans, James W  
**Sent:** Wednesday, August 10, 2016 3:31 PM  
**To:** Weatherbie, Larry; Balsam, Stephen  
**Cc:** Malone, Rita C.; Adams, Blair  
**Subject:** Re: Meeting with New Green Technologies

Hi Larry,

Yes, Dr. Adams will be available on the 19th. I have copied him on this e-mail to confirm. I'll follow up with you after the meeting with NTI.

Regards,

Jim

Sent from my BlackBerry 10 smartphone on the Bell network.

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**From:** Weatherbie, Larry  
**Sent:** Wednesday, August 10, 2016 2:54 PM  
**To:** Evans, James W; Balsam, Stephen  
**Cc:** Malone, Rita C.  
**Subject:** RE: Meeting with New Green Technologies

Hi Jim, unfortunately the client is not available on those dates, so it is best we stick to the original meeting date of August 19th.
As far as FSB representation, I think it would excellent if Dr. Adams could be part of this discussion.

Is this possible?

Larry

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From: Evans, James W  
Sent: Tuesday, August 09, 2016 2:49 PM  
To: Weatherbie, Larry; Balsom, Stephen  
Cc: Malone, Rita C.  
Subject: RE: Meeting with New Green Technologies

Hi Larry,

I could be available to meet with NewGreen Technologies on the following days:

Tuesday 16\textsuperscript{th} up to 3:00PM

Monday 22\textsuperscript{nd} all day

Tuesday 23\textsuperscript{rd} 11:00AM – 3:00PM

Let me know if that works you.

Thanks,

Jim

---

From: Weatherbie, Larry  
Sent: Tuesday, August 09, 2016 12:41 PM  
To: Evans, James W; Balsom, Stephen
Thanks Jim.

Jim we feel it is very important a member of your Executive team be in attendance.

Even though we have confirmed the client’s attendance, can you suggest a date that would suitable for you and your team?

If your attendance is not possible in the near term, Dr. Adams attendance would be a valuable representative of FSB.

Thanks
Larry

From: Evans, James W
Sent: Monday, August 08, 2016 3:47 PM
To: Weatherbie, Larry; Balsom, Stephen; Sharpe, Dennis; O’Brien, Tom
Cc: Malone, Rita C.
Subject: RE: Meeting with New Green Technologies

Thanks Larry,

I’m scheduled to be in St. John’s late next week and Steve Balsom will be on vacation. Steve, maybe you could send the invite to Blair Adams and Eric Young (or Gary Forward if Eric is off).

Jim
Gentlemen, BTCRD is proposing a meeting with the proponents from New Green Technologies next Friday, August 19th at 1:30pm.

The meeting will be held in the boardroom of BTCRD, Millbrook Mall, Corner Brook.

The client has confirmed their attendance.

Please feel free to extend this invitation to any of your staff.

For those who cannot attend in person, we will set you up via conference call.

Could you please confirm your attendance?

Thanks everyone.

Larry
Hi Blair, attached is a copy of the New Green business plan for your review in preparation of the client meeting next Friday.

Not sure if you recall, we met a couple of years ago when RJ Bioenergy was in St. John's.

I look forward to meeting you again and receiving your knowledge and expertise in matters of this regard.

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Larry

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Subject: RE: Meeting with New Green Technologies

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Jim

From: Weatherbie, Larry  
Sent: Monday, August 08, 2016 3:18 PM
To: Balsam, Stephen; Evans, James W; Sharpe, Dennis; O'Brien, Tom
Cc: Malone, Rita C.
Subject: Meeting with New Green Technologies

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The client has confirmed their attendance.

Please feel free to extend this invitation to any of your staff.

For those who cannot attend in person, we will set you up via conference call.

Could you please confirm your attendance?

Thanks everyone.

Larry.
Did you get the agenda?

Sent from my BlackBerry 10 smartphone on the Bell network.

Hi Larry,
Yes, Dr. Adams will be available on the 19th. I have copied him on this e-mail to confirm. I will follow up with you after the meeting with NTI.
Regards,
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Jim

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Cc: Malone, Rita C.
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The client has confirmed their attendance.
Please feel free to extend this invitation to any of your staff.

For those who cannot attend in person, we will set you up via conference call.

Could you please confirm your attendance?

Thanks everyone.

Larry
From: Balsom, Stephen
Sent: Thursday, August 04, 2016 2:53 PM
To: Malone, Rita C.
Cc: Evans, James W
Subject: Newgreen Technology Inc. July 14 2016 (2).doc
Attachments: Newgreen Technology Inc. July 14 2016 (2).doc

Rita,

Please find attached the updated note with FAA comments. If you require anything else or would like to meet to discuss please let me know.

Steve
Title: Newgreen Technology Inc. (NTI)

Issue: Newgreen Technology has submitted a business plan to establish a modern, highly efficient sawmill and Biofuel Manufacturing and Export (BMEX) facility in Botwood, NL.

Background and Current Status:
- NTI is a Newfoundland and Labrador company who proposes to use clean innovative technologies and underutilized forestry biomass to establish a modern, highly efficient sawmill and Biofuel facility in Botwood.
- NTI's short-term plans are to establish a new modern 50 million board feet (MBF) sawmill and the initial steps toward a biofuel conversion program.
- In the long-term, NTI will expand both operations and additionally take on full responsibilities for forestry management programs for its fibre allocations.
- The company proposes to create a total of 99 direct jobs by year five and more than 100 indirect jobs for independent workers involved in tree harvesting and supply operations.
- NTI will need to gain access to the 280,000 cubic metres of fibre in Central Newfoundland, previously held by AbitibiBowater.
- The company is projecting based on the available fibre basket in Central Newfoundland; they will produce 40,000,000 litres of diesel per year from forestry waste streams.
- NTI advises they have secured an off-take agreement with a large European buyer.

Analysis:
- The company has suggested a capital investment of approximately $155 million is required to bring the facility into operation. The total project cost is $155.5 million, $29.58M is required for the sawmill operation and $126M for the biofuel reactor units.
- NTI advises they are not requesting direct financial assistance from the Province however the company is seeking a full third party guarantee which will support the company's debt financing requirements from Government. This guarantee will serve to provide credit enhancement to the funders, to ensure the provision of optimal terms and conditions, while providing clear demonstration of the commitment of GNL to the future of the forest industry.
NTI proposes to introduce Cellulose to Hydrogen Power (CHyP) as a clean energy application to produce synthetic diesel fuel from residual forestry biomass. The diesel fuel to be produced will be exported via tankers from Botwood.

The core technology to be used by NTI, through an exclusive licensing agreement, is the patented technology offered by Proton Power Inc. located in Tennessee. Proton Power has developed a patented renewable energy system that produces inexpensive hydrogen on demand from biomass and waste sources. Cellulose to Hydrogen Power is ideal for clean energy applications such as distributed or central-stations electrical power generation, hydrogen production or producing synthetic fuels such as renewable gasoline, aviation fuel or in NTI's case, diesel.

In addition to diesel fuel, as its primary product, two significant useable secondary by-products will be generated in Botwood by the biomass waste to fuel process. The first by-product is known as biochar. The second by-product is a great amount of heat. NTI has not identified the most effective use(s) of this excess heat, but it will aggressively examine option.

Newgreen is seeking access to the Central NL fibre for a 20 year period, with a first and fair right to renegotiate for a second 20 year term at the end of the first 20 year term.

NTI has secured an off take agreement with a large European buyer however details are scanty.

The Agreement in Principle with Rentech expired in January 2015 and the unallocated fibre in Central NL is open to proposals.

Forestry Services Branch is currently engaged in the development of long term tenure arrangements for two existing saw mills. The request from NTI for long term access to 285,000 cubic metres of timber from FMD 10, 11, 12 and 13 will be dependent on the approval of the tenure arrangements with the existing saw mills. The 285,000 cubic metres would be available from other FMD's in Central NL and other regions within the province which may impact the predicted cost of fibre outlined in the proposal and would require further analysis if the proposed tenure arrangements for the two existing saw mills is approved.

The initial production target of 36-40 million board feet (MBF) is achievable from 285,000 cubic metres based on achieving a harvesting level of 50% saw logs and a lumber recover factor of 250 board feet per cubic metre. In order to reach the full 50 MBF will require the harvest/purchase of an estimated additional 115,000 cubic metres for a total of 400,000 cubic metres.

The biofuel manufacturing and export (BMEX) plant proposal has not specifically stated the conversion factors for softwood residue (bark, sawdust and chips) to diesel. It can only be inferred from the proposal that the BMEX plant is predicted to produce 40,000,000 litres of diesel from 140,000 cubic metres of residue (page 11). Therefore it is unclear if the fibre volume requested is adequate to run both the saw mill and BMEX. The conversion rate would need to be verified as the technology risk on this product remains very significant.
Globally there is no commercial production of diesel fuel from cellulose based biomass. Third party evaluation of the technology to confirm specific conversion rates for softwood residue would be recommended.

- Without the specific identification of lumber markets it is not possible to comment on if GNL should be creating a saw mill operation in Central Newfoundland. The creation of a new saw mill in central Newfoundland could have potential negative impacts on the existing saw mill industry if the proposed market is local provincial lumber retailers. Increasing the lumber supply locally will put downward pressure on demand and could lower the local lumber price. If the potential proposed market is outside the province there may be no impact on local existing saw mills.

- The identification of lumber markets is weak. The estimate of $500 per thousand board feet is considered high and Forestry Services Branch feel $400-$450 is more realistic. Market identification for the sale of Bio Char and Wood Vinegar is also required. In general terms a saw mill centrally located with markets outside the province would be beneficial to Central NL. NTI will need to provide evidence on how this proposal will not impact the other existing saw mills. Also, the BMEX facility will utilize small diameter timber which could impact Corner Brook Pulp and Paper Limited's ability to purchase pulpwood from Central NL, which is the main area for spruce timber which the mill is heavily reliant upon for its paper production.

- The minister, with the approval of the Lieutenant-Governor in Council, may issue a Crown timber licence to a person who owns or operates a timber processing facility and has entered into a 20 year forest management agreement with the minister.

**Action Being Taken:**

- Determine if Government is prepared to provide a $155 million loan guarantee to NTI.
- Determine the market and production viability / sustainability of the project.

**Prepared/Approved by:** BTCRD with input from the Forestry and Agrifoods Agency and Finance/R. Malone/D. Genge

**Ministerial Approval:** Received from Hon. [Minister's Name]

**August 4, 2016**
Fyi, summer is hard to get things together – all has to go for direction, then depending a full cabinet paper. Minister

Rita Malone
Assistant Deputy Minister
PO Box 2006, Corner Brook, NL A2H 6J8
PO Box 8700, St. John's, NL A1B 4J6
Phone: (709) 637-2977 (Corner Brook)
       (709) 729-5562 (St. John's)
Fax:   (709) 637-2145 (Corner Brook)
       (709) 729-4858 (St. John's)

Dennis,

Please see the attached. Came in while you were off.

Please review and advise. If any Debt Management issues, please refer to Paul. He's out of the office this week and next. Due back on August 14th.

Thanks

Craig

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Weatherbie, Larry <lweather@gov.nl.ca>
Sent: Thursday, August 4, 2016 1:37 PM
To: Martin, Craig
Cc: Malone, Rita C.
Subject: FW: Newgreen Technology Inc. July 14, 2016 Information Note

Hello Craig, can you advise when we may receive your response to the attached BN?

Thanks
Larry
Hello all, BTCRD has prepared an information note pertaining to the proposal received recently from Newgreen Technology.

We are seeking your input regarding questions directly related to you applicable Departments.

Please forward your responses to me and I will update the note.

Thank you in advance.

Larry
Information Note
Department of Business, Tourism, Culture and Rural Development

Title: Newgreen Technology Inc. (NTI)

Issue: Newgreen Technology has submitted a business plan to establish a modern, highly efficient sawmill and Biofuel Manufacturing and Export (BMEX) facility in Botwood, NL.

Background and Current Status:
- NTI is a Newfoundland and Labrador company who proposes to use clean innovative technologies and underutilized forestry biomass to establish a modern, highly efficient sawmill and Biofuel facility in Botwood.
- NTI's short-term plans are to establish a new modern 50 million board feet sawmill and the initial steps toward a biofuel conversion program.
- In the long-term, NTI will expand both operations and additionally take on full responsibilities for forestry management programs for its fibre allocations.
- The company proposes to create a total of 99 direct jobs by year five and more than 100 indirect jobs for independent workers involved in tree harvesting and supply operations.
- NTI will need to gain access to the 280,000 cubic metres of fibre in Central Newfoundland, previously held by AbitibiBowater.
- The company is projecting based on the available fibre basket in Central Newfoundland; they will produce 40,000,000 litres of diesel per year from forestry waste streams.
- NTI advises they have secured an off-take agreement with a large European buyer.
- The President of NTI is Mr. Geoffrey Penney.

Analysis:
- The company has suggested a capital investment of approximately $155 million is required to bring the facility into operation. The total project cost is $155.5 million, $29.58M is required for the sawmill operation and $126M for the biofuel reactor units.
- NTI advises they are not requesting direct financial assistance from the Province however the company is seeking a full third party guarantee which will support the company’s debt financing requirements from Government. This guarantee will serve to provide credit enhancement to the funders, to ensure the provision of optimal terms and conditions, while providing clear demonstration of the commitment of GNL to the future of the forest industry.
- NTI proposes to introduce Cellulose to Hydrogen Power (CHyP) as a clean energy application to produce synthetic diesel fuel from residual forestry biomass. The diesel fuel to be produced will be exported via tankers from Botwood.
• The core technology to be used by NTI, through an exclusive licensing agreement, is the patented technology offered by Proton Power Inc. located in Tennessee. Proton Power has developed a patented renewable energy system that produces inexpensive hydrogen on demand from biomass and waste sources. Cellulose to Hydrogen Power is ideal for clean energy applications such as distributed or central-stations electrical power generation, hydrogen production or producing synthetic fuels such as renewable gasoline, aviation fuel or in NTI's case, diesel.

• In addition to diesel fuel, as its primary product, two significant useable secondary by-products will be generated in Botwood by the biomass waste to fuel process. The first by-product is known as biochar. The second by-product is a great amount of heat. NTI has not identified the most effective use(s) of this excess heat, but it will aggressively examine option.

• Newgreen is seeking access to the Central NL fibre for a 20 year period, with a first and fair right to renegotiate for a second 20 year term at the end of the first 20 year term.

• NTI has secured an offtake agreement with a large European buyer however details are scanty.

• Based on information detailed in a June 24th CBC news article, has the offer to Rentech for access to the fibre basket in questioned been rescinded? FSB to provide status update.

• Forestry Services Branch to provide commentary on whether GNL should be creating a new sawmill operation in Central Newfoundland and whether they can meet projected outputs based on 280,000 cubic metres of fibre.

• FSB to comment on the proposed term of the fibre basket – 20 year term with a first right to a second term of 20 years. Is there a possibly Government will agree to said terms?

Action Being Taken:
• Determine the availability of Central Newfoundland fibre for a 20 year term to NTI.

• Determine if Government is prepared to provide a $155 million loan guarantee to NTI.
- Determine the market and production viability / sustainability of the project.

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

Prepared/Approved by: BTCRD with input from FSB and Finance/R. Malone/D. Genge
Ministerial Approval: Received from Hon. [Minister's Name]

July 14, 2016
Hillyard, Rod

From: Balsom, Stephen
Sent: Thursday, July 28, 2016 3:36 PM
To: Cheeks, David
Subject: RE: Newgreen Technology Inc. July 14 2016 (2).doc

See you tomorrow.

Steve

Stephen Balsom, RPF
Assistant Deputy Minister - Forestry
Forestry and Agrifoods Agency
P.O. Box 2006
Corner Brook, NL, A2H 6J8

Office: 709.637.2339
Cell: 709.640.1330
Fax: 709.637.2461
stephenbalsom@gov.nl.ca

---

From: Cheeks, David
Sent: Thursday, July 28, 2016 3:27 PM
To: Balsom, Stephen
Cc: Evans, James W
Subject: RE: Newgreen Technology Inc. July 14 2016 (2).doc

Steve:

You have captured the important points from my perspective.

Non responsive

---

David R. Cheeks  R.P.F.

Director - Special Projects

Forestry & Agrifoods Agency
P.O. Box 2222
Gander, NL A1V 2N9
(709) 256 - 1462 (Office)
(709) 422 - 0365 (Cell)
(709) 256 - 1459 (Fax)
From: Balsom, Stephen  
Sent: Thursday, July 28, 2016 3:09 PM  
To: Evans, James W; Young, Eric M.; Cheeks, David; Adams, Blair  
Subject: RE: Newgreen Technology Inc. July 14 2016 (2).doc

Thanks for the quick review; I will revise the note accordingly.

Steve

Stephen Balsom, RPF  
Assistant Deputy Minister - Forestry  
Forestry and Agrifoods Agency  
P.O. Box 2006  
Corner Brook, NL, A2H 6J8  
Office: 709.637.2339  
Cell: 709.640.1330  
Fax: 709.637.2461  
stephenbalsom@gov.nl.ca

From: Evans, James W  
Sent: Thursday, July 28, 2016 2:40 PM  
To: Balsom, Stephen; Young, Eric M.; Cheeks, David; Adams, Blair  
Subject: Re: Newgreen Technology Inc. July 14 2016 (2).doc

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Balsom, Stephen  
Sent: Thursday, July 28, 2016 12:18 PM  
To: Evans, James W; Young, Eric M.; Cheeks, David; Adams, Blair  
Subject: Newgreen Technology Inc. July 14 2016 (2).doc

Please find attached an updated information note regarding the Newgreen Tech proposal. I have summarized the comments that I received. Please review and let me know if there are any corrections or additions required before I send this back to BTCRD.

Steve
Hillyard, Rod

From: Young, Eric M.
Sent: Thursday, July 28, 2016 2:51 PM
To: Evans, James W; Balsom, Stephen; Cheeks, David; Adams, Blair
Subject: RE: Newgreen Technology Inc. July 14 2016 (2).doc

Thanks Steve;

I have reviewed and you have covered the major points raised by Gary & I. Also:

[29(1)(a)]

Eric Young, P.Eng., RPF
Director Forest Engineering & Industry Services
Forestry Services

Forestry and Agrifoods Agency
P.O. Box 2006
Corner Brook, NL Canada A2H 6J8

t 709.637.2350
c 709.632.9810
f 709.637.2403


This e-mail and any files transmitted are confidential and intended solely for the use of the individual or entity to whom they are addressed. If you have in error, please notify the sender.

From: Evans, James W
Sent: Thursday, July 28, 2016 2:40 PM
To: Balsom, Stephen; Young, Eric M.; Cheeks, David; Adams, Blair
Subject: Re: Newgreen Technology Inc. July 14 2016 (2).doc

Steve,
A couple of points/considerations:
Sent from my BlackBerry 10 smartphone on the Bell network.

From: Balsom, Stephen
Sent: Thursday, July 28, 2016 12:18 PM
To: Evans, James W; Young, Eric M.; Cheeks, David; Adams, Blair
Subject: Newgreen Technology Inc. July 14 2016 (2).doc

Please find attached an updated information note regarding the Newgreen Tech proposal. I have summarized the comments that I received. Please review and let me know if there are any corrections or additions required before I send this back to BTCRD.

Steve
Blair

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Balsom, Stephen
Sent: Thursday, July 28, 2016 1:48 PM
To: Evans, James W; Young, Eric M.; Cheeks, David; Adams, Blair
Subject: Newgreen Technology Inc. July 14 2016 (2).doc

Please find attached an updated information note regarding the Newgreen Tech proposal. I have summarized the comments that I received. Please review and let me know if there are any corrections or additions required before I send this back to BTCRD.

Steve
Hillyard, Rod

From: Balsom, Stephen
Sent: Monday, August 01, 2016 12:17 PM
To: Evans, James W
Subject: Newgreen Technology Inc. July 14 2016 (2).doc
Attachments: Newgreen Technology Inc. July 14 2016 (2).doc

Jim,

I will put a paper copy on your desk for your final review. Let me know if you need anything else.

Steve
Information Note
Department of Business, Tourism, Culture and Rural Development

Title: Newgreen Technology Inc. (NTI)

Issue: Newgreen Technology has submitted a business plan to establish a modern, highly efficient sawmill and Biofuel Manufacturing and Export (BMEX) facility in Botwood, NL.

Background and Current Status:
- NTI is a Newfoundland and Labrador company who proposes to use clean innovative technologies and underutilized forestry biomass to establish a modern, highly efficient sawmill and Biofuel facility in Botwood.
- NTI's short-term plans are to establish a new modern 50 million board feet (MBF) sawmill and the initial steps toward a biofuel conversion program.
- In the long-term, NTI will expand both operations and additionally take on full responsibilities for forestry management programs for its fibre allocations.
- The company proposes to create a total of 99 direct jobs by year five and more than 100 indirect jobs for independent workers involved in tree harvesting and supply operations.
- NTI will need to gain access to the 280,000 cubic metres of fibre in Central Newfoundland, previously held by AbitibiBowater.
- The company is projecting based on the available fibre basket in Central Newfoundland; they will produce 40,000,000 litres of diesel per year from forestry waste streams.
- NTI advises they have secured an off-take agreement with a large European buyer.
- The President of NTI is Mr. Geoffrey Penney

Analysis:
- The company has suggested a capital investment of approximately $155 million is required to bring the facility into operation. The total project cost is $155.5 million, $29.58M is required for the sawmill operation and $126M for the biofuel reactor units.
- NTI advises they are not requesting direct financial assistance from the Province however the company is seeking a full third party guarantee which will support the company's debt financing requirements from Government. This guarantee will serve to provide credit enhancement to the funders, to ensure the provision of optimal terms and conditions, while providing clear demonstration of the commitment of GNL to the future of the forest industry.
- NTI proposes to introduce Cellulose to Hydrogen Power (CHyP) as a clean energy application to produce synthetic diesel fuel from residual forestry biomass. The diesel fuel to be produced will be exported via tankers from Botwood.
• The core technology to be used by NTI, through an exclusive licensing agreement, is the patented technology offered by Proton Power Inc. located in Tennessee. Proton Power has developed a patented renewable energy system that produces inexpensive hydrogen on demand from biomass and waste sources. Cellulose to Hydrogen Power is ideal for clean energy applications such as distributed or central-stations electrical power generation, hydrogen production or producing synthetic fuels such as renewable gasoline, aviation fuel or in NTI's case, diesel.

• In addition to diesel fuel, as its primary product, two significant useable secondary by-products will be generated in Botwood by the biomass waste to fuel process. The first by-product is known as biochar. The second by-product is a great amount of heat. NTI has not identified the most effective use(s) of this excess heat, but it will aggressively examine option.

• Newgreen is seeking access to the Central NL fibre for a 20 year period, with a first and fair right to renegotiate for a second 20 year term at the end of the first 20 year term.

• NTI has secured an off take agreement with a large European buyer however details are scanty.

• The Agreement in Principle with Rentech expired in January 2015 and the unallocated fibre in Central NL is open to proposals.

• Forestry Services Branch is currently engaged in the development of long term tenure arrangements for two established saw mills. The request from NTI for long term access to 285,000 cubic metres of timber from FMD 10, 11, 12 and 13 will be dependent on the approval of the tenure arrangements with the saw mills. The 285,000 cubic metres would be available from other FMD’s in Central NL and other regions within the province which may impact the predicted cost of fibre outlined in the proposal and would require further analysis.

• The initial production target of 36-40 million board feet (MBF) is achievable from 285,000 cubic metres however to reach the full 50 MBF will require the harvest/purchase of an estimated additional 115,000 cubic metres for a total of 400,000 cubic metres.

• The biofuel manufacturing and export (BMEX) plant proposal has not specifically stated the conversion factors for softwood residue (bark, sawdust and chips) to diesel. It can only be inferred from the proposal that the BMEX plant is predicted to produce 40,000,000 litres of diesel from 140,000 cubic metres of residue (page 11). Therefore it is unclear if the fibre volume requested is adequate to run both the saw mill and BMEX. The conversion rate would need to be verified as the technology risk on this product remains very significant. Globally there is no commercial production of diesel fuel from cellulose based biomass. Third party evaluation of the technology to confirm specific conversion rates for softwood residue would be recommended.

• Without the specific identification of lumber markets it is not possible to comment on if GNL should be creating a saw mill operation in Central Newfoundland. The creation of a new saw mill in central Newfoundland could have potential negative impacts on the existing saw
mill industry if the proposed market is local provincial lumber retailers. Increasing the supply locally will put downward pressure on demand and could lower the local lumber price. If the potential proposed market is outside the province there may be no impact on local existing saw mills. In general terms a saw mill centrally located with markets outside the province would be beneficial to Central NL. NTI will need to provide evidence on how this proposal will not impact the other existing saw mills. Also, the BMEX facility will utilize small diameter timber which could impact Corner Brook Pulp and Paper Limited's ability to purchase pulpwood from Central NL, which is the main area for spruce timber which the mill is heavily reliant upon for its paper production.

- The identification of lumber markets is weak. The estimate of $500 per thousand board feet is considered high and Forestry Services Branch feel $400-$450 is more realistic. Market identification for the sale of Bio Char and Wood Vinegar is also required. In general terms, in order to properly assess the proposal signed off take agreements with pricing is needed for all products.

- The minister, with the approval of the Lieutenant-Governor in Council, may issue a Crown timber licence to a person who owns or operates a timber processing facility and has entered into a 20 year forest management agreement with the minister.

### Action Being Taken:

- Determine if Government is prepared to provide a $155 million loan guarantee to NTI.

- Determine the market and production viability / sustainability of the project.

### Prepared/Approved by:

**BTCRD with input from FSB and Finance/R. Malone/D. Genge**

**Ministerial Approval:** Received from Hon. [Minister’s Name]

August 1, 2016
Hillyard, Rod

From: Balsom, Stephen
Sent: Friday, July 22, 2016 2:36 PM
To: Evans, James W
Cc: Weatherbie, Larry; Genge, Daryl; George, Bradley; Malone, Rita C.
Subject: RE: NewGreen

Jim,

We received this note on July 15, 2016 and are preparing our comments. We hope to have them finalized early next week.

Steve

Stephen Balsom, RPF
Assistant Deputy Minister - Forestry
Forestry and Agrifoods Agency
P.O. Box 2006
Corner Brook, NL, A2H 6J8

Office: 709.637.2339
Cell: 709.640.1330
Fax: 709.637.2461
stephenbalsom@gov.nl.ca

From: Malone, Rita C.
Sent: Friday, July 22, 2016 1:02 PM
To: Evans, James W; Balsom, Stephen
Cc: Weatherbie, Larry; Genge, Daryl; George, Bradley
Subject: NewGreen
Importance: High

Minister inquired of Daryl this am, re the status of the $155 million deal put forward by above captioned client. We forwarded a note to you a couple of weeks ago, and need to clue up this decision note so as to go back to the Minister and possibly beyond.

Rita Malone
Assistant Deputy Minister
PO Box 2006, Corner Brook, NL A2H 6J8
PO Box 8700, St. John's, NL A1B 4J6

Phone: (709) 637-2977 (Corner Brook)
(709) 729-5562 (St. John's)

Fax: (709) 637-2145 (Corner Brook)
(709) 729-4858 (St. John's)
Gentlemen; here are my thoughts/comments, I suggest we use these to build off:

**Implications of proposed Sawmill:** 29(1)(a)

**Markets & Offtake Agreements:** 29(1)(a), 35(1)(d)
Thanks Blair

Eric – Would you please work with Dave and Ivan to comment on the questions related to fibre. We need to evaluate the sawmill production numbers and the potential to supply the sawmill from the former Abitibi Limits as well as consideration of the impact on the two sawmills that are currently relying on FMD 10/11/12.

Thanks

Steve

Stephen Balsom, RPF
Assistant Deputy Minister - Forestry
Forestry and Agrifoods Agency
P.O. Box 2006
Corner Brook, NL, A2H 6J8

Office: 709.637.2339
Cell: 709.640.1330
Fax: 709.637.2461
stephenbalsom@gov.nl.ca

I will leave the woos supply comments to others with better knowledge. My only comment on this remains the same:
Blair

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Evans, James W
Sent: Friday, July 15, 2016 11:39 AM
To: Balsam, Stephen; Adams, Blair; Young, Eric M.
Subject: Fw: Newgreen Technology Inc. July 14, 2016 Information Note

Hi,
See attached and request from BTCRD on the NTI note.
Jim

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Weatherbie, Larry <lweather@gov.nl.ca>
Sent: Friday, July 15, 2016 7:58 AM
To: Martin, Craig; Evans, James W; Balsam, Stephen
Cc: Malone, Rita C.
Subject: Newgreen Technology Inc. July 14, 2016 Information Note

Hello all, BTCRD has prepared an information note pertaining to the proposal received recently from Newgreen Technology.

We are seeking your input regarding questions directly related to you applicable Departments.

Please forward your responses to me and I will update the note.

Thank you in advance.

Larry
Hillyard, Rod

From: Young, Eric M.  
Sent: Monday, July 18, 2016 11:21 AM  
To: Cheeks, David; Downton, Ivan N.  
Subject: FW: Newgreen Technology Inc. July 14, 2016 Information Note  
Attachments: Newgreen Technology Inc. July 14 2016.doc  

Gentlemen;

As per below we have been asked to prepare some commentary on the attached BN prepared by BTCRD. Gary and I have reviewed and I will send you our collective thoughts.

As lead on the file I suggest Dave compile?

---

Eric Young, P.Eng., RPF  
Director Forest Engineering & Industry Services  
Forestry Services  
Forestry and Agrifoods Agency  
P.O. Box 2006  
Corner Brook, NL Canada A2H 6J8  
t 709.637.2350  
@FAA_GovNL  
f 709.637.2403  


This e-mail and any files transmitted are confidential and intended solely for the use of the individual or entity to whom they are addressed. If you have in error, please notify the sender.

---

From: Balsom, Stephen  
Sent: Monday, July 18, 2016 10:48 AM  
To: Adams, Blair; Evans, James W; Young, Eric M.  
Subject: RE: Newgreen Technology Inc. July 14, 2016 Information Note  

Thanks Blair

Eric – Would you please work with Dave and Ivan to comment on the questions related to fibre. We need to evaluate the sawmill production numbers and the potential to supply the sawmill from the former Abitibi Limits as well as consideration of the impact on the two sawmills that are currently relying on FMD 10/11/12.

Thanks

Steve

Stephen Balsom, RPF
From: Adams, Blair
Sent: Monday, July 18, 2016 10:43 AM
To: Evans, James W; Balsam, Stephen; Young, Eric M.
Subject: Re: Newgreen Technology Inc. July 14, 2016 Information Note

I will leave the woos supply comments to others with better knowledge. My only comment on this remains the same:

Blair

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Evans, James W
Sent: Friday, July 15, 2016 11:39 AM
To: Balsam, Stephen; Adams, Blair; Young, Eric M.
Subject: Fw: Newgreen Technology Inc. July 14, 2016 Information Note

Hi,
See attached and request from BTCRD on the NTI note.
Jim

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Weatherbie, Larry <lweather@gov.nl.ca>
Sent: Friday, July 15, 2016 7:58 AM
To: Martin, Craig; Evans, James W; Balsam, Stephen
Cc: Malone, Rita C.
Subject: Newgreen Technology Inc. July 14, 2016 Information Note

Hello all, BTCRD has prepared an information note pertaining to the proposal received recently from Newgreen Technology.

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Please forward your responses to me and I will update the note.
Thank you in advance.

Larry
Thanks Larry,

Rita Malone
Assistant Deputy Minister
Regional and Business Development
Department of Business, Tourism, Culture and Rural Development
637-2977(Corner Brook) 729-5562(St. John's)

Sent from my BlackBerry 10 smartphone on the Bell network.

Hello all, BTCRD has prepared an information note pertaining to the proposal received recently from Newgreen Technology.

We are seeking your input regarding questions directly related to you applicable Departments.

Please forward your responses to me and I will update the note.

Thank you in advance.

Larry
Thanks Blair.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Adams, Blair  
Sent: Friday, July 15, 2016 9:53 AM 
To: Evans, James W; Balsam, Stephen; Young, Eric M.  
Subject: Re: Newgreen Technology Inc. July 14, 2016 Information Note

I will review shortly.

From: Evans, James W  
Sent: Friday, July 15, 2016 12:09 PM 
To: Balsam, Stephen; Adams, Blair; Young, Eric M.  
Subject: Fw: Newgreen Technology Inc. July 14, 2016 Information Note

Hi,

See attached and request from BTCRD on the NTI note.

Jim

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Weatherbie, Larry  
Sent: Friday, July 15, 2016 7:58 AM 
To: Martin, Craig; Evans, James W; Balsam, Stephen  
Cc: Malone, Rita C.  
Subject: Newgreen Technology Inc. July 14, 2016 Information Note

Hello all, BTCRD has prepared an information note pertaining to the proposal received recently from Newgreen Technology.

We are seeking your input regarding questions directly related to you applicable Departments.

Please forward your responses to me and I will update the note.

Thank you in advance.

Larry
Hi,
See attached and request from BTCRD on the NTI note.
Jim

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Weatherbie, Larry <lweather@gov.nl.ca>
Sent: Friday, July 15, 2016 7:58 AM
To: Martin, Craig; Evans, James W; Balsom, Stephen
Cc: Malone, Rita C.
Subject: Newgreen Technology Inc. July 14, 2016 Information Note

Hello all, BTCRD has prepared an information note pertaining to the proposal received recently from Newgreen Technology.

We are seeking your input regarding questions directly related to you applicable Departments.

Please forward your responses to me and I will update the note.

Thank you in advance.

Larry
Thanks Rita,

I read through their proposal last night. I have asked Steve Balsom to connect with you regarding preparation of the note. A couple of observation points and questions from my perspective:

Thanks,

Jim

---

From: Malone, Rita C.
Sent: Tuesday, July 05, 2016 7:31 PM
To: Balsom, Stephen
Cc: Evans, James W; Genge, Daryl; Weatherbie, Larry; Styles, Sherry
Subject: Re: NewGrenn Tech Proposal

Refer earlier emails re ask of company, we need to meet and prepare a joint note, there is no set person to refer this file to in our shop. Finance needs to be engaged as well.

As noted in email of last week, a 155m guarantee, along with 20 plus 20 timber secured agreement is beyond the pale.

Thanks all, Rita

Sherry, can you TRIM for me please.

Rita Malone
Assistant Deputy Minister
Regional and Business Development
Department of Business, Tourism, Culture and Rural Development
637-2977(Corner Brook) 729-5562(St. John's)
Sent from my BlackBerry 10 smartphone on the Bell network.

From: Balsom, Stephen  
Sent: Tuesday, July 5, 2016 12:08 PM  
To: Malone, Rita C.  
Subject: NewGrenn Tech Proposal  

Rita,  

I have been contacted by the NewGreen Tech representative. Is there a contact with BTCRD that I can give them?  

Steve  

Stephen Balsom, RPF  
Assistant Deputy Minister - Forestry  
Forestry and Agrifoods Agency  
P.O. Box 2006  
Corner Brook, NL, A2H 6J8  

Office: 709.637.2339  
Cell: 709.640.1330  
Fax: 709.637.2461  
stephenbalsom@gov.nl.ca
Please see below.

Steve

Stephen Balsom, RPF
Assistant Deputy Minister - Forestry
Forestry and Agrifoods Agency
P.O. Box 2006
Corner Brook, NL, A2H 6J8

Office: 709.637.2339
Cell: 709.640.1330
Fax: 709.637.2461
stephenbalsom@gov.nl.ca

I refer to article below:

We need to regroup here. This is nowhere near a deal- Newgreen Technology seeks a full $155 Million guarantee, 40 years of fibre. A draft note will follow for input by FS.

Rita Malone
Assistant Deputy Minister
PO Box 2006, Corner Brook, NL A2H 6J8
PO Box 8700, St. John’s, NL A1B 4J6

Phone: (709) 637-2977 (Corner Brook)
(709) 729-5562 (St. John’s)

Fax: (709) 637-2145 (Corner Brook)
(709) 729-4858 (St. John’s)

Thanks Tansy

Stephen Balsom, RPF
Assistant Deputy Minister - Forestry
Forestry and Agrifoods Agency
P.O. Box 2006
Corner Brook, NL, A2H 6J8

Office: 709.637.2339
Cell: 709.640.1330
Fax: 709.637.2461
stephenbalsom@gov.nl.ca

HI Steve,
I followed up with Rita. She confirms up to the company whether they wish to comment, although she says sometimes not a good idea at this stage.

Thanks,
Tansy

From: Mundon, Tansy
Sent: Wednesday, June 22, 2016 4:04 PM
To: Balsom, Stephen
Cc: Mitchelmore, Christopher; Evans, James W
Subject: RE: Statement from Minister - please review

Great, thanks

Stephen Balsom, RPF
Assistant Deputy Minister - Forestry
Forestry and Agrifoods Agency
P.O. Box 2006
Corner Brook, NL, A2H 6J8

Office: 709.637.2339
Cell: 709.640.1330
Fax: 709.637.2461
stephenbalsom@gov.nl.ca
From: Mundon, Tansy  
Sent: Wednesday, June 22, 2016 2:11 PM  
To: Balsom, Stephen  
Subject: RE: Statement from Minister - please review

Thanks, Steve. I would like to follow up with Rita on this one to determine the normal course of action for when business proposals are received. I believe it would be the company's discretion whether they would want to comment. The question then is, if they do, what is our response. That's what I'm checking with Rita on.

Thanks,  
Tansy

From: Balsam, Stephen  
Sent: Wednesday, June 22, 2016 1:52 PM  
To: Mundon, Tansy  
Subject: FW: Statement from Minister - please review

Hello Tansy,

To update this file I wanted to inform you that we have now received a proposal from NewGreen Technology Inc. regarding a business proposal for central NL. Rita Malone will be taking the lead on the review with input from Forestry Services. The proponent contacted me this morning regarding requests from CBC for information on their proposal. He called me looking for advice on how to approach the request. Would you have any suggestions?

Thanks

Steve

Stephen Balsam, RPF  
Assistant Deputy Minister - Forestry  
Forestry and Agrifoods Agency  
P.O. Box 2006  
Corner Brook, NL, A2H 6J8  
Office: 709.637.2339  
Cell: 709.640.1330  
Fax: 709.637.2461  
stephenbalsam@gov.nl.ca

From: Boland, Connie  
Sent: Tuesday, June 21, 2016 1:45 PM  
To: Evans, James W; Balsom, Stephen  
Subject: RE: Statement from Minister - please review

Please see below for Tansy's revision:

The Provincial Government continues to work with the forest industry to ensure the best use for the forest resource and to continue sustainable forest management practices. Discussions are currently ongoing with companies regarding forestry resources in Central Newfoundland. These negotiations take time to ensure due diligence is given. Government will be in a position to provide a further update at a later date.
I attended the Southeastern United States-Canadian Provinces Alliance (SEUS-CP) meetings in Nashville, TN from May 26-28. As Minister responsible for the Forestry and Agrifoods Agency, I toured a biofuel plant while in Nashville. The tour was for informational purposes. There is no formal role with the province.

From: Evans, James W  
Sent: Tuesday, June 21, 2016 1:30 PM  
To: Boland, Connie  
Subject: Re: Statement from Minister - please review

Looks fine.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Boland, Connie  
Sent: Tuesday, June 21, 2016 12:39 PM  
To: Balsam, Stephen; Evans, James W  
Subject: RE: Statement from Minister - please review

I will change that, thank you.

From: Balsam, Stephen  
Sent: Tuesday, June 21, 2016 12:39 PM  
To: Boland, Connie; Evans, James W  
Subject: Re: Statement from Minister - please review

He toured a biofuel plant. Everything looks good

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Boland, Connie  
Sent: Tuesday, June 21, 2016 12:35 PM  
To: Evans, James W; Balsam, Stephen  
Subject: Statement from Minister - please review

Please review and I will send to Tansy and Minister:

Questions:
CBC is asking for confirmation that there is a plan to have a sawmill/pellet operation in Botwood; and that a plan has been discussed with [REDACTED] and Jeff Penny.

CBC has spoken to a source in Botwood who says provincial forestry officials went to Knoxville, Tennessee not long ago to check out the company involved in this proposed biofuel operation. “Obviously things have gone far enough for the province to become involved. If you can provide me confirmation and any information about the province’s role in this, I’d appreciate it.”

Suggested Statement:
The Provincial Government continues to work with the forest industry to ensure the best use for the forest resource and to continue sustainable forest management practices. Discussions are currently
ongoing with companies regarding forestry resources in Central Newfoundland. These negotiations take time to ensure due diligence is given. Government will be in a position to provide a further update at a later date.

Minister Christopher Mitchelmore attended the Southeastern United States-Canadian Provinces Alliance (SEUS-CP) meetings in Nashville, TN from May 26-28 on behalf of the Department of Business, Tourism, Culture and Recreations. As Minister responsible for the Forestry and Agrifoods Agency, Minister Mitchelmore toured a pellet plant while in Nashville.

SEUS-CP was established in November 2007 and works to promote trade and investment opportunities between and among its member states and provinces. Member states include Alabama, Georgia, Mississippi, North Carolina, South Carolina and Tennessee. Member provinces include Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island and Quebec.

Communications Manager
Forestry and Agrifoods Agency
Corner Brook, NL A2H 3V3
Office: (709) 637-2923
Cell: (709) 640-6409
Minister,

I received a call this morning from Jeff Penney with NewGreen Technology regarding the biofuel proposal and was informed that they would be submitting either late today or tomorrow. The group was in Halifax finalizing the business plan.

Steve

Stephen Balsom, RPF  
Assistant Deputy Minister - Forestry  
Forestry and Agrifoods Agency  
P.O. Box 2006  
Corner Brook, NL, A2H 6J8

Office: 709.637.2339  
Cell: 709.640.1330  
Fax: 709.637.2461  
stephenbalsom@gov.nl.ca
From: Balsom, Stephen
Sent: Wednesday, May 11, 2016 1:49 PM
To: Adams, Blair
Subject: RE: Site Visit at Nashville

Thanks

Stephen Balsom, RPF
Assistant Deputy Minister - Forestry
Forestry and Agrifoods Agency
P.O. Box 2006
Corner Brook, NL, A2H 6J8
Office: 709.637.2339
Cell: 709.640.1330
Fax: 709.637.2461
stephenbalsom@gov.nl.ca

From: Adams, Blair
Sent: Wednesday, May 11, 2016 1:47 PM
To: Balsom, Stephen
Cc: Evans, James W
Subject: Re: Site Visit at Nashville

I will prepare an information note.

From: Balsom, Stephen
Sent: Wednesday, May 11, 2016 1:44 PM
To: Adams, Blair
Cc: Evans, James W
Subject: FW: Site Visit at Nashville

Blair,

The Minister will be in Nashville and will be touring the Proton Power site at the end of this month. Would you please provide some background information for his reference?

Thanks

Steve

Stephen Balsom, RPF
Assistant Deputy Minister - Forestry
Forestry and Agrifoods Agency
P.O. Box 2006
Corner Brook, NL, A2H 6J8
From: Harding, Carolann
Sent: Wednesday, May 11, 2016 1:39 PM
To: Balsam, Stephen
Cc: Evans, James W
Subject: RE: Site Visit at Nashville

That’s super thanks. It would be Friday afternoon, May 27th we can do the tour unless it’s Saturday the 28th. Any guidance, background and information would be most beneficial.

CA

Carolann Harding
Director of International Business Development Trade and Investment Branch
Dept. of Business, Tourism, Culture and Rural Development
Government of Newfoundland and Labrador
P.O. Box 8700
St. John’s, NL, Canada
A1B 4J6
t. 1-709-729-4617
f. 1-709-729-5124
c. 1-709-685-9060
e. carolannharding@gov.nl.ca
www.gov.nl.ca

From: Balsam, Stephen
Sent: Wednesday, May 11, 2016 1:33 PM
To: Harding, Carolann
Cc: Evans, James W
Subject: RE: Site Visit at Nashville

Carolann,

We do not have anyone attending from out office. I will call the company and get the contact information.

Steve

Stephen Balsom, RPF
Assistant Deputy Minister - Forestry
Forestry and Agrifoods Agency
P.O. Box 2006
Corner Brook, NL, A2H 6J8

Office: 709.637.2339
Cell: 709.640.1330
Fax: 709.637.2461
stephenbalsom@gov.nl.ca
From: Harding, Carolann
Sent: Wednesday, May 11, 2016 1:31 PM
To: Evans, James W; Balsom, Stephen
Subject: RE: Site Visit at Nashville

Thank you Jim, am I to assume you have the contacts to make it happen?? I will need to arrange transport. Anyone attending from your office?

From: Evans, James W
Sent: Wednesday, May 11, 2016 1:27 PM
To: Balsom, Stephen
Cc: Harding, Carolann
Subject: FW: Site Visit at Nashville

Steve,

Can you get the information to Carolann please?

Thanks

From: Mitchelmore, Christopher
Sent: Wednesday, May 11, 2016 10:22 AM
To: Harding, Carolann; George, Bradley; Mundon, Tansy; Halliday, Janice; Evans, James W; Genge, Daryl; Holloway, Colin
Subject: Re: Site Visit at Nashville

Dear Carolann,

I have discussed with Jim Evans, CEO of Forestry and Agrifoods and suggested that you and I make arrangements to tour a demonstration facility for potential investment in our forest sector with new technology.

I've asked Jim to get details and would ask that you try to schedule a meeting while we are in Tennessee.

This is a potential business for our central timber and Labrador fibre supplies, if technology can be proven.

Regards,

Christopher

Sent from my BlackBerry 10 smartphone on the Bell network.
Information Note
Forestry & Agrifoods Agency
Forestry Services Branch

Title: New Green Technology Inc. (NTI) Proposal for Development of Timber Resources

Issue: NTI has submitted a proposal to establish a biofuel production facility in Labrador and has expressed interest in following up with similar developments on the island. The proposal requests allocation of significant timber volumes and anticipates several significant concessions by the Government of Newfoundland and Labrador.

Background and Current Status:

- Newgreen Technology Inc. (NTI) is a single-purpose, recently formed Newfoundland Corporation, specifically focused on the commercial use of the timber felled during the Muskrat Falls project in addition to Crown timber and the associated wood harvesting rights, in Labrador and subsequently Central Newfoundland. The shareholders of NTI are Peter Steele (Chairman), Geoffrey Penney (President), and Jim Hughes (Chief Financial Officer).

- Waste-to-Energy is a general term representing a collection of various technologies used for converting waste feedstock into various forms of usable energy. These technologies include incineration, pyrolysis, gasification, anaerobic digestion and fermentation. The industry itself has been around for over a hundred years but it has only been recently that the congruence of new technologies and favourable market conditions have enabled new opportunities for Waste-to-Energy all over the world.

- The technology to be employed in the NTI proposal is manufactured by Proton Technologies of Knoxville, Tennessee. (http://www.protonpower.com). This technology is best described as "Early Commercial" however Proton Power does state they have a working biomass-to-fuel facility, producing diesel fuel from switchgrass operating in Knoxville.

- Proton Power claims to have developed a modified process to generate low sulfur drop in biodiesel from wood fibre. The biodiesel product reportedly meets all the requirements to achieve industry standards for No.1 diesel. This is a drop-in fuel that once produced by the technology could be utilized in any piece of equipment that currently uses diesel as a fuel without any blending or the adding of any further additives. In addition, biochar, which is a byproduct of this process, is saleable as a soil abatement product, an additive in the composition of some plastics as well as other uses.

Labrador

- NTI is seeking approval to establish a biofuel production facility and sawmill in Happy Valley - Goose Bay, utilizing 350,000 - 400,000 cubic meters of Muskrat Falls felled timber along with an additional 185,000 m³ per year allocated Crown fibre. The proposed facility would produce 50,000 litres of biodiesel/day using 225 metric tonnes of biomass timber.
• NTI notes that preliminary conversations have been held with the parties with the intention of entering into a potential contractual arrangement for several aspects of the project including offtake of the biodiesel. While not yet confirmed NTI anticipates, on a contractual basis, to conduct the felling and transportation of the allocated timber and to potentially operate the sawmill.

• NTI reports there will be approximately 40 jobs directly associated with the waste-to-fuel production facility and commercial sawmill, but another 15 jobs (estimated) will be required to fell, transport and mill timber.

Central Newfoundland

• On December 3, 2015 NTJ approached the Forestry Services Branch (FSB) indicating their desire to develop another biomass-to-fuel project, near the port in Botwood, Newfoundland utilizing 280,000 m³ of timber from Central Newfoundland Forest Management Districts (FMDs) 10, 11, 12 and 13, previously vested to Abitibi-Bowater.

• The timber handling operations and biomass-to-fuel facility in Botwood will reportedly create approximately 95 plus permanent jobs for central Newfoundland.

• NTI will focus on integration with existing forest-based industry in the province by working with the local sawmills and or local forest-based enterprises to seek partnership opportunities to expand the fiber basket necessary to fulfill the feedstock requirements of the facility.

• While no production capacity has been provided by NTI, it appears that the Newfoundland facility would be significantly larger than the one proposed for Labrador.

• Primary offtake, in the central Newfoundland area context, would be Synthetic Diesel Fuel, which has a broad range of uses. There are private sector buyers of Synthetic Diesel, in the local market, which may acquire this product for resale to major Oil companies as an additive to refinery diesel (e.g. Come By Chance oil refinery) to utilize 100% of production.

• On January 21, 2016 representative of FSB and BTCRD (the evaluation team) met with NTI to discuss the project. It was indicated by NTI that the business model had changed since the original proposal was received. The model is now expanded to include the establishment of a second biofuels plant in central Newfoundland.

• On February 15, 2016 the evaluation team provided NTI a written response resulting from the meeting on January 21, 2016. The evaluation team requested that the new business model now indicating two biofuel plants be validated with a comprehensive business plan supported with 20 – year pro forma financial, operational plans, marketing plan, inventory
management and other relevant information. The evaluation team also requested NTI formally agree to an independent study and verification of the technology proposed.

Analysis:
• Of primary concern to the evaluation team are four assumptions presented by NTI in their original project proposal document. These include:
  
  o Funded Indebtedness incurred by the Single Purpose Corporation will be supported by a Guarantee from the Government of Newfoundland and Labrador (approximately $100 million). Currently there are no programs available to offer this loan guarantee. This request would have to be submitted to Cabinet for approval.
  
  o Timber for the Labrador proposal will include 185,000 cubic meters of standing timber/annum, each year for twenty-five years following commissioning of the Biofuel Facility, and approximately 350,000 - 400,000 cubic meters of timber described as the Muskrat Falls Wood. FSB has no concerns with this request; however a portion of the Muskrat Falls Wood is located on the South side of the river and is currently inaccessible. No formal request for timber has been submitted for the central Newfoundland proposal.

  o Roads required to provide truck access to the allocated timber will be constructed or funded by the Province of Newfoundland and Labrador and will be built in cooperation with Newgreen Technology Inc. FSB would require a significant increase in the capital roads program budget to accommodate this request. Also, the timber on the South side of the river in Labrador is not accessed and the cost to access the timber is high.

  o Timber allocation will have no restrictions related to sale or transfer of Timber Rights. FSB has concern with having no restrictions related to the sale or transfer of the timber rights. The only long term mechanism to allocate timber under the Forestry Act is through a Crown timber licence. The Lieutenant Governor in Council may issue a Crown timber licence to a person who owns or operates a timber processing facility in the province and has entered into a 20 year forest management agreement with the minister that has been approved by the Lieutenant Governor in Council.

Action Being Taken:
• The evaluation team will review the updated comprehensive business plan once submitted.

Prepared/approved by: D. Cheeks / S. Balsom / J. Evans

Ministerial Approval: Received from Honourable Christopher Mitchelmore

March 17, 2016
Title: New Green Technology Inc. (NTI) Proposal for Development of Timber Resources

Issue: NTI has submitted a proposal to establish a biofuel production facility in Labrador and has expressed interest in following up with similar developments on the island. The proposal requests allocation of significant timber volumes and anticipates several significant concessions by the Government of Newfoundland and Labrador.

Background and Current Status:

- Newgreen Technology Inc. (NTI) is a single-purpose, recently formed Newfoundland Corporation, specifically focused on the commercial use of the timber felled during the Muskrat Falls project in addition to Crown timber and the associated wood harvesting rights, in Labrador and subsequently Central Newfoundland. The shareholders of NTI are Peter Steele (Chairman), Geoffrey Penney (President), and Jim Hughes (Chief Financial Officer).

- Waste-to-Energy is a general term representing a collection of various technologies used for converting waste feedstock into various forms of useable energy. These technologies include incineration, pyrolysis, gasification, anaerobic digestion and fermentation. The industry itself has been around for over a hundred years but it has only been recently that the congruence of new technologies and favourable market conditions have enabled new opportunities for Waste-to-Energy all over the world.

- The technology to be employed in the NTI proposal is manufactured by Proton Technologies of Knoxville, Tennessee. (http://www.protonpower.com). This technology is best described as “Early Commercial” however Proton Power does state they have a working biomass-to-fuel facility, producing diesel fuel from switch grass operating in Knoxville.

- Proton Power claims to have developed a modified process to generate low sulfur drop in biodiesel from wood fibre. The biodiesel product reportedly meets all the requirements to achieve industry standards for No.1 diesel. This is a drop-in fuel that once produced by the technology could be utilized in any piece of equipment that currently uses diesel as a fuel without any blending or the adding of any further additives. In addition, biochar, which is a byproduct of this process, is saleable as a soil abatement product, an additive in the composition of some plastics as well as other uses.

- Labrador

- NTI is seeking approval to establish a biofuel production facility and sawmill in Happy Valley - Goose Bay, utilizing 350,000 - 400,000 cubic meters of Muskrat Falls felled timber along with an additional 185,000 m³ per year allocated Crown fibre. The proposed facility would produce 50,000 litres of biodiesel/day using 225 metric tonnes of biomass timber.
NTI notes that preliminary conversations have been held with the [redacted], with the intention of entering into a potential contractual arrangement for several aspects of the project including offtake of the biodiesel. While not yet confirmed NTI anticipates [redacted] on a contractual basis, to conduct the felling and transportation of the allocated timber and to potentially operate the sawmill.

NTI reports there will be approximately 40 jobs directly associated with the waste-to-fuel production facility and commercial sawmill, but another 15 jobs (estimated) will be required to fell, transport and mill timber.

Central Newfoundland

On December 3, 2015 NTI approached the Forestry Services Branch (FSB) indicating their desire to develop another biomass-to-fuel project, near the port in Botwood, Newfoundland utilizing 280,000 m³ of timber from Central Newfoundland Forest Management Districts (FMDs) 10, 11, 12 and 13, previously vested to Abitibi-Bowater.

The timber handling operations and biomass-to-fuel facility in Botwood will reportedly create approximately 95 plus permanent jobs for central Newfoundland.

NTI will focus on integration with existing forest-based industry in the province by working with the local sawmills and or local forest-based enterprises to seek partnership opportunities to expand the fiber basket necessary to fulfill the feedstock requirements of the facility.

While no production capacity has been provided by NTI, it appears that the Newfoundland facility would be significantly larger than the one proposed for Labrador.

Primary offtake, in the central Newfoundland area context, would be Synthetic Diesel Fuel, which has a broad range of uses. There are private sector buyers of Synthetic Diesel, in the local market, which may acquire this product for resale to major Oil companies as an additive to refinery diesel (e.g. Come By Chance oil refinery) to utilize 100% of production.

On January 21, 2016 representative of FSB and BTCRD (the evaluation team) met with NTI to discuss the project. It was indicted by NTI that the business model had changed since the original proposal was received. The model is now expanded to include the establishment of a second biofuels plant in central Newfoundland.

On February 15, 2016 the evaluation team provided NTI a written response resulting from the meeting on January 21, 2016. The evaluation team requested that the new business model now indicating two biofuel plants be validated with a comprehensive business plan supported with 20-year pro forma financial, operational plans, marketing plan, inventory
management and other relevant information. The evaluation team also requested NTI formally agree to an independent study and verification of the technology proposed.

Analysis:

- Of primary concern to the evaluation team are four assumptions presented by NTI in their original project proposal document. These include:
  
  o Funded Indebtedness incurred by the Single Purpose Corporation will be supported by a Guarantee from the Government of Newfoundland and Labrador. Currently there are no programs available to offer this loan guarantee. This request would have to be submitted to Cabinet for approval.

  o Timber will include 185,000 cubic meters of standing timber/annum, each year for twenty-five years following commissioning of the Biofuel Facility, and approximately 350,000 - 400,000 cubic meters of timber described as the Muskrat Falls Wood. FSB has no concerns with this request; however a portion of the Muskrat Falls Wood is located on the South side of the river and is currently inaccessible. No formal request for timber has been submitted for the central Newfoundland proposal.

  o Roads required to provide truck access to the allocated timber will be constructed or funded by the Province of Newfoundland and Labrador and will be built in cooperation with Newgreen Technology Inc. FSB would require a significant increase in the capital roads program budget to accommodate this request. Also, the timber on the South side of the river in Labrador is not accessed and the cost to access the timber is high.

  o Timber allocation will have no restrictions related to sale or transfer of Timber Rights. FSB has concern with having no restrictions related to the sale or transfer of the timber rights. The timber rights will only be issued under a Forest Management Agreement which will require the timber to be used for the processing facility.

Action Being Taken:

- The evaluation team will review the updated comprehensive business plan once submitted.

Prepared/approved by: D. Cheeks / S. Balsom / J. Evans

Ministerial Approval: Hon. Christopher Mitchelmore

January 15, 2016
Hillyard, Rod

From: Balsom, Stephen
Sent: Friday, April 15, 2016 12:17 PM
To: George, Bradley; Evans, James W
Subject: NewGreen Tech proposal

I explained there were still outstanding information related to that business plan that we requested information on and required the updates to move forward.

Sent from my BlackBerry 10 smartphone on the Bell network.
Hillyard, Rod

From: Balsom, Stephen
Sent: Thursday, March 24, 2016 3:04 PM
To: Evans, James W
Subject: Re: New Green Tech Inc.

OK, we are also preparing the consultant contract. We will submit both at home same time.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Evans, James W
Sent: Thursday, March 24, 2016 3:01 PM
To: Balsom, Stephen
Subject: Re: New Green Tech Inc.

Maybe do the OJA and that will start the conversation with the Minister.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Balsom, Stephen
Sent: Thursday, March 24, 2016 2:38 PM
To: Evans, James W
Subject: New Green Tech Inc.

Jim,

Steve

Stephen Balsom, RPF
Assistant Deputy Minister - Forestry
Forestry and Agrifoods Agency
P.O. Box 2006
Corner Brook, NL, A2H 6J8

Office: 709.637.2339
Cell: 709.640.1330
Fax: 709.637.2461
stephenbalsom@gov.nl.ca
Colin,

I was informed yesterday that the business plan would be completed in the next two weeks.

Steve

Stephen Balsom, RPF
Assistant Deputy Minister - Forestry
Forestry and Agrifoods Agency
P.O. Box 2006
Corner Brook, NL, A2H 6J8

Office: 709.637.2339
Cell: 709.640.1330
Fax: 709.637.2461
stephenbalsom@gov.nl.ca

Jim/Steve,

Thanks for sending this IN.

I discussed with Minister.

Do you have any idea when the updated business plan will be submitted?

Colin

Colin Holloway, B. A.
MHA District of Terra Nova
Parliamentary Secretary to Minister for Business, Tourism, Culture and Rural Development
C. 427-2265

From: Holloway, Colin
Sent: Thursday, March 17, 2016 4:17 PM
To: Evans, James W
Cc: Balsom, Stephen
Subject: Re: NewGreen Technology Inc. (NTI) Note

Colin
Subject: NewGreen Technology Inc. (NTI) Note

Hi Colin,

Attached is the updated Information Note as discussed on the NewGreen Technology Inc. proposal for fibre. If you have any questions please contact Steve or me.

Regards,

Jim
From: Balsom, Stephen
Sent: Thursday, March 17, 2016 3:29 PM
To: Evans, James W
Subject: BN NTI March 17 2016 - Information Note.doc
Attachments: BN NTI March 17 2016 - Information Note.doc

Updated as requested

Steve
Title: New Green Technology Inc. (NTI) Proposal for Development of Timber Resources

Issue: NTI has submitted a proposal to establish a biofuel production facility in Labrador and has expressed interest in following up with similar developments on the island. The proposal requests allocation of significant timber volumes and anticipates several significant concessions by the Government of Newfoundland and Labrador.

Background and Current Status:

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management and other relevant information. The evaluation team also requested NTI formally agree to an independent study and verification of the technology proposed.

Analysis:
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Action Being Taken:
- The evaluation team will review the updated comprehensive business plan once submitted.

Prepared/approved by: D. Cheeks / S. Balsom / J. Evans

Ministerial Approval: Received from Honourable Christopher Mitchelmore

March 17, 2016
From: Adams, Blair
Sent: Thursday, March 17, 2016 3:09 PM
To: Balsom, Stephen
Subject: Re: Independent Study and Verification of NewGreen Tech.

I will get this done ASAP.

From: Balsom, Stephen
Sent: Thursday, March 17, 2016 2:29 PM
To: Adams, Blair
Subject: Independent Study and Verification of NewGreen Tech.

Blair,

I have met with Geoffrey Penny – President of NewGreen Technology Inc. Please work with Geoff Penny to organize the travel details and once those details are available, please complete the Travel Request Briefing Note to accompany your JA request.

If you have any questions please give me a call.

Steve

Stephen Balsom, RPF
Assistant Deputy Minister - Forestry
Forestry and Agrifoods Agency
P.O. Box 2006
Corner Brook, NL, A2H 6J8

Office: 709.637.2339
Cell: 709.640.1330
Fax: 709.637.2461
stephenbalsom@gov.nl.ca
Jim,

For your review.

Steve
Hillyard, Rod

From: Balsom, Stephen
Sent: Thursday, March 17, 2016 2:30 PM
To: Adams, Blair
Subject: Independent Study and Verification of NewGreen Tech.
Attachments: Travel Request BN Template.doc

Blair,

I have met with Geoffrey Penney – President of NewGreen Technology Inc. Please work with Geoff Penny to organize the travel details and once those details are available, please complete the Travel Request Briefing Note to accompany your JA request.

If you have any questions please give me a call.

Steve

Stephen Balsom, RPF
Assistant Deputy Minister - Forestry
Forestry and Agrifoods Agency
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Cell: 709.640.1330
Fax: 709.637.2461
stephenbalsom@gov.nl.ca
**BRIEFING NOTE**

Request for Approval for Out of Province Travel

**Purpose:** To seek approval to Travel to Name, location and Date of Event

**Background:**

- Overview of event and anticipated benefits;
- The themes for this year's event are (agenda attached);
- Estimated cost with breakdown; and
- Details on others also attending, if known.

**Action Required:**

- Attached is a completed Journey Authorization to attend the Event Name, location and dates.

**Date:**

**Prepared By:**
Hillyard, Rod

From: Balsom, Stephen  
Sent: Friday, February 12, 2016 3:47 PM  
To: Evans, James W  
Subject: FW: NTI redirect  
Attachments: NTI Supplementary InfoRequest Feb 12, 2016.doc; Request for updated business plan NTI Feb 12 2016.docx

Jim,

Would you like me to sign this letter so we can get it out to NewGreen today?

Steve

Stephen Balsom, RPF  
Assistant Deputy Minister - Forestry  
Forestry and Agrifoods Agency  
P.O. Box 2006  
Corner Brook, NL, A2H 6J8

Office: 709.637.2339  
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Fax: 709.637.2461  
stephenbalsom@gov.nl.ca

From: Adams, Blair  
Sent: Friday, February 12, 2016 11:09 AM  
To: Balsom, Stephen  
Subject: RE: NTI redirect

Steve,

I have reviewed and cleaned up the attached documents. Dave did a reasonable job and I did not make major structural changes in the format. If you had something else in mind let me know. I would suggest converting the to PDF before sending as well.

Blair

From: Balsom, Stephen  
Sent: Friday, February 12, 2016 9:03 AM  
To: Adams, Blair  
Subject: FW: NTI redirect

Blair,

Would you please format the NTI Supplemental info request in a professional format that we can attach a cover letter to. We want to send this out as soon as we can but I am tied up with GRI today.

Thanks
From: Cheeks, David
Sent: Thursday, February 04, 2016 3:17 PM
To: Balsam, Stephen
Subject: NTI redirect

Steve:

You may wish to review this with the evaluation team before sending.

David R, Cheeks  R.P.F.

Director - Special Projects

Forestry & Agrifoods Agency
P.O. Box 2222
Gander, NL A1V 2N9
(709) 256 - 1462 (Office)
(709) 422 - 0365 (Cell)
(709) 256 - 1459 (Fax)
Mr. Geoffrey Penny
President,
Newgreen Technology Inc.
64 Main Street
Corner Brook, Newfoundland
A2H 1C6

Dear Mr. Penny:

RE: Project Proposal — Commercial Development of Timber Resources- Labrador NL

This is a follow-up to the recent meeting at Corner Brook between representatives of NTI, the Forestry and Agrifoods Agency and Department of Business, Tourism, Culture and Rural Development (BTCRD). While the discussions provided a broader insight to your biofuel-from-wood fiber project proposal there is a need for further, more detailed information and disclosure from NTI before the evaluation team can formulate a recommendation to the government of Newfoundland and Labrador.

- Your proposal which now includes a plan to establish a biofuel production facility and sawmill in Happy Valley-Goose Bay and a second facility in Central Newfoundland has provided many details surrounding this concept, an updated business plan addressing the concerns in the attached information request is critical before further evaluation.
- Given the proposed production a commodity diesel product utilizing pre-commercial Technology (Proton): Would a smaller scale business model establishing a prototype demonstration plant be the more appropriate course of action? This would substantially mitigate the risk for future development.

The evaluation team reviewing the proposal has outlined the details of their clarification request and the desired action/information required to move the evaluation forward in the attached document. In the interest of expediting the evaluation process we ask that you respond to this inquiry on, or before February 29, 2016.

Again, thank you for your interest and I look forward to your response.

James Evans
CEO – Forestry and Agrifoods Agency

cc S. Balsom
    D. Cheeks
    R. Malone
Request for Updated Business Plan Pertaining to New Green Technology Inc.
Biofuels Proposal

General: The NTI business model has changed since the original proposal was received. The model is now expanded and includes the establishment of a second plant in central Newfoundland with a request for a similar long-term (25-year) Forest Management Agreement. The new business model with two plants has not been substantiated, proven, or validated with a comprehensive business plan. The business plan document should be revised to include this significant business model upgrade and should be supported with 20-year pro forma financial, operational plans, marketing plan, inventory management and other relevant information. It is critical that accurate data, documentation, and specific details are provided for all components of the business plan. General background information, order of magnitude financial models, and pre-agreement/approval business negotiations are not sufficient.

Financial

- NTI indicated that the financing proposed through the term sheet provided is subject to a number of key factors including insurance certification, government loan guarantee, and NTI Shareholder Investment. NTI’s J.Hughes confirmed that without the approval of the above 3 key elements for both Labrador and Central NL Plants proposed, the proposed business venture would not go ahead. An alternative financing model without the loan guarantee should also be presented.
- NTI has confirmed that $100 million is the required level of loan guarantee sought from the province of Newfoundland and Labrador to support the establishment of the two biofuel plants proposed. A formal request to government should accompany a newly drafted comprehensive business plan.
- NTI have dropped Propel Energy Inc. (PEI) as their proposed Happy Valley-Goose Bay (HVGB) plant operator. NTI indicated that Propel has been by-passed as the Canadian exclusive distributor of Proton Technology. NTI stated they now will form a direct partnership with Proton Energy Inc. The evaluation team requires details on the newly restructured NTI business relationship with Proton in terms of shareholders, contract arrangements, and service agreements.

Product (Drop-in Diesel)

- NTI confirmed the existence of a Proton Energy Inc. (PEI) startup plant in Rockwood, Tennessee, USA utilizing feedstock similar to that proposed (no other detail provided), however there is no history/evidence of Proton’s success commercially (now described as “early commercial” technology) with the proposed (wood fiber) feedstock. Further, NTI/Proton have not provided any evidence on product sales history or production levels - only production estimates that the scaled unit(s) could produce relative to the plant size;
- The evaluation team requests NTI formally agree to an independent study and verification of the technology proposed.

Wood Supply

- It appears NTI now accepts the full reservoir clearing volume will not be available due to road infrastructure limitations (cost of building new versus value of the wood) or accessing Nalcor’s road
network. Thus, the estimate of available wood should be reduced, or a clarification provided explaining/costing how such volume will be achieved.

- The assumption for no restrictions on wood allocation (sale and transfer) would require cabinet approval and may not be viewed favorably given our recent history (i.e. Abitibi expropriation).
- NTI has requested 25-year timber allocation. Current legislation allows for a maximum of 20 years wood allocation through a Timber License via a Forest Management Agreement. These will require cabinet approval and public consultation.
- Under a Forest Management Agreement NTI would be responsible for forest management costs (e.g. silviculture, forest protection, harvest planning). These costs should be estimated and included in the business model.

**Feedstock**

- The evaluation team requests clarification on the feedstock costs for the wood derived from reservoir and from proposed harvesting (see below):

**Feed Stock Cost Calculations**

Delivered Price at 45% moisture per tonne from NTI = $71
Delivered Price at 45% moisture per m$^3$ NTI = $71/1.167$ (green SW conversion factor) = $60.84$ m$^3$

Average delivered price at 50% (higher fir content) moisture per m$^3$ *(NL known best case)* = $61.24$ m$^3$ or $71.46$ per green tonne.

*In order to remove the effect of moisture differences you must convert both to Bone Dry Metric Tonnes (BDMT). This is the best metric of price per unit of biomass in biofuels production.*

Delivered price per BDMT NTI = (Density (calculated based on black spruce specific gravity and 45% moisture) x (price per green m$^3$) = (576 kg/m$^3$) x $60.84$ = $86.64$ per BDMT

Delivered price per BDMT *(NL known best case)* = (Density (calculated based on spruce/fir specific gravity and 50% moisture) x (price per green m$^3$) = (518.5 kg/m$^3$) x $61.24$ = $90.64$ per BDMT

**Markets**

The market section in general still appears to be somewhat speculative.

- NTI has indicated potential for purchases up to 40% product (Labrador Plant only) with the balance of sales to Voisey’s Bay Mine, or new markets internationally; however NTI has provided no letters of Intent or evidence of sale contracts with identified government or private sector companies (Canadian or European). These should be included in the revised business plan (requested above).
- The evaluation team requests Industry-based evidence on proposed price points or margins from manufacturer, distributor and/or retailer depending on the target market determined.
- The evaluation team requests NTI to provide evidence of an off take agreement for the ash/biochar.
- There is a reference to the volume of diesel used by Newfoundland & Labrador Hydro (NLH) in their remote communities’ diesel plant indicating this to be a market for the biodiesel produced. There is no indication that any discussions with NLH. The evaluation team requires signed letters of intent/term sheets from off takers as opposed to references to “discussions”.
- The evaluation team requests the new business plan include a competitive impact analysis on existing diesel suppliers in Labrador.
NTI identifies the [xxx] as a primary stakeholder and potential 'partner' throughout the proposal. This relationship needs to be formally demonstrated in the new business plan.

There was some reference to discussions with the Innu Nation in the proposal and at the Corner Brook meeting, but again there does not appear to be any formal agreement. Considering where the raw resource is located, this is critical very early in the proposal stage.

The evaluation team requests Business Plan updates in terms of all required environmental and municipal approvals and more detailed information regarding the type and duration of permits (Federal/Provincial) required for production and sale of liquid fuel.

**Operational Issues**

- The Town of Happy Valley-Goose Bay has been consulted on access to land – what is the status of this request?
- Will there be a requirement for specialized training? Both Advanced Education and Skills (AES) and the Labrador Aboriginal Training Partnerships (LATP) are referenced (pg. 61). Would these be considered as sources for formalized training? Would NTI be looking to AES to fund these programs? There may be an opportunity for federal funding specifically if Aboriginal skills development is considered. There is specific reference to specialized training regarding liquid fuel (pg. 64). Training and recruitment requires further scoping and serious consideration for Aboriginal recruitment and skills development will most likely be a priority upon consultation.

**Sawmill**

- NTI has indicated the [xxx] will be involved as the operator of the sawmill and a major consumer of the fuel products produced. Other than preliminary discussions there does not appear to be any kind of formal negotiations or preliminary agreement. What is the financial agreement between [xxx] & NTI for the sawmill operation?
- A comprehensive business model for the operation of the sawmill should also be included. This model should include a similar information and detail as the biofuels business model, including: 20-year pro forma financial, operational plans, marketing plan, inventory management and other relevant information.
Thanks Stewart your input is greatly appreciated.

Steve

Stephen Balsom, RPF
Assistant Deputy Minister - Forestry
Forestry and Agrifoods Agency
P.O. Box 2006
Corner Brook, NL, A2H 6J8

Office: 709.637.2339
Cell: 709.640.1330
Fax: 709.637.2461
stephenbalsom@gov.nl.ca

Hi Steve: Before this project gets away from me and my mindset on details I have summarized my notes from last weeks meeting with Newgreen in the form of responses from NTI and Proton using our points of discussion notes we discussed prior to the meeting Thursday morning.

My considerations/questions section at the end of this summary covers some of the main conclusions I gleaned from our post meeting discussion...I am sure the supply side of the equation in respect to Allocations and Feedstock asks can be addressed by you, Eric and others attending.

John, please feel free to add to my commentary.

Hope this helps/clarifies for your next steps.

Regards

Stewart

Stewart Read
Economic Development Officer, Corner Brook/Deer Lake
Dept. of Business, Tourism, Culture and Rural Development
P.O. Box 2006, Newfoundland and Labrador A2H 6J8
P 637 8024 F 639-7713
Hi Steve: Before this project gets away from me and my mindset on details I have summarized my notes from last weeks meeting with Newgreen in the form of responses from NTI and Proton using our points of discussion notes we discussed prior to the meeting Thursday morning.

My considerations/questions section at the end of this summary covers some of the main conclusions I gleaned from our post meeting discussion...I am sure the supply side of the equation in respect to Allocations and Feedstock asks can be addressed by you, Eric and others attending.

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Hope this helps/clarifies for your next steps.

Regards

Stewart

Stewart Read
Economic Development Officer, Corner Brook/Deer Lake
Dept. of Business, Tourism, Culture and Rural Development
P.O. Box 2006, Newfoundland and Labrador A2J 6J8
P 637 8024 F 639-7713
Newgreen Technologies Inc. (NTI)/Forestry & Agrifoods (DNR)/BTCRD Meeting January 24, 2016

NTI Business Plan Discussion Points/NTI Responses (Prepared by S Read/BTCRD):

1. BioFuel (Drop in Diesel) Product and Plant Technology to process the product(s):
   - Demonstrate that the technology is commercially viable as proposed in HVGB
   - History of Proton’s success with timber feedstock conversion to the stated product
   - Patented process/product with licensing agreements in place (Propel)
   - Independent study by oil/gas experts on this product and process as a proven technology

   Responses:
   - Proton Energy Inc. (PEI) confirmed the existence of a startup Plant in Rockwood, Tennessee, USA utilizing feedstock similar to that proposed (no other detail provided);
   - No history/evidence of Proton’s success commercially - new technology process with the proposed feedstock are in the very early stages of development. NTI/Proton could not provide any evidence on product sales history or production levels produced - only production estimates that the scaled unit(s) could produce relative to the Plant size;
   - NTI agreed to an Independent Study and Verification of the Technology proposed (Who and When are yet to be determined);
   - NTI indicated that Proton has patented the product technology in the USA (to be confirmed including a separate Canadian patent or license agreement);

2. Business Case:
   - History of proponent and all affiliated companies re this business concept;
   - Provide business rationale to the proposed business model in terms of ROI to investors and contract agreements/arrangements proposed. NTI has to put the case forward that the proposed business model will maximize profit, growth and company sustainability (examples of existing/successful plants in the proposed environment);
   - Forestry Industry experience at NTI executive including Manufacturing Plant Mgt experience, Contractor experience in proposed Plant/sawmill/Woods operation’s. Historical attachment and evidenced based success in said operations;
   - Evidence of formal contract agreements with Plant Contractors (2) and Harvesting/transportation Contracts;
   - Comprehensive HR Plan to deliver on Plant capacity requirements as outlined.

   Responses:
   - The NTI Business model has changed. NTI have dropped Propel Energy Inc. (PEI) as their proposed HVGB Plant operator;
• NTI indicated the Propel (Dartmouth, NS based company) has been bypassed and ousted as the Canadian exclusive distributor of Proton Technology. NTI indicated that in fact they did not hold Canadian distribution rights as stated in the business plan. NTI stated they now will form a direct partnership with the USA based manufacturer-Proton Energy Inc. in respect to their new business model proposed;
• New business model now encompasses both Labrador and Central NL with 2 BioFuel Plants proposed;
• No details on newly restructured NTI business relationship with Proton provided in terms of shareholders, contract arrangements, service agreements, etc.;
• The changed business model now includes the establishment of a second Plant in Central Newfoundland with a request for a similar ask on long term (20 year) timber allocations (no amount was requested only an assumption that the plant would be 2-3 times larger than that proposed for Labrador). No Business Plan has been presented in support of this significant business model upgrade; 35(1)(d)
• No evidence of formal contract agreements with any other harvesting/transportation companies for the Labrador Plant proposed nor any indication of contracts or affiliated companies for Central NL;
• Proton Energy Inc. indicated Insurance against loss of Revenue for Plant production was in place by Energi Inc. (a US based Insurer) but only for Proton’s Biomass to electricity process technology. That proposed- Biomass/feedstock to liquid fuel has not been certified and therefore not currently insurable with PEI indicating this was in process;
• NTI indicated that the financing proposed through term sheet provided is subject to a number of key factors including Insurance Certification, Government Loan Guarantee, and NTI Shareholder Investment. NTI’s J.Hughes confirmed that without the approval of the above 3 key elements (for both Labrador and Central NL Plants proposed), the proposed business Venture would not go ahead;
• NTI’s Mr. Hughes confirmed that $100 Million is the required level of Loan Guarantee sought from the province of Newfoundland and Labrador to support the establishment of 2 Biofuel Plants proposed for Labrador and Central Newfoundland. To my knowledge at the time of this meeting a formal request at this level has not been received by Government;

3. Market:
• Provide evidence that the said product (Biofuel) can substitute existing product in target markets proposed and demonstrate market demand and need for a substitute product
• Provide a comprehensive Industry review of Competitive Impact on the existing 4 diesel suppliers and identify How the company plans to expand its market size given
well entrenched competitors who may have long standing sales agreements, etc in place

- Validate market size for squares, cost of production, landed or fob price points to buyers, a list of buyers and letters of intent, etc.
- Expert independent review of Gas/Oil Industry, world/national supply current, trending, and future impact on price points of traditional Diesel product and how this may impact NL markets and existing players.

Responses:

- NTI's P. Steel was very bullish on new markets for the commodity based diesel product to be produced by both Plants. He indicated potential for purchases up to 40% product (Labrador Plant only) with the balance of sales to new markets internationally. However, no letters of intent or evidence of sale contracts with identified government or private sector companies (Canadian or Europe);
- No competitive Impact analysis on existing suppliers;
- No Industry based evidence on proposed price points or margins from manufacturer, distributor and/or retailer depending on the target market determined;
- No evidence of business viability at this time as the new business model with 2 Plants has not been substantiated, proven, or validated with a comprehensive business plan complete with 20 year Pro Forma Financials, Operational Plans etc., etc.
- No evidence of NTI shareholder experience in Forestry, Plant Manufacturing in Fuel Technology, or Sawmill Plant/Woods Operations as the business model established contractual agreements to operate all Plant activities.

4. Regulatory /Supply Issues:

- All environmental and municipal approvals in addition to physical plant regulations/construction permits for the 60 acre site, etc.
- All DNR approvals on proposed allocations, fees, licenses, etc. to be confirmed over a 20 year span in approved documentation before a comprehensive financial analysis can be completed.

Responses:

No Business Plan updates in terms of all required environmental and municipal approvals (project timelines in the Business Plan-09/09/15 have not been met);

All DNR approvals on proposed allocations, fees, licenses, etc. to be evaluated based on the new business model presented in the establishment of 2 Plant Operations in Labrador and Central Newfoundland (as outlined verbally). It was stated that any decision of these resource requests/asks would first require submission of a comprehensive business plan supported by all relevant documentation that prove business viability and sustainability.
Considerations/Questions:

- Given the production of the commodity diesel product proposed, utilizing unproven commercially viable Technology (Proton): Would a business model of establishing a prototype demonstration plant be the more appropriate course of action?

- Before full scale 100 million plus investment moves forward: Would it not be reasonable to validate/verify/prove supply input feedstock suitability in the production process, as well as verified liquid fuel production by scale/unit size, and that the diesel product meets product standards for acidity and energy?

- Given the above two realities: Would it not be reasonable from an investor perspective to then base their go forward comprehensive business plan and market planning on independent and collaborative verification of the technology and its output products (while protecting the patent)?
Jim,

Here is the first draft of the NewGreen Technology information note.

Steve
Title: New Green Technology Inc. (NTI) Proposal for Development of Timber Resources

Issue: NTI has submitted a proposal to establish a biofuel production facility in Labrador and has expressed interest in following up with similar developments on the island. The proposal requests allocation of significant timber volumes and anticipates several significant concessions by the Government of Newfoundland and Labrador.

Background and Current Status:

- Newgreen Technology Inc. (NTI) is a single-purpose, recently formed Newfoundland Corporation, specifically focused on the commercial use of the timber felled during the Muskrat Falls project in addition to Crown timber and the associated wood harvesting rights, in Labrador and subsequently Central Newfoundland. The shareholders of NTI are Peter Steele (Chairman), Jeff Penney (President) and Jim Hughes (Chief Financial Officer).

- Waste-to-Energy is a general term representing a collection of various technologies used for converting waste feedstock into various forms of useable energy. These technologies include incineration, pyrolysis, gasification, anaerobic digestion and fermentation. The industry itself has been around for over a hundred years but it has only been recently that the congruence of new technologies and favourable market conditions have enabled new opportunities for Waste-to-Energy all over the world.

- The technology to be employed in the NTI proposal is manufactured by Proton Technologies of Knoxville, Tennessee. (http://www.protonpower.com). Propel Bioenergy (Headquartered in Dartmouth, Nova Scotia) is the exclusive Canadian dealer of Proton technology. This technology is best described as “Early Commercial” however Proton Power does state they have a working biomass-to-fuel facility, producing diesel fuel from switch grass operating in Knoxville.

- Proton Power claims to have developed a modified process to generate low sulfur drop in biodiesel from wood fibre. The biodiesel product reportedly meets all the requirements to achieve industry standards for No.1 diesel. This is a drop-in fuel that once produced by the technology could be utilized in any piece of equipment that currently uses diesel as a fuel without any blending or the adding of any further additives. In addition, biochar, which is a byproduct of this process, is saleable as a soil abatement product, an additive in the composition of some plastics as well as other uses.

- NTI is seeking approval to establish a biofuel production facility and sawmill in Happy Valley - Goose Bay, utilizing 350,000 - 400,000 cubic meters of Muskrat Falls felled timber
along with an additional 185,000 m$^3$ per year allocated Crown fibre. The proposed facility would produce 50,000 litres of biodiesel/day using 225 metric tonnes of biomass timber.

- NTI notes that preliminary conversations have been held with the [redacted] with the intention of entering into a potential contractual arrangement for several aspects of the project including offtake of the biodiesel. While not yet confirmed NTI anticipates [redacted], on a contractual basis, to conduct the felling and transportation of the allocated timber and to potentially operate the saw mill.

- NTI reports there will be approximately 40 jobs directly associated with the waste-to-fuel production facility and commercial sawmill, but another 15 jobs (estimated) will be required to fell, transport and mill timber.

Central Newfoundland

- On December 3, 2015 NTI approached the Forestry Services Branch (FSB) indicating their desire to develop another biomass-to-fuel project, near the port in Botwood, Newfoundland utilizing 280,000 m$^3$ of timber from Central Newfoundland Forest Management Districts (FMDs) 10, 11, 12 and 13, previously vested to Abitibi-Bowater.

- The timber/timber handling operations and biomass-to-fuel facility in Botwood will reportedly create approximately 95 plus permanent jobs for central Newfoundland.

- NTI will focus on integration with existing forest-based industry in the province by working with the local sawmills and or local forest-based enterprises to seek partnership opportunities to expand the fiber basket necessary to fulfill the feedstock requirements of the facility.

- While no production capacity has been provided by NTI, it appears that the Newfoundland facility would be significantly larger than the one proposed for Labrador.

- Primary offtake, in the central Newfoundland area context, would be Synthetic Diesel Fuel, which has a broad range of uses. There are private sector buyers of Synthetic Diesel, in the local market, which may acquire this product for resale to major Oil companies as an additive to refinery diesel (e.g. Come By Chance oil refinery) to utilize 100% of production.

Analysis:

- Both project proposals require additional information before meaningful analysis can occur. The Regional Development/Business Analysis Division of the Department of Business, Tourism, Culture and Rural Development is reviewing the proponent’s submission and will provide input as soon as available.
• FSB submitted a request for additional information related to the Labrador proposal. NTI submitted supplementary information however there are still outstanding issues that require clarification.

• Of primary concern to FSB are four assumptions presented by NTI in their original project proposal document. These include:

  o Funded Indebtedness incurred by the Single Purpose Corporation will be supported by a Guarantee from the Government of Newfoundland and Labrador. Currently there are no programs available to offer this loan guarantee. This request would have to be submitted to Cabinet for approval.

  o Timber will include 185,000 cubic meters of standing timber/annum, each year for twenty-five years following commissioning of the Biofuel Facility, and approximately 350,000 - 400,000 cubic meters of timber described as the Muskrat Falls Wood. FSB has no concerns with this request; however a portion of the Muskrat Falls Wood is located on the South side of the river and is currently inaccessible.

  o Roads required to provide truck access to the allocated timber will be constructed or funded by the Province of Newfoundland and Labrador and will be built in cooperation with Newgreen Technology Inc. FSB would require a significant increase in the capital roads program budget to accommodate this request. Also, the timber on the South side of the river is not accessed and the cost to access the timber is high.

  o Timber allocation will have no restrictions related to sale or transfer of Timber Rights. FSB has concern with having no restrictions related to the sale or transfer of the timber rights. The timber rights will only be issued under a Forest Management Agreement which will require the timber to be used for the processing facility.

Action Being Taken:

• FSB has requested a meeting with NTI to discuss the sensitivity of the proposal to the potential refusal by FAA to accept the four assumptions outlined.

Prepared/approved by: D. Cheeks / S. Balsom / J. Evans

Ministerial Approval: Hon. Christopher Mitchelmore

January 15, 2016