

May 8, 2019



Dear :

**Re: Your request for access to information under Part II of the *Access to Information and Protection of Privacy Act* (File # NR-70-2019)**

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On April 23, 2019, the Department of Natural Resources received your request for access to the following records/information:

**In NR-42-2019 there is a reference to a meeting note for Tata Steel, please provide a copy of this note and any other briefing, information, meeting, direction/decision notes relating to this company for the past three months.**

I am pleased to inform you that a decision has been made by the Department of Natural Resources, confirmed by the Deputy Minister, to provide access to the requested records. The records are attached.

We are providing access to the most information possible but have made redactions in accordance with Sections 29(1)(a), 30(1)(a), 35(1)(d), 35(1)(f) and 35(1)(g) of *ATIPPA, 2015* as follows:

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;

30. (1)(a) The head of a public body may refuse to disclose to an applicant information that is subject to solicitor and client privilege or litigation privilege of a public body;

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;

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 purpose of contractual or other negotiations by or on behalf of the government of the province or a public body, or considerations which relate to those negotiations;

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 or a public body.

Please be advised that you may ask the Information and Privacy Commissioner to review the processing of your access request, as set out in section 42 of the *Access to Information and Protection of Privacy Act* (the *Act*). 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.

The address and contact information of 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*.

Please be advised that this letter will be published following a 72 hour period after it 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 letter posted to the Completed Access to Information Requests website within one business day following the applicable period of time.

If you have any questions, please feel free to contact me at 709-729-0463 or [rhynes@gov.nl.ca](mailto:rhynes@gov.nl.ca).

Sincerely,



Rod Hynes  
ATIPP Coordinator

**Meeting Note**  
**Department of Natural Resources**  
**Meeting with Tata Steel Minerals Canada Limited**  
**Day, Date Time TBD**  
**Fairmont Royal York Hotel, PEI Room, Main Mezzanine Level**

**Attendees:**

Mr. Prasanto Kumar Ghose, CEO & Managing Director, Tata Steel Minerals Canada  
 Cathy Dornan, Chief Resident Executive NL, Tata Steel Minerals Canada

Minister Siobhan Coady  
 Perry Canning, ADM, Mines  
 Ted Lomond, DM, Natural Resources

**Purpose of Meeting:**

- Tata Steel Minerals Canada requested a meeting at PDAC 2019 and will provide a project update and discuss possible issues affecting operations.

**Background:**

- Tata Steel Minerals Canada (TSMC) operates an iron ore mine in the Menihek area of Labrador and is a joint venture between Tata Steel of India (77.68%), Ressources Quebec (18%), and New Millennium Iron Corp. (4.32%). Project construction started in 2011 and first ore was shipped in 2013.
- TSMC's iron ore deposits up to now have been Direct Shipping Ore (DSO) which typically requires only crushing and screening to produce a marketable product of sinter fines.
- [REDACTED] s.35.1.d  
[REDACTED] s.35.1.g  
 As a result of challenging market conditions, commissioning of the concentrator (wet plant) was put on hold in 2015.
- During 2018, TSMC resumed work on the [REDACTED] s.35.1.d wet processing facility. Commissioning is expected to be completed by late first quarter of 2019 with current stockpiles being used for concentrate feed.
- Construction and commissioning activities have continued over the winter months. Once in operation the plant will add year-round production capability and improve iron ore grades of products being produced.
- During 2019, TSMC has forecasted shipments of 1.1 million tonnes of iron ore from Labrador; up from 300,000 tonnes shipped in 2018. Employment during 2019 is estimated to be 255 person years down from 435 in 2018, lower due to decreased construction employment related to the wet plant.
- In July 2016, TSMC announced that it had been awarded a financial contribution of \$175 million by the Government of Quebec to support the development of its DSO Project. The financial contribution includes an equity stake for \$125 million and a loan of \$50 million. In exchange, the Government of Quebec obtained an 18% ownership stake in the company.

- A cooperative agreement has been signed between Newfoundland and Labrador and Quebec with respect to the development of mining operations within the Labrador Trough and the improvement and extension of road infrastructure. This will be beneficial to mining projects spanning both provinces such as TSMC.

#### **Agenda item #1 (Project Update)**

- Tata Steel will provide an update on its mining operation in the Menihek area.

#### Analysis

- TSMC has been released from Federal and Provincial environmental assessment and has *Mining Act* approval for the development of the Howse deposit. TSMC must provide financial assurance (\$1,991,906) prior to commencing activities at Howse.
- A revised strategic plan for the company emphasizes the commissioning of the wet plant in 2019 which delays the Howse project. Pre-stripping at Howse is to begin in 2020 and production occurring in 2021.

#### Potential Speaking Points

- What is the status of commissioning of the wet plant?

#### Proposed Actions


- NR will continue to engage with TSMC on the Howse project.

#### **Agenda item #2 (Port and Rail Infrastructure)**

- Tata Steel may discuss challenges at the Port of Sept-Îles and seek Provincial support in seeking additional federal funding

#### Analysis

- On April 9, 2017, TSMC signed a Memorandum of Understanding with Société du Plan Nord and Quebec Iron Ore (QIO), a subsidiary of Champion Iron Mines, for the development and enhancement of the infrastructure facilities at Pointe-Noire in Sept-Îles, Quebec. This was originally thought to have resolved port access issues for TSMC.
- On March 26, 2018, the government of Quebec announced a major investment plan of \$280 million for the development of The Société ferroviaire et portuaire de Pointe-Noire (SFPPN) facilities in Sept-Îles. The government will contribute \$30 million and the rest will come from mining companies with a vested interest in the port.
- The \$280 million investment plan for the port will include upgrading the shipping capacity at Point Noire from 1 million tonnes to 10 million tonnes per year in 2018. This will be done through modernization of the former Cliffs area, equipment installation for unloading trains, an increase in the capacity of conveyors, and improvement to interconnection of infrastructure and access to platforms.
- During an April 11, 2018 conference call Tata indicated that Quebec Iron Ore (Bloom Lake mine) has created competing interests for port capacity so additional port infrastructure is required to increase capacity.

-  s.35.1.d  
s.35.1.g
- In 2018, TSMC exported through the Port of Sept Isles under contract with the Iron Ore Company of Canada.
- Prior to the decline in iron ore prices in 2014, proposed mine developments in the Labrador Trough would have exceeded existing rail capacity. If new mining projects are discovered and developed, new or upgrades to existing infrastructure may be required.

Potential Speaking Points

- Does Tata foresee any impediments with respect rail and port that would negatively impact the mining operation?

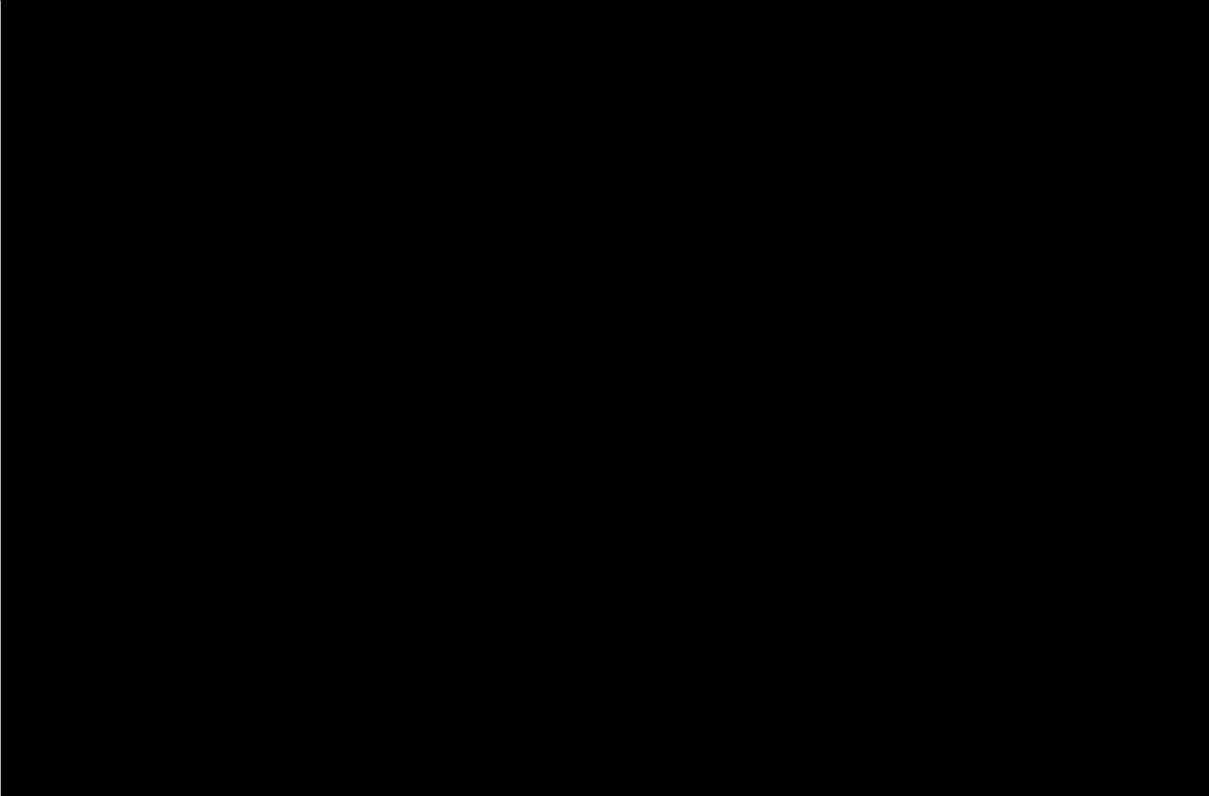
Proposed Actions

- None at this time.

**Agenda item #3 (Power Supply)**

- Tata may seek support on hydro transmission line funding.

Analysis

-  S.29.1.a  
s.35.1.d  
s.35.1.f  
s.35.1.g
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Potential Speaking Points

- As part of Mining the Future 2030, the department, working with industry, identified a mid-term action to advance renewable energy opportunities for the mining sector so we support Tata's effort to avail of hydro power.

- The province will continue to advocate with Nalcor to ensuring Federal Green Funds are distributed fairly within the province.

S.29.1.a

- [REDACTED]

S.35.1.d



S.35.1.f

S.35.1.g

Proposed Actions

- NR will continue to work with Nalcor and MAE to help ensure funding for this green mining initiative

**Prepared/Approved by:** B. Lawlor / K. Bradbury / A. Smith / P. Canning  
**Ministerial Approval:**

February 20, 2019

**BIOS**

**Prasanto Kumar (PK) Ghose**  
**Chief Executive Officer and Managing Director**

Mr. Prasanto Kumar (PK) Ghose joined Tata Steel as a Graduate Engineer Trainee in 1991 and has risen through the ranks to progressively more senior positions. In July 2018, he was appointed CEO & Managing Director of Tata Steel Minerals Canada.

Prior to this, he held the position of Chief of Projects, Jamshedpur, with overall responsibility for leading the development and execution of all Capital Expenditure Programs for the Jamshedpur Steel Works of Tata Steel, in line with strategic and operational plans of the Company.

Throughout his lengthy tenure with Tata Steel, Mr. Ghose worked as Chief Strategic Project Procurement (May 2015 – June 2016), Chief Project Environment (January 2013 – April 2015), Chief Orissa Projects (November 2010 – December 2012), Chief Raw Materials Projects (November 2007 – October 2010), Chief Steel Making Projects (May 2003 – October 2007), Chief and Head of Department, Steel Melting and Continuous Casting (May 2001 to April 2003). These roles were preceded by various positions in Operations, Maintenance and HR functions from Graduate Engineer Trainee to Middle Management (July 1991 - April 2001).

Mr. Ghose holds a Bachelor's degree in Mechanical Engineering from the Indian Institute of Technology, Banaras Hindu University (India). He also completed a General Management Program at the European Center for Executive Development (CEDEP), INSEAD (France) and attended various General Management programs at XLRI in Jamshedpur (India) and Tata Management Training Center in Pune (India).

He has diverse cross function and cross industry experience has been a member of various cross functional teams in the areas of Health, Safety, and Environment, Total Quality Management and Operational Improvements.

**Cathy Dornan, Chief Resident Executive NL, Tata Steel Minerals Canada  
CEO, Cathy Dornan Public Affairs**

Ms. Cathy Dornan holds a Bachelor of Arts in French and Political Science from Memorial University and a Bachelor of Public Relations from Mount Saint Vincent University. She has 22 years of experience working in the public relations and public affairs business. In addition to 18 years at Bristol, Cathy worked as Director of Communications for the Government of Newfoundland and Labrador from 1996-1998.

In addition to traditional public affairs expertise, Cathy is a sought after advisor on issues related to the local political, economic and social environment in Atlantic Canada. Working with companies such as Chevron Canada Resources, New Millennium Iron, Tata Steel Minerals Canada, Newfoundland Transshipment Limited, Canship Uglund, and Statoil, Cathy has guided her clients towards successful communications solutions to help them reach their business goals.

Cathy is a well-known media trainer, having trained many candidates, including business leaders, union leaders, politicians, oil and gas executives and members of the general business community over the last ten years.

Cathy is an accredited member of the International Association of Business Communicators (IABC). In 2009, she was given the distinction of being named Communications Professional of the Year by IABC.



**Decision/Direction Note**  
**Department of Natural Resources**

**Title:** Tata Steel Minerals Canada's Financial Assurance

**Decision / Direction Required:**

s.35.1.d

- It is recommended that the Deputy Minister accept the seven Amendments issued by [REDACTED] amending their corresponding Standby Letters of Credit (LOC) to extend their expiry dates by three years from their currently stated expiry date.

**Background and Current Status:**

- Tata Steel Minerals Canada (TSMC) is an iron ore miner operating in the Menihek region of Newfoundland and Labrador and the province of Quebec. They are a joint venture between Tata Steel of India (77.68%), Ressources Quebec (18%), and New Millennium Iron Corp. (4.32%).

- TSMC currently has posted financial assurance in the form of seven (7) LOCs issued by [REDACTED] as follows:

s.35.1.d

s.35.1.d

s.35.1.d

LOC No	LOC Amount	Original Expiry Date	Amended Expiry Date
[REDACTED]	[REDACTED]	Nov. 10, 2019	Nov. 10, 2022
[REDACTED]	[REDACTED]	Oct. 30, 2019	Oct. 30, 2022
[REDACTED]	[REDACTED]	Oct. 21, 2019	Oct. 21, 2022
[REDACTED]	[REDACTED]	Aug. 29, 2019	Aug. 29, 2022
[REDACTED]	[REDACTED]	June 30, 2019	June 30, 2022
[REDACTED]	[REDACTED]	May 22, 2019	May 22, 2022
[REDACTED]	[REDACTED]	April 28, 2019	April 28, 2022
<b>Total</b>	<b>\$12,339,779.00</b>		

s.35.1.d

- Each of the above listed LOCs contains an "evergreen" clause which automatically renews the LOC on its expiry date unless [REDACTED] informs the Minister of Natural Resources of their intent to not extend the LOC. Automatic renewal is a standard requirement of NR intended to mitigate the risk of managing the financial assurance that is place and monitoring the expiry dates of LOCs.
- TSMC has informed NR that it can no longer provide LOCs with automatic renewal clauses. A compromised was reached where TSMC committed to a 3 year rolling expiry date. TSMC has committed to each year extending the expiry date of the LOCs by another year.
- Currently all of their LOCs have expiry dates in 2019.
- [REDACTED] has issued an Amendment to each of the above listed LOCs extending the LOC's expiry date to 2022 as per the above Table and removing the automatic renewal provision for each LOC. In 2020, TSMC has committed to extending the expiry dates to 2023. This will continue going forward.
- [REDACTED] has issued a Notice of Non Extension for their LOC [REDACTED] effective April 28, 2019.
- [REDACTED] has issued a Notice of Non Extension for their LOC [REDACTED] effective May 22, 2019.

s.35.1.d

s.35.1.d

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s.35.1.d

- By email to Mineral Development staff dated February 19, 2019, [REDACTED] has confirmed that they will "...rescind our notices of non-renewal for both files...upon receipt of your consent to our amendment no [REDACTED] for [REDACTED] ...and our amendment no [REDACTED] for [REDACTED]

s.35.1.d

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s.35.1.d

**Analysis:**

- The total value of financial assurance covered by these LOCs is \$12,339,779.00.

s.35.1.d

- [REDACTED] has issued Notices of Non Extension to LOCs totaling \$7,076,455.00.

s.35.1.d

- [REDACTED]

s.35.1.g

- A three year rolling renewal date mitigates the risk of managing the expiry dates of the LOCs. If the LOCs are not renewed in any given year, NR will have 2 years in which to engage with TSMC to address the issue before having to call on the LOC.

- [REDACTED]

s.29.1.a

s.35.1.d

s.35.1.g

- [REDACTED]

s.29.1.a

s.30.1.a.

s.35.1.d

s.35.1.f

s.35.1.g

- The Deputy Minister typically deals with issues related to the acceptability of forms of financial assurance.
- This has been reviewed by the Departmental Solicitor.

Prepared/Approved by: D. Tite / A. Smith / P. Canning  
Deputy Minister Approval:



February 22, 2019