May 10, 2019

Dear [Redacted]:

Re: Your request for access to information under Part II of the Access to Information and Protection of Privacy Act (File # NR-72-2019)

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 Vale, 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), 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;

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.

Sincerely,

Rod Hynes

Rod Hynes
ATIPP Coordinator
Meeting Note
Department of Natural Resources
Minister Coady with Vale Officials
Monday, January 28, 2019, at 2:00pm
Natural Resources Building, 7th Floor, Executive Boardroom

Attendees:
Honourable Siobhan Coady – Minister of Natural Resources
Perry Canning – Assistant Deputy Minister, Mines, Department of Natural Resources
Cory McPhee – Vice President of Corporate Affairs, Communications and Sustainability
Angie Robson – Head of Corporate Affairs and Sustainability, Canadian Operations
Kristie Cochrane – Manager, Corporate Affairs, Newfoundland and Labrador
Joao Zanon – Project Director, Voisey’s Bay Mine Expansion Project
Mark Sheppard – Head of Legal, Newfoundland and Labrador
Gary Anstey – Consultant, Anstey and Associates

Purpose of Meeting:
• Vale has requested a meeting with the Minister to introduce Angie Robson and to provide a general update on the Voisey’s Bay Project.

Background:
• The Voisey’s Bay nickel deposit was discovered in northern Labrador in 1993 by prospectors Albert Chislett and Chris Verbisiki. It is a world-class mineral deposit with high grades of nickel, and also an important source of copper and cobalt. The deposit was purchased by Inco in 1996 for $4.3 billion and Inco was purchased by Vale in 2006.

• Vale Newfoundland and Labrador (VNL) operates the Voisey’s Bay mine and Long Harbour Processing Plant (LHPP) subject to conditions of the Voisey’s Bay Development Agreement.

Agenda item #1: Update on Vale Newfoundland and Labrador Operations
• The mine opened in 2005 and is producing ore containing nickel, copper and cobalt from the open pit operation, the Ovoid. Ore is processed on site into high grade nickel concentrate, middling grade nickel concentrate and copper concentrate, all of which are shipped out for further processing.

• Construction of the LHPP began in 2009 and was fully completed in November 2016. VNL estimated a two year ramp-up schedule (finish end of 2018) following completion, to reach the plant’s full capacity of 50,000 tonnes of finished nickel per year. NR has yet to receive confirmation of the completed ramp up. As of June 2018, the LHPP had achieved 75% of nameplate capacity (50,000 tonnes) on a quarterly basis and 85% on a monthly basis.

• The Ovoid constitutes only a part of the nickel resources in the Voisey’s Bay. Vale formally sanctioned the development of the underground mine in July 2015, in accordance with the Development Agreement. After being stalled due to Vale S.A.’s decision to place its entire Base Metals Business in review in the summer of 2017, the Voisey’s Bay Mine Expansion (VBME) Project received positive news on June 11, 2018, when it was announced in St. John’s that the Company would be proceeding with its underground mine.

• Total estimated capital expenditures to complete construction and commissioning of the VBME Project is estimated at approximately US$1.7 billion. To help finance the VBME
Project, Vale entered into cobalt streaming deals with Wheaton Precious Metals Corp and with Cobalt 27 Capital Corp. to sell an aggregate total of 75% of the cobalt to be delivered from January 1st, 2021, which encompasses the existing Voisey’s Bay mine and VBME Project, for a total upfront payment of US$690 million plus additional payments of 20% on average, of cobalt prices upon delivery.

Analysis
- The LHPP operated on 100% Voisey’s Bay high grade concentrate as of January 2016. Middling grade concentrate was introduced into the process in February 2017. The last export of nickel concentrate from the province occurred in [redacted] after which all of Voisey’s Bay nickel concentrate was sent exclusively to the LHPP for processing. Copper concentrate continues to be exported from the province.
- The Ovoid will be depleted by the end of 2022 and there will be a period between 2020 and 2022 when ore is supplied to the concentrator from both the Ovoid and the VBME Project.
- The VBME Project will sustain concentrate production at the Voisey’s Bay mill, allowing for lower-cost internal feed supply to the LHPP. Mining from two separate underground deposits, Reid Brook and Eastern Deeps, will extend the life of the operation until at least 2034. The underground mines will produce 40,000 tonnes of nickel-in-concentrate per year at the peak annual production.
- NR was informed on October 17, 2018, that the VBME Project reached first blast on the Reid Brook mine, 15 days ahead of the agreed milestone.
- A Work Task Order has been issued to have the Independent Engineer provide an opinion on the progress of the VBME Project and

Potential Speaking Points
- The Minister may wish to inquire on the recent dam failure at the Feijão iron ore mine in Brazil and offer our condolences for the tragic loss of lives.
- The Minister may wish to inquire about Vale’s plan for bringing the LHPP to full capacity of 50,000 tonnes of nickel per year and what additional sources of concentrate will be used to do so.

Prepared/Approved by: G. Taylor / A. Smith
Ministerial Approval:
Bios

Cory McPhee
Vice-President, Corporate Affairs, Communications & Sustainability

Cory McPhee is the Vice-President, Corporate Affairs, Communications and Sustainability with Vale’s Base Metals line of business. Born and educated in Sudbury, Ontario, Canada, Mr. McPhee joined the former Inco Limited in the Public Affairs Department in 1989 and has remained with the Company in positions of increasing responsibility since (Vale acquired Inco in October 2006). After studying science at Laurentian University and journalism at Cambrian College, he worked in daily newspapers for five years as a reporter, columnist and editor. He began his career at Inco as Public Affairs Officer and progressed through positions of increasing responsibility. Cory moved to the corporate office in Toronto as Director of Corporate Affairs in May of 2007. He was named Vice-President of Corporate Affairs and Communications in July of 2009 and had Sustainability added to his accountabilities in September 2018. Cory is the co-chair of the Brazil-Canada Chamber of Commerce and a Director of the Mining Association of Canada. His volunteer experience includes Easter Seals (for children with physical disabilities), the Sudbury and District Food Bank, the Northeastern Ontario Cancer Research Foundation, Cinéfest and the United Way.

Angie Robson
Head of Corporate Affairs & Sustainability, North Atlantic Operations & Asian Refineries

Angie Robson is Vale’s Head of Corporate Affairs & Sustainability for Vale’s North Atlantic Operations and Asian Refineries. Angie brings a mix of government, agency and corporate communications experience to her role at Vale. Prior to joining Vale in 2005 and overseeing Corporate & Indigenous Affairs in the Company’s Ontario Operations, Angie served as the Chief Communications Advisor to the provincial Energy Minister. Prior to that she held communications roles at major communications firms including Hill & Knowlton Canada and Navigator Limited. She has also served as a faculty member in Cambrian College’s public relations program.

Angie earned an Honours BA from Laurentian University in 1996 and a MBA from McGill University in 1999. She has been heavily involved in her community over the years, serving on a number of Boards and Committees. In 2011, Angie was honoured with a ‘Top 40 Under Forty’ award from Northern Ontario Business for her contributions.

Angie was born and raised in Sudbury, Ontario where she lives with her husband and two daughters.
Kristie Cochrane
Manager of Corporate Affairs, Newfoundland & Labrador

Kristie Cochrane is responsible for the overall management of Corporate Affairs-related activities for Vale’s Newfoundland Operations & Projects, including internal and external communications, media relations, issues management, government and stakeholder relations and community investment. She joined Vale in 2015 as the Corporate Affairs Specialist for Newfoundland & Labrador. Prior to this she was the Communications Officer with Marine Atlantic, and as a key member of their Corporate Communications Team, where she was the lead for strategic development, planning and execution of all internal communications. Kristie also has extensive experience with various public relations activities, which she gained while supporting Private and Public Sectors with execution of communications and Media Relations activities while working as a Public Affairs Consultant with a local PR Agency.

Kristie holds a Bachelor of Public Relations Degree from Mount Saint Vincent University and Change Management Certification from AdPro. Kristie was born and raised in Newfoundland and continues to live in St. John’s with her partner and their blended family with four children.

Joao Zanon
Project Director, Voisey’s Bay Mine Expansion

Born in Brazil, Joao started his career working in Commissioning, Start-up and Operations of manufacturing facilities before moving to the Mining Industry. Joao has worked on Projects in all Continents before joining Vale in 2010 to work at our Karabee Hydroelectric Plant Project in Indonesia.

After a period of working on the Growth Program for Vale’s Indonesia Operations, Joao moved to Newfoundland & Labrador where he began work as the Area Project Manager for the Long Harbour Processing Plant Project. Since November 2016, Joao has been the Project Director for Vale’s Voisey’s Bay Mine Expansion Project. Joao holds a degree in Mechanical Engineering from the University of Campinas in Brazil and has a MSc in Strategic Planning from Heriot – Watt University in Scotland.
Mark Sheppard
Head of Legal, Newfoundland & Labrador

Mark has been involved with the Voisey’s Bay project since 1995, first in private practice and then in 1996 as Chief Legal Officer for the Voisey’s Bay Nickel Company. During that time, Mark has provided legal and strategic advice on all aspect of the project and had been involved in key negotiations, including those related to impacts and benefits agreements, labour, construction and various other key agreements.

Mark holds a Bachelor of Arts (Hons) in Philosophy from Memorial University of Newfoundland and a Bachelor of Laws from Dalhousie University.
Meeting Note
Department of Natural Resources
Minister Coady with Vale Officials
Day, Date Time TBD
Fairmont Royal York Hotel, PEI Room, Main Mezzanine Level

Attendees:
Honourable Siobhan Coady – Minister of Natural Resources
Perry Canning – Assistant Deputy Minister, Mines, Department of Natural Resources

Eduardo Bartolomeo, Executive Director, Base Metals
Ricus Grimbeek – Chief Operating Officer, Canada, U.K. and Asian Refineries
Kristie Cochrane – Manager, Corporate Affairs. Newfoundland and Labrador
Cory McPhee – Vice President of Corporate Affairs, Communications and Sustainability
Angie Robson – Head of Corporate Affairs and Sustainability, Canadian Operations
Joao Zanon - Project Director, Voisey’s Bay Mine Expansion

Purpose of Meeting:
- Vale has requested a meeting with the Minister during PDAC to provide a general update on the Voisey’s Bay Project.

Background:
- The Voisey’s Bay nickel deposit was discovered in northern Labrador in 1993 by prospectors Albert Chislett and Chris Verbiski. It is a world-class mineral deposit with high grades of nickel, and also an important source of copper and cobalt. The deposit was purchased by Inco in 1996 for $4.3 billion and Inco was purchased by Vale in 2006.

- Vale Newfoundland and Labrador (VNL) operates the Voisey’s Bay mine and Long Harbour Processing Plant (LHPP) subject to conditions of the Voisey’s Bay Development Agreement.

Agenda item #1: Update on Vale Newfoundland and Labrador Operations
- The mine opened in 2005 and is producing ore containing nickel, copper and cobalt from the open pit operation, the Ovoid. Ore is processed on site into nickel concentrate and copper concentrate, which are shipped for further processing.

- Construction of the LHPP began in 2009 and was fully completed in November 2016. VNL estimated a two year ramp-up schedule (finish end of 2018) following completion, to reach the plant’s full capacity of 50,000 tonnes of finished nickel per year. NR has yet to receive confirmation of the completed ramp up. As of June 2018, the LHPP had achieved 75% of nameplate capacity on a quarterly basis and 85% on a monthly basis.

- The Ovoid constitutes only a part of the nickel resources at Voisey’s Bay. Vale formally sanctioned the development of the underground mine in July 2015, in accordance with the Development Agreement. After being stalled due to Vale S.A.’s decision to place its entire Base Metals Business in review in the summer of 2017, the Voisey’s Bay Mine Expansion (VBME) Project received positive news on June 11, 2018, when it was announced in St. John’s that the Company would be proceeding with its underground mine.

- Total estimated capital expenditures to complete construction and commissioning of the VBME Project is estimated at approximately US$1.7 billion. To help finance the VBME Project, Vale entered into cobalt streaming deals with Wheaton Precious Metals Corp and
with Cobalt 27 Capital Corp. to sell an aggregate total of 75% of the cobalt to be delivered from January 1st, 2021. This encompasses the existing Voisey’s Bay mine and VBME Project. The deal included a total upfront payment of US$690 million plus additional payments of 20% on average of cobalt prices upon delivery.

- On January 25, 2019, Vale SA reported the breach of Dam 1 of the Córrego de Feijão iron ore mine, located in Brumadinho, Brazil. The dam, measuring 86m high with a crest length of 720m, was inactive but a decommissioning project was under development. The dam failure allowed tailings to pour into the surrounding area. As of February 14, 2019, over 100 people are still missing, and 163 fatalities have been confirmed.

- On January 28, 2019, Brazilian judges ordered the freezing of about US$3 billion of Vale SA's assets to ensure the Company takes the necessary measures to reassure the stability of the dam VI of the Córrego do Feijão Mine Complex, provide reception and integral assistance to the affected people, among other obligations.

- On February 4, 2019, Vale SA was court ordered to refrain from disposing tailings or practicing any activity potentially capable of increasing the risks at eight of its dams in Brazil (Laranjeiras, Menezes II, Capitão do Mato, Dique B, Taquaras, Forquilha I, Forquilha II and Forquilha III). Consequently, on February 5, 2019, Vale SA declared force majeure on a number of related iron ore and pellets sales contracts. The impact of the temporary halting of the Laranjeiras dam at the Brucutu mine is estimated at approximately 30 million tons of iron ore per year.

**Analysis**

- The LHPP operated on 100% Voisey’s Bay high grade concentrate as of January 2016. Middling grade concentrate was introduced into the process in February 2017. The last export of nickel concentrate from the province occurred in April 2018, after which all of Voisey’s Bay nickel concentrate was sent exclusively to the LHPP for processing. Copper concentrate continues to be exported from the province.

- The Ovoid will be depleted by the end of 2022 and there will be a period between 2020 and 2022 when ore is supplied to the concentrator from both the Ovoid and the VBME Project.

- The VBME Project will sustain concentrate production at the Voisey’s Bay mill, allowing for lower-cost internal feed supply to the LHPP. Mining from two separate underground deposits, Reid Brook and Eastern Deeps, will extend the life of the operation until at least 2034. The underground mines will produce 40,000 tonnes of nickel-in-concentrate per year at the peak annual production.

- The LHPP is expected to generate 983 person years of employment in 2019.

- NR was informed on October 17, 2018, that the VBME Project reached first blast on the Reid Brook mine, 15 days ahead of the agreed milestone.
Assuming the project remains on schedule the first full year of production is expected to be 2021.

- A Work Task Order has been issued to have the Independent Engineer provide an opinion on the progress of the VBME Project and to verify that it has reached 15% completion. In accordance with the Development Agreement, upon reaching 15% completion, Vale can request that a portion of the Contingent Unprocessed Nickel Charge be released.

Potential Speaking Points
- The Minister may wish to inquire on the recent dam failure at the Córrego do Feijão iron ore mine in Brazil and offer our condolences for the tragic loss of lives.
- The Minister may wish to discuss whether the court actions against Vale SA in Brazil will have material impacts on cash flow for NL operations, specifically whether construction of the VBME, or operations at Voisey’s Bay and the LHPP, will be impacted.
- The Minister may wish to inquire on the status of commissioning of the Long Harbour Processing Plant.
- The Minister may wish to inquire about Vale’s plan for bringing the LHPP to full capacity of 50,000 tonnes of nickel per year and what additional sources of concentrate will be used to do so.

Prepared/Approved by: G. Taylor / K. Bradbury / A. Smith / P. Canning

Ministerial Approval: 

February 20, 2019
Bios

Eduardo Bartolomeo
Executive Director, Base Metals

Eduardo Bartolomeo was appointed the company's executive director for base metals on January 1, 2018. He has an extensive experience in managing global and complex organizations and held senior leadership posts at Vale for 10 years.

Previous positions held by Mr. Bartolomeo include director of Vale's Logistics Operations Department from 2004 to 2006 and executive director at Vale. He structured Valor Logística Integrada (VLI), a company with annual revenue of R$3.2 billion, EBITDA of R$700 million and an estimated market value at the time of R$8 billion. He also implemented the Vale Production System (VPS), which resulted in significant efficiency improvements.

Before joining Vale, Mr. Bartolomeo worked at Brazil Hospitality Group (BHG), the country's third largest hospitality company, from 2013 to 2015. In 2017, he was the CEO of Nova Transportadora do Sudeste (NTS), a natural gas pipeline company acquired from Petrobras by a consortium led by Canada's Brookfield. Mr. Bartolomeo has been the chairman of Log-In Intermodal since April 2016.

Ricus Grimbeek
Chief Operation Officer – Canada, U.K. and Asian Refineries

Ricus Grimbeek was appointed Chief Operating Officer for Vale's North Atlantic Operations and Asian Refineries, based out of Sudbury, Ontario. In this role, Ricus oversees all operating activities for Canada and the UK, and refineries in Asia.

Ricus most recently worked for South 32 – a global mining company – in roles including Chief Technology Officer as well as President and Chief Operating Officer. He has also worked for BHP Billiton and Lonmin in a variety of senior level safety and operational positions in Australia, South Africa and Canada. A native of South Africa, Ricus is a mining engineer with more than 30 years' experience in the mining industry.
Cory McPhee  
*Vice-President, Corporate Affairs, Communications & Sustainability*

Cory McPhee is the Vice-President, Corporate Affairs, Communications and Sustainability with Vale’s Base Metals line of business. Born and educated in Sudbury, Ontario, Canada, Mr. McPhee joined the former Inco Limited in the Public Affairs Department in 1989 and has remained with the Company in positions of increasing responsibility since (Vale acquired Inco in October 2006). After studying science at Laurentian University and journalism at Cambrian College, he worked in daily newspapers for five years as a reporter, columnist and editor. He began his career at Inco as Public Affairs Officer and progressed through positions of increasing responsibility. Cory moved to the corporate office in Toronto as Director of Corporate Affairs in May of 2007. He was named Vice-President of Corporate Affairs and Communications in July of 2009 and had Sustainability added to his accountabilities in September 2018. Cory is the co-chair of the Brazil-Canada Chamber of Commerce and a Director of the Mining Association of Canada. His volunteer experience includes Easter Seals (for children with physical disabilities), the Sudbury and District Food Bank, the Northeastern Ontario Cancer Research Foundation, Cinéfest and the United Way.

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Joao Zanon
Project Director, Voisey’s Bay Mine Expansion

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Decision/Direction Note
Department of Natural Resources

Title: Voisey's Bay Mine Expansion Underground Mine Progress Milestone

Decision/Direction Required:
- Whether to reduce the amount of the Contingent Unprocessed Nickel Charge (CUNC) in accordance with article 4.3A.2 of the Development Agreement.

Background and Current Status:
- Vale Newfoundland and Labrador (VNL) operates the Voisey's Bay mine and Long Harbour nickel processing plant subject to conditions of the Voisey's Bay Development Agreement (DA).
- The Fifth Amendment to the DA included a commitment to develop the post-ovoid underground mine such that continuous operation at Voisey's Bay is maintained. The amendment included milestones, based on the schedule in the FEL-2 (prefeasibility) study.

- The commitment to construction of the underground mine was secured through security that was built up as nickel-in-concentrate was exported and is known as the Contingent Unprocessed Nickel Charge (CUNC).

- On sanction of the project in July 2015, the CUNC was reduced and now includes letters of credit and a General Security Agreement and Collateral Realty Mortgage.

- Article 4.3A.2 of the DA (attached) states that “where the Proponent believes that Overall Progress has reached a percentage completion that would trigger the reduction of the amount of the Contingent Unprocessed Nickel Charge, the Proponent shall so indicate in its monthly progress report delivered to the Government under Section 15.3 and the Contingent Unprocessed Nickel Charge shall be reduced in accordance with this Section 4.3A.2 only following confirmation of such assessment by the Engineer in the applicable Engineer’s Assessment.”

- Article 16.3 of the DA (attached) indicates that any reduction in the CUNC shall first be applied to reduce the amounts of letters of credit in place.

- A contract is in place with HKA Global (Canada), Inc. (formerly Knowles Consultancy Services), dated June 2015, as independent engineer for the underground mine project. The cost of the independent assessments done under this contract is shared equally by VNL and NR.
Analysis:

- Reaching 15% project completion triggers [redacted] reduction in CUNC from [redacted] provided that:
  - VNL has indicated in its monthly progress report that this percent completion has been reached, and
  - This has been confirmed by an assessment of the Independent Engineer.

- In a letter dated February 15, 2019, VNL stated that they have reached 15% completion of the VBME and requesting that the CUNC be reduced [redacted]. They specifically requested that the department take immediate steps to cancel the following letters of credit:
  - [Redacted]

- Each of the above referenced Letters of Credit were provided by Vale as CUNC and each include a term indicating that the LOC can be cancelled by returning the original to the bank along with a dated letter requesting its cancellation.

- HKA's independent engineers report dated February 28, 2019 assessing the progress of the project has confirmed that the 15% threshold has been met, stating: "HKA is of the opinion that the overall percent complete has met the 15% threshold in the VBDA, and per our mandate (see Report Section 1.1), we certify that 15% overall Project completion was met on or before 31-Dec-18."

Alternatives:

- Cancel the Letters of Credit as requested by VNL.
  - Meets the terms of the DA;
  - Indicates to Vale that the DA will be adhered to; and
  - Rewards VNL for meeting its responsibilities in the DA.

- Do not authorize the reduction in CUNC
  - This would contravene the Development Agreement.

Prepared/Approved by: A. Smith / [Signature]

Ministerial Approval: [Signature]

March 7, 2019

Attachment:
- Article 4.3A.2 of the Development Agreement
- Article 16.3 of the Development Agreement
4.3A.2 Reduction.
The amount of the Contingent Unprocessed Nickel Charge and the corresponding security granted under Section 16.1 shall each be reduced according to the Overall Progress of the Underground Mine, on a schedule determined as follows:

<table>
<thead>
<tr>
<th>Overall Progress</th>
<th>Reduced Amount of Contingent Unprocessed Nickel Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Achievement of the Sanction of the Underground Mine Milestone set forth in Section 4.6A(d) (being 0% Completion)</td>
<td>S.29.1.a</td>
</tr>
<tr>
<td>15% Completion</td>
<td>S.35.1.d</td>
</tr>
<tr>
<td>30% Completion</td>
<td>S.35.1.f</td>
</tr>
<tr>
<td>45% Completion</td>
<td>S.35.1.g</td>
</tr>
<tr>
<td>60% Completion</td>
<td></td>
</tr>
<tr>
<td>Achievement of the “Start of Mining” Milestone set forth in Section 4.6A(h) (being -70% Completion)</td>
<td></td>
</tr>
</tbody>
</table>

Where the Proponent believes that Overall Progress has reached a percentage completion that would trigger the reduction of the amount of the Contingent Unprocessed Nickel Charge, the Proponent shall so indicate in its monthly progress report delivered to the Government under Section 15.3 and the Contingent Unprocessed Nickel Charge shall be reduced in accordance with this Section 4.3A.2 only following confirmation of such assessment by the Engineer in the applicable Engineer’s Assessment.

16.3 Reduction of Security.
Any reductions in the amount of the Contingent Unprocessed Nickel Charge under Section 4.3A.2 shall be applied first to reduce the aggregate outstanding amount under the Letters of Credit and then to reduce the Secured Amount under the GSA and the Collateral Realty Mortgage.