

June 9, 2020

Premier Blaine Higgs
Chancery Place
675 King Street
Fredericton, NB E3B 1E9

RE: Maritime Iron Project - Economic Development

Dear Premier Higgs:

As you are no doubt aware, we were recently advised by NB Power that they are ceasing negotiations with Maritime Iron on our proposed Belledune Iron Processing Facility. To say this came as a surprise to us is an understatement. We understand NB Power's role and fully respect that they have the ratepayer in mind. We remain committed to the project and are interested in continuing to advance discussions with you and your government to realize this substantial economic initiative for the benefit of the taxpayer.

We understand that sometimes discussions can stall during complex negotiations, but we believe we were making significant progress in recent months. Furthermore, we believe that with the appropriate focus and engagement, we would be able to conclude a mutually beneficial outcome that would be good for both Maritime Iron and the Province of New Brunswick.

Despite NB Power's decision, we know there are a number of options available that should still be considered. A key factor in the discussions has been the impact of our electricity needs on the existing capacity of the system. We are prepared to look at multiple options to help address this issue, up to and including possible scenarios around the purchase of the Belledune Generating Station.

We understand that this facility is subject to closure by 2030 as a result of federal regulations and will leave hundreds of millions of dollars in debt for ratepayers to address. If we were to acquire this stranded facility, it would give NB Power some financial flexibility to purchase energy from other sources, or invest in generation capacity, or pay down debt and reduce interest payments, among other things.

Creative solutions are possible that will meet the short-term requirements of the province, while also building a lasting economy for the future. This would help drive economic activity in northern New Brunswick, as well as position New Brunswick as a North American leader in a strategic global sector. It would also contribute to your government's commitment to a global low-carbon economy through the use of innovative and environmentally responsible technology for industrial development.

As a result of the COVID-19 pandemic, we are all more sensitive to the need to ensure our provincial and national economies rebound quickly, and ensure that we capitalize on potential long-term, multi-

generational employment opportunities. Our project will contribute over \$1.5 billion to the province's finances, through corporate and income taxes over 30+ years of operations, in addition to supporting local businesses and communities throughout the province. The net benefits of this project to the taxpayer far out-weigh any perceived issues or potential costs to the ratepayer. New industrial entrants, including unique ones like Maritime Iron, may require infrastructure investment by the Province to enable economic development. However, we fail to see how a 140MW user of electricity, who can enable excess power to the grid, could cause rates to soar. Moving forward with this project requires a provincial-wide lens on benefits that you, as Premier, bring to the table.

We are proud of the work we have done in Belledune and the surrounding communities, including the partnership we established with the region's First Nation communities. We are hopeful that together we can find a way to move forward and make this project a reality. We are interested in working with you directly to resolve any remaining matters around the implementation of this project. I will reach out to your office to arrange a meeting with you at a mutually convenient time.

Regards,



Greg McKenzie
Chairman and CEO