



**PAPER
EXCELLENCE**

**PRINCE ALBERT
PULP INC.**

WHO IS PAPER EXCELLENCE?

Paper Excellence is a diversified manufacturer of pulp and paper, including printing and writing, packaging, and specialty papers. We believe in the enduring value of wood-based products in global markets and have built a large network of mills to produce them competitively. Through our distinct approach to operational excellence, we deliver high-quality and cost-effective products to international customers.

Prince Albert Pulp Inc. (right) is one of eight Canadian pulp mills owned by Paper Excellence. The mill is located in Prince Albert, Saskatchewan.



PRINCE ALBERT MILL: WHERE IS THE PROJECT TODAY?

In 2019, our team began actively developing the start-up business plan for Prince Albert. As part of that work, we secured updated capital and cost estimates to restart the mill from an international pulp/paper company. The estimate is \$550 million.

Presently, we are working on three different aspects of the project:

- Engineering staff are working on technical due diligence and RFPs are being evaluated to confirm the condition of existing major components.
- Our Indigenous Relations team is engaging with 16 Saskatchewan First Nations and identifying their interest in participating in the supply chain continuum from forest management/operations through to pulp production. In October, Paper Excellence Canada signed our first Letter of Intent with two Saskatchewan First Nations.
- The Saskatchewan government is actively engaged through a Working Group reporting to Bronwyn Eyre, Minister of Energy and Resources, and Jeremy Harrison, Minister of Trade and Export Development.

Upon restart, the mill has an annual capacity of 340,000 tonnes of Northern Bleached Softwood Kraft (NBSK). NBSK pulp is composed of longer fibres and is primarily used as reinforcement pulp. NBSK pulp is used for manufacturing a variety of paper products including printing and writing paper, specialty grades and a range of tissue products.

**FIBRE
NEED: 1.8 M m³**

**NEW
JOBS: 1,650**



SUPPORTING THE SASKATCHEWAN GOVERNMENT'S VISION:

The restart of the Prince Albert mill is well aligned with the provincial government's vision for Saskatchewan. Seven of the government's "30 Goals for 2030" are supported by our plan to restart the Prince Albert mill:

1. Double the growth of Saskatchewan's forestry sector
2. Grow Indigenous participation in Saskatchewan's natural resource industries
3. Expand Saskatchewan's export infrastructure
4. 100,000 new jobs
5. Grow private capital investment in Saskatchewan to \$16 billion annually
6. Increase the value of exports by 50 per cent
7. Grow the number of international markets to which Saskatchewan exports more than \$1 billion

BUILDING ON OUR SUCCESS AT MEADOW LAKE

In 2007, Paper Excellence bought Meadow Lake Mechanical Pulp. At the time, the mill had never generated a return on the government's investment. Today, Meadow Lake is a leading producer of high quality Bleached Chemi Thermal Mechanical Pulp (BCTMP). It employs 192 full time employees, supports 740 indirect jobs in Saskatchewan, and makes an annual economic contribution of \$400 million. We want to recreate this success at Prince Albert.

INVESTING IN SASKATCHEWAN'S FOREST INDUSTRY INFRASTRUCTURE

There aren't enough pulp mills operating to utilize the upstream low-grade fibre (small diameter trees, treetops), sawmill residuals (woodchips), and biomass (tree bark, wood shavings) created by sawmills and solid wood product producers. It's difficult for sawmills and solid wood product producers to be competitive without the revenue stream a strong market for the low-grade fibre provides. When the Prince Albert mill restarts, it will consume an estimated 1,849,000 m³ of fibre each year.

CULTIVATING INDIGENOUS PARTNERSHIPS

Paper Excellence has more than 10 years of positive experience working in partnership with the Meadow Lake Tribal Council through NorSask and Mistik Management Limited. In addition, as a shareholder in Sakâw Askiy Management Inc. and through conducting our forestry operations, we have had significant interaction with other tribal councils and individual First Nations. From that interaction we have developed a good understanding of both the successes and challenges facing Saskatchewan's Indigenous Peoples.

MILL HISTORY TIMELINE

- 1968 - Prince Albert mill opened in 1968 as a softwood kraft pulp mill
- 1986 - Mill was purchased by Weyerhaeuser, a paper machine was built and the mill produced both pulp and paper.
- 2006 - Mill was permanently closed by Weyerhaeuser and purchased by Domtar. Domtar only produced NBSK pulp.
- 2011 - Mill was purchased by Paper Excellence with the intent of converting the Prince Albert mill to produce dissolving pulp. The purchase agreement included a 10-year non-compete clause for paper grade pulp.
- 2012 - Paper Excellence completed detailed process engineering and equipment studies focused on converting the mill to produce dissolving pulp.
- 2014 - China settled on a duty level of 23.7 per cent for new dissolving pulp production originating from Canada which negated the business case for making dissolving pulp at Prince Albert.

QUESTIONS?

For more details about the Prince Albert mill restart, please contact: princealbert@paperexcellence.com