

Statement to Parliament by Hon. Lester Michael Henry

Minister of Transport and Mining on New Day Holdings' Acquisition of Mining Rights and Interest in the Noranda Jamaica Bauxite Partnership in St. Ann.

Tuesday, October 25, 2016.

BACKGROUND

Mr. Speaker, by now this honourable house is aware that last week a United States court of arbitration, approved New Day/ DaDa Holdings, LLC (New Day) as the preferred bidder for the purchase of the Gramercy Alumina Refinery in Louisiana and the 49% stake in the Noranda Jamaica Bauxite Partnership in Jamaica that were formerly owned by Noranda Aluminum Holding Corporation (NAHC).

The Asset Purchase Agreement (APA) was approved by the bankruptcy court for execution and is subject to specified conditions to close.

Mr. Speaker, one of those conditions was for New Day to reach an agreement with the Government of Jamaica (GOJ) regarding the transfer of the Special Mining Lease and the terms of the future commercial relationship or partnership.

Mr. Speaker, when we first learnt of the unfortunate situation that had faced Noranda, and the likely course of action, we were very concerned about the fallout in the economy, but even more concerned about the company's

obligations to its Jamaican stakeholders, including the staff, contractors and vendors.

However, Mr. Speaker, I am pleased to announce that the GOJ and New Day have reached an agreement. In this regard, I am pleased to give credit to the hard working technocrats at my ministry, the Ministry of Finance and the Public Service, the Jamaica Bauxite Institute, the Jamaica Bauxite Mining Limited and Dr. Kathy-Ann Brown from the Office of the Attorney General, who took the concerns I expressed seriously. They worked tirelessly to protect the interest of the GOJ and the people of Jamaica, and, Mr. Speaker, to ensure that we got a very good deal for all parties.

Today, Mr. Speaker I am happy that we were able to get much more than the one cent in the dollar that Noranda Aluminum Holding Corporation (NAHC) will be paying to its creditors in the United States.

COMMITMENT

Mr. Speaker, the New Day team has committed to spend in excess of 35 million United States dollars between 2017 and 2021 to improve the Jamaican assets.

CABINET'S APPROVAL

Mr. Speaker, yesterday Cabinet approved the signing of a Letter of Intent between the GOJ and New Day Holdings.

Mr. Speaker, Letter of Intent, which is binding on both parties is to be signed by the end of Wednesday, October 26, 2016. A Joint Venture Agreement is to be signed between the parties. Under this agreement,

both parties will benefit from any financial recovery in the performance of the mining and refining operations being acquired.

Mr. Speaker, the Letter of Intent provides details for the salient issues. These include, but are not limited to the following:

1. STRUCTURE, ECONOMICS AND OPERATIONS
2. DURATION OF AGREEMENT
3. PROFIT PARTICIPATION
4. TREATMENT OF LEGACY LIABILITIES
 - 4.1 OVERDUE LEVY
 - 4.2 PAYMENTS TO EMPLOYEES
 - 4.3 PAYMENTS TO CONTRACTORS AND OTHERS.
5. MINING RIGHTS AND ANNUAL QUANTITIES
6. EXPANSION OF CAPACITY AND NEW INVESTMENT
7. EMPLOYMENT
8. OTHER COMMITMENTS
9. REVIEW PERIOD

CONCLUSION

Mr. Speaker, this Government was given the responsibility to secure the debts owed by Noranda to the Government and people of Jamaica, to

protect the jobs of the employees and ensure the plant's continued operation.

Mr. Speaker, we have done that.

In moving forward, tomorrow the GOJ and New Day Holdings will sign the Letter of Intent at a media conference at the Ministry of Transport and Mining. Thereafter, the various agreements, namely the Novation Agreement, Establishment Agreement, and the Joint Venture Partnership Agreement will be completed and signed by November 30, 2016.

Thank you.