



Corner Brook Pulp and Paper Revitalization

Summary

July 2026

Corner Brook Pulp and Paper

Revitalization

Kruger is investing \$700M to secure Corner Brook Pulp and Paper's future.

This major revitalization project will:

- Extend the life of the Mill and transform the site into an energy and industrial hub.
- Integrate renewable energy infrastructure to Mill operations and reduce its reliance on fossil fuels.
- Make operations more sustainable and contribute to strengthening Newfoundland and Labrador's forestry and manufacturing sectors.



Why Revitalize?

- Global demand for newsprint continues to decline.
- Newsprint does not generate enough revenue to sustain operations.
- Current forest operations are not financially viable under the existing cut-to-length harvesting model.
- CBPP'S current configuration limits growth opportunities for sawmills across the province.

**Continued dependence primarily on paper production is not viable.
A transformation of the business model is required.**

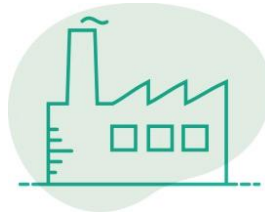


Overview of the Revitalization Plan



Forestry

- Additional high-quality sawlogs for sawmills (from 155,000 to 515,000 m³).
- More efficient and modern harvesting methods.
- Increased sustainable wood supply (723,000 m³).
- Doubling silviculture activities.
- Fully sustainable and certified to SFI® and ISO 14001 Standard.
- Additional jobs in the forestry sector.



Mill Site

- Cease roundwood deliveries, convert wood room operations to biomass drying facility.
- ~500,000 m³ of chips and biomass supply via sawmill residuals, roadside grinding, and chipping yard.
- Sustain paper production.
- Mill electrical energy supplied by wind farm (60 MW) and biomass cogen (13 MW).



Wind Farm

- Up to 155 MW installed generation capacity.
Final Scope TBD based on NL Hydro Interconnectivity Review.
- Within existing CBPPL active harvest limits.
- Primary source of energy for Mill Site.
- Supports Deer Lake Power energy management.



Hydro Generation

- Provide firm power capacity and renewable energy to NL Hydro.
- Advanced controls to manage generation (Deer Lake, Watson's Brook, biomass cogeneration plant, wind farm) and power distribution (Mill, NL electrical grid, etc.) of all assets.

Sawmill Partners

Installed capacity increase from 100 to 200 MMBF

NL Hydro

Anticipate power available to provincial grid in Q3 2030



Overview of the Revitalization Plan

- Three-year construction period creates 575 full-time equivalent jobs and over \$50M in local economic impact.
- Protects 1,000 direct forest sector jobs, including 377 CBPP employees.
- Maintains operation and supports growth of provincial sawmills.
- Creates the financial framework for Kruger to repay the existing loan owed to the NL Government.
- Provides power capacity and reliable energy required for future growth in the province.

A **win-win-win** proposition solving a growing electric capacity shortfall in the province and securing the long-term future of mill, forestry, and lumber operations.



Revitalization Plan – Forestry

Increase harvesting efficiency and optimize resource usage

Harvesting Equipment

- Grapple Skidders
- Processors
- Mobile Grinder

Shift from cut-to-length at stump to full-tree skidding and roadside processing/sorting.



Transportation

- Front End Loaders
- Log Loaders
- Chip & Biomass Vans/Trailers

Maximum sawlogs to sawmills and residuals from sawmills to CBPP.



Debarking-Chipping Yard

- Wave Feeder
- Ring Debarker
- Chipper
- Front-End Loader
- Storage Pad
- Scale
- Operations Booth/Building
- Civil, Electrical, etc.

Regulatory pathway: Five-Year and Annual Operating Plans process facilitated by Department of Forestry, Agriculture and Lands.



Revitalization Plan – Mill Site

Upgrading Mill and thermal energy infrastructure

- Mill modernized to allow paper manufacturing with variable wind energy.
- Increased pulp storage to optimize paper machine operations.
- Significantly less fuel use in power boiler, resulting in up to a 90% reduction in GHG emissions.
- Upgraded chip receiving facility to support sawmill partner expansion.
- Increased automation to improve effluent resiliency.
- Anticipated noise reduction from yard operations and traffic.



Regulatory pathway: Certificate of Approval by Department of Environment, Conservation and Climate Change



Revitalization Plan – Mill Site

Scope of Investment

Chip Processing

- Chip dumper and reclaim
- Spruce and fir storage
- Blower to TMP bins

100% of chip supply from sawmill residuals and remote chipping yard.



Biomass Processing

- Biomass dumper and stacker
- Reclaim and Hammermill
- Biomass conveyor to feed bin

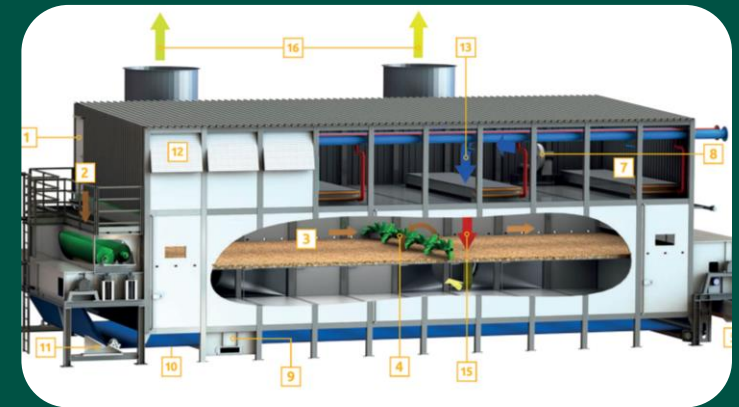
100% of biomass supply from sawmill residuals, roadside grind, and chip yard.



Biomass Dryer

- Low-pressure steam (35 PSIG)
- Located in current wood room
- Conveyor dryer

Incoming moisture reduced from 50-60% to 42%: eliminates need for steady-state fuel oil consumption.



Revitalization Plan – Mill Site

Scope of Investment

Effluent Resiliency

- Improvements in chemical unloading, storage, and addition systems.
- Enhance chemical addition controls.

Tank Farm Decommissioning

- Decommission and remove tank farm.
- Discontinued flow of oil along Corner Brook stream.
- Installation of a fuel oil offloading, storage (5,000 bbls), and delivery system on Mill property (start-ups).



Regulatory pathway: Certificate of Approval by Department of Environment, Conservation and Climate Change



Revitalization Plan – Hydro

Firm power capacity, reliability and energy distribution upgrades

- Deer Lake Power infrastructure improvements within existing footprint.
- Completion of final penstock replacements.
- Conversion to full 60 Hz generation to maximize available capacity for provincial grid.
- Generator control upgrades to provide power level flexibility.
- Advanced control implementation to maximize paper production while delivering firm power capacity and renewable energy.
- Improved stability of water levels in Grand Lake Basin, Deer Lake and Humber River.



Regulatory pathway: Department of Water Resources Management and Dam Safety Program; Other permits based on past experience and final scope of work.



Revitalization Plan – Wind Farm

Renewable energy powering Mill operations

- Innovative approach: first papermill to run on variable wind energy.
- Up to 155 MW installed capacity from 17 to 22 wind turbines (scope TBD based on NL Hydro modeling).
- 230 kV transmission line interconnection, mostly parallel to existing transmission line on current right of way.
- Within CBPP active harvest limits using and upgrading existing roads network.
- Integral to the success of the Revitalization:
 - Liberates existing firm capacity for NL electrical grid.
 - Maintains mill operations, facilitates consumption of sawmill residuals (chips and biomass).



Regulatory pathway: EA Registration, assessment, and permitting to align with the Department of Environment, Conservation and Climate Change.

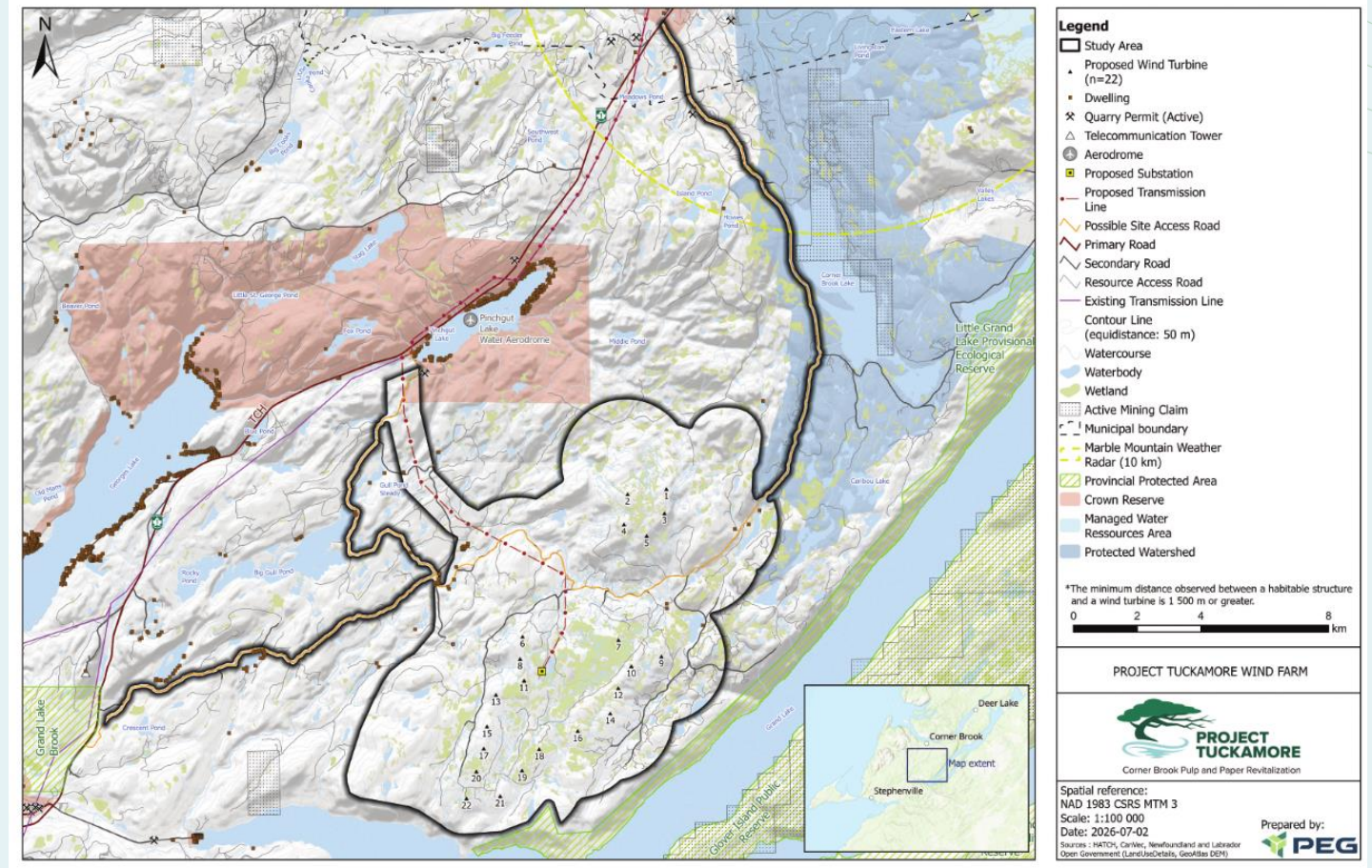


Revitalization Plan – Wind Farm

Constraints Mapping

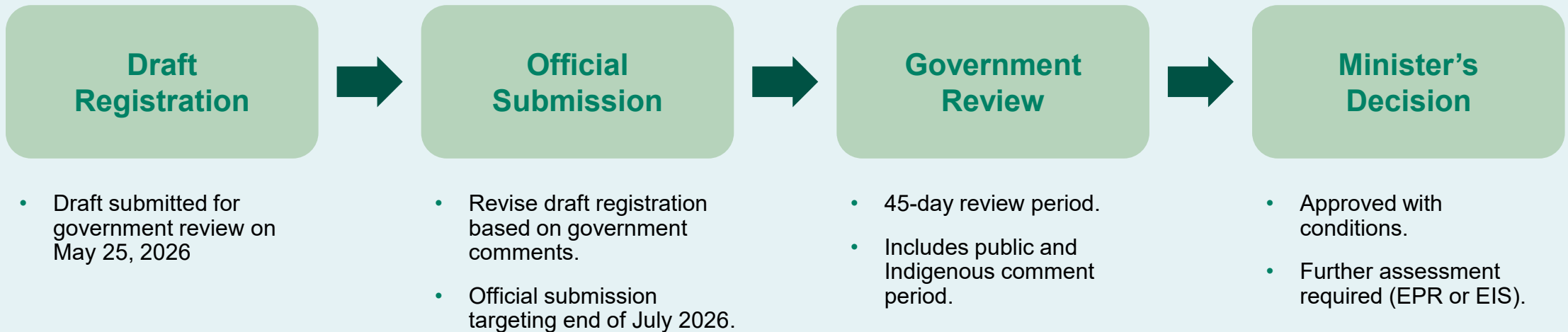
Analysis of potential constraints within the project study area will be undertaken for each category below over the coming months:

- Human
- Environmental
- Wildlife
- Technical



Revitalization Plan – Wind Farm

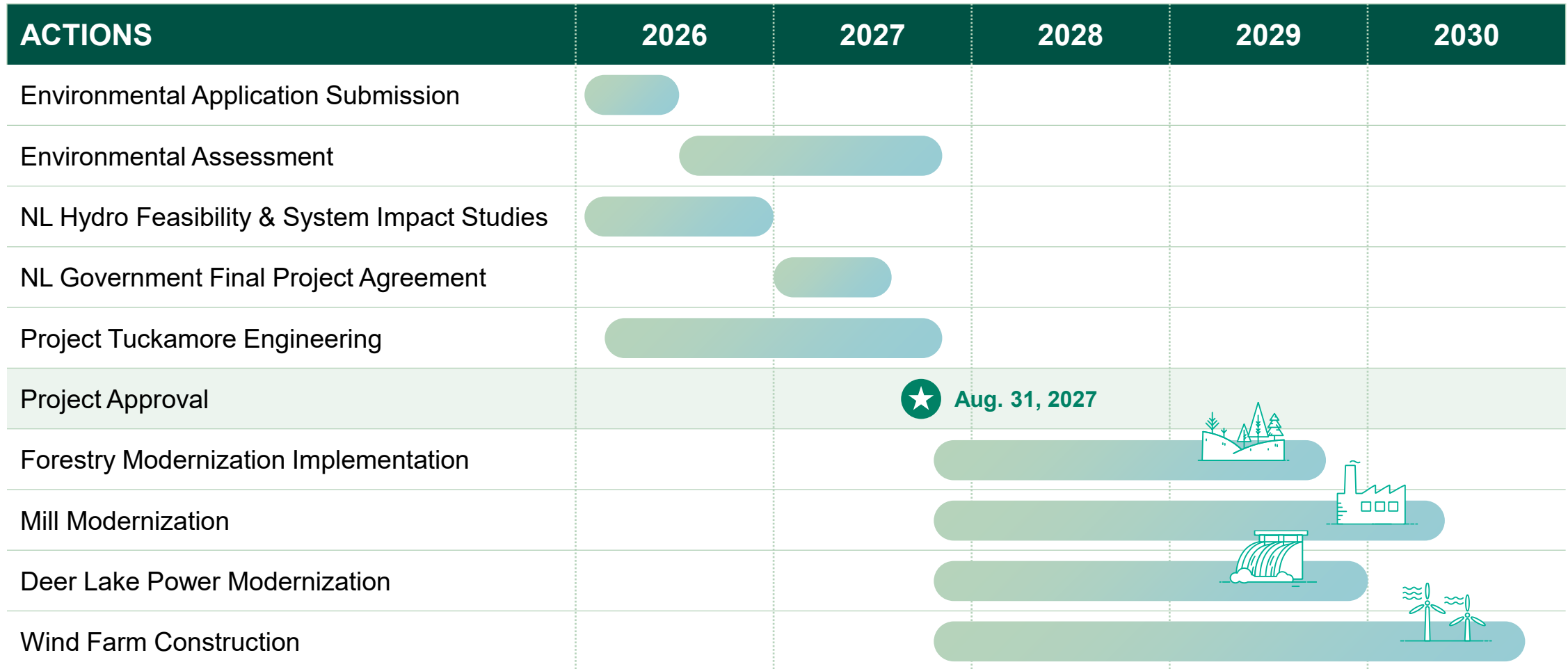
Environmental Assessment Timeline



To achieve supply to the NL electrical grid by Q3 2030 – Construction to start in August 2027.



Revitalization Project – Overall Timeline



Revitalization Project – Capital Summary

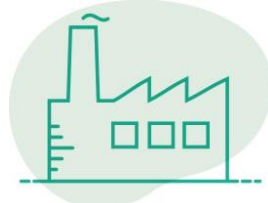


Forestry Modernization

- Harvesting Equipment
- Log Loaders
- Front-End Loaders
- Chip and Log Trailers
- Remote Chipping Yard
 - Ring Debarker
 - Chipper
 - Storage Pad
 - Scale

Regulatory Pathway

Five-Year and Annual Operating Plans process facilitated by Department of Forestry, Agriculture and Lands



Mill Site

- Chip and Biomass Unloading and Processing
- Biomass Dryer Installation
- Boiler and Cogen Upgrades
- High Consistency Pulp Storage
- Infrastructure Remediation
- Address Obsolescence
- Decommission and remove tank farm
- Effluent Resiliency

Regulatory Pathway

Certificate of Approval by Department of Environment, Conservation and Climate Change



Wind Farm

- Between 17 and 22 Turbine Generators
Final Scope TBD based on NL Hydro Forecasting
- 230 kV transmission line, bus and breaker bay
- Improvements to existing road network within CBPP timber limits

Regulatory Pathway

Department of Water Resources and Dam Safety Management



Hydro Generation

- Deer Lake and Watson's Brook Investments:
 - Penstock Replacements
 - Infrastructure improvement
 - Remediation
 - 60 Hz Conversion
 - Control System Upgrades
 - Advanced Controls

Regulatory Pathway

EA Registration, assessment and permitting to align with the Department of Environment, Conservation and Climate Change



Revitalization Project – Next Steps

- Continue dialogue with various government departments and regulators.
- Draft Registration for departments to review submitted on May 25.
- Submission of Project Registration planned for July 2026.
- Committed to ongoing engagement through registration and beyond.
- Ongoing permitting discussions for items within the Certificate of Approval and 5-Year Operating Plan related to Revitalization Projects that are outside the Environmental Assessment process.



Commitment to Indigenous Engagement

Kruger respectfully acknowledges that Corner Brook Pulp and Paper operates in the ancestral land of the Mi'kmaq people of Newfoundland (Ktaqmkuk). We acknowledge their longstanding connection to this land and are committed to working in partnership with Indigenous communities in a spirit of respect, collaboration, and reconciliation.

These commitments include -

- Recognizing and respecting Indigenous rights
- Recognizing and respecting Indigenous interests, including traditional land use, environmental stewardship, and sustainable development
- Early and ongoing engagement continuing through the life of the Project
- Exploring opportunities to incorporate Indigenous Knowledge and perspectives

