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Message from the President

The Honourable Geoff MacLellan
Minister Responsible for Sydney Steel Corporation Act
Government of Nova Scotia
Halifax, Nova Scotia

Dear Minister:

In accordance with government policy, please find enclosed the business plan of Sydney Steel Corporation (Sysco) for the fiscal year ending March 31, 2018.

With the decommissioning of the steel plant complete and site remediation activities in the final stages, Sysco has only limited activities relating to a few outstanding obligations resulting from its former operations.

Redevelopment of the former Sysco site by the Crown corporation, Nova Scotia Lands Inc. is now well advanced toward a premium commercial park and port facility in the centre of the City of Sydney.

We trust that this limited business plan is satisfactory for the fiscal year ahead.

Yours truly,



Gary Campbell
President, Sydney Steel Corporation

Mandate

Sysco's primary activities, subsequent to the closure of the steel mill in 2001, included demolition of structures, processing and sale of scrap steel, remediation of the site, and sale of surplus assets.

During fiscal 2007-2008, it was recognized that the mandate of Sysco was undergoing a significant change. In recognition of this change, it was determined that the future activity of remediation of the Sysco property and its redevelopment as a commercial park facility would be conducted by a new agency, Nova Scotia Lands Inc., purposely designed to meet the property remediation and management role.

Therefore, Sysco will continue to be dormant, with ongoing operations contracted to Nova Scotia Lands Inc. Sysco will remain active only to deal with residual issues arising from historic operations.

Core Responsibilities and Services

The plan for Sysco during the 2017-2018 fiscal year is to continue to wind up activities and have the corporation remain dormant. Liabilities still exist for long term maintenance, monitoring and redevelopment as slag is quarried and product sold.

Key Actions:

- a) Remaining Phase IV and V property turned over to Harbourside Commercial Park.
- b) Continue quarrying slag.

Budget Context

	Estimate 2016-2017 ('000)	Forecast 2016-2017 ('000)	Estimate 2017-2018 ('000)
REVENUES			
Contribution from the Province	1,325	1,175	1,095
Gain on Sale of Assets	1,000	0	250 ¹
Interest Income	5	0	0 ²
TOTAL REVENUE:	2,330	1,175	1,345
EXPENSES			
Other Remediation Activities	100	0	0 ³
Consulting/Legal	400	475	500 ⁴
Funding to NSLI for LTMM Activities	825	700	845
TOTAL EXPENSES:	1,325	1,175	1,345
NET INCOME (LOSS):	1,005	0	0

¹ Sale of assets has not taken place

² No investments and little operating cash

³ No other remediation activities

⁴ The legal cost if \$350K as of end of third quarter; no demolition cost for North Sub-station; and no support required for slag operation or clients