EVIDENCE OF GRANT LAKE[1]

The Land Rights Sought

1. Grant Lake owns forested lands in the Algoma district of Ontario. Grant Lake has granted use of parts of these lands to a number of parties.

2. One of those parties is Algoma Power Inc. (Algoma Power). Algoma power operates a regulated electricity distribution line which runs across Grant Lake's property and is the main distribution line providing power to Alamos Gold Inc. (one of the partners in the Applicant herein and the sole customer for the Applicant's proposed transmission line) as well as to Dubreuilville and other area communities. Of the portion of this Algoma Power distribution line located on Grant Lake's property, roughly half runs parallel to the Agawa Canyon Railroad, a small portion parallels Hwy 101, and the rest runs across forested land through which accesses to the distribution line were established when the line was built.

3. The Applicant in this proceeding is a partnership (Alamos/BFN) between Batchewana First Nation of the Ojibways (BFN) and Alamos Gold Inc. (Alamos Gold). The lands that are the subject of this Application (Grant Lake Lands) trace a corridor intended by Alamos/BFN for a private electricity transmission line to exclusively serve Alamos Gold.

4. Of the 4 routes initially considered by Alamos/BFN for this private line, two run largely in the vicinity of the existing Algoma Power distribution line. The route that Alamos/BFN has chosen though, and which is the subject of this Application, runs through largely pristine forest, but is the route that permits the least expensive transmission line with forecast savings relative to the 3 other route options considered ranging from $6.7 million to $36.9 million.

5. The route chosen by Alamos/BFN for its private transmission line, running as it does through largely pristine forest:

   a. Further bisects Grant Lake's property thus potentially reducing the aggregate value of that property.

[1] As has been the case in materials issues by the OEB in this matter to date, the term Grant Lake is used to mean Grant Lake Forest Resources Ltd. And Josephine Forest Resources Ltd., both of which own lands that are the subject of this Application, and both of which are owned by Shanda Group PTE Ltd.

b. Requires new roads or reuse/expansion of old, largely unused roads to access relatively remote areas of the property.

c. Accordingly increases the risk of dumping, contamination, unauthorized hunting buildings, and fire.

d. In relation to the increased risk of fire, creates an attendant risk of deforestation that could reduce the forestry and/or carbon credit value of the property for decades pending reforestation.

e. Creates a requirement for incremental monitoring activity.[2]

6. Notwithstanding the higher risks and costs to Grant Lake resulting of Alamos/BFN's choice of preferred route, Grant Lake understood the commercial driver for that choice and was prepared to enter into negotiations for the granting of rights therefore.

The Relationship of the Parties

7. Those negotiations commenced as requests from BFN and Alamos Gold for a temporary licence to allow for development work.

8. In response to those requests, Grant Lake entered into a non-exclusive access license agreement with BFN dated April 1, 2023[3] (Original Agreement). The Original Agreement granted access to the Grant Lake Lands for the express purpose of allowing the commencement of environmental impact and other early stage studies and tests in support of the proposed development of what was termed in the agreement a *"private utility line"*. The Original Agreement was for a 2 year term, and specified payments by BFN to Grant Lake of:

    a. $12,000 for the first year.

    b. $12,600 for the second year.

    c. Compensation at negotiated rates for timber removed or used by BFN (one rate for authorized removal/use and a higher rate for unauthorized removal/use).

    d. Compensation at a negotiated rate for any soil or aggregate removed or used other than in the course of excavating test pits or drilling bore holes.

[2] Grant Lake estimates the cost of this incremental monitoring activity to be: 2 days every 2 months @$3,000/day = $36,000/year = ~$70/acre/year).

[3] Application Appendix G, PDF page 21 *et seq.*

9. Effective February 21, 2025, Grant Lake, BFN and Alamos/BFN entered into an Amending Agreement (2nd Agreement).[4] The 2nd Agreement essentially effected the assignment by BFN of the Original Agreement to Alamos/BFN. It also continued access to the Grant Lake Lands for the continued purpose of environmental impact and other studies and tests in support of what continued to be termed a *"private utility line"*. The 2nd Agreement further permitted tree clearing work, road repair work and the construction or reconstruction of bridges and other crossings. The term of the 2nd Agreement extended that of the Original Agreement by an additional year, to March 31, 2026, and specified compensation:

    a. For that additional year in the amount of $75,000.

    b. For crop and timber removal at negotiated rates for each of authorized and unauthorized removal.

    c. For soil and aggregate removal or usage at negotiated rates for each of authorized and unauthorized removal.

    d. For legal fees incurred by Grant Lake in negotiating and preparing the 2nd Agreement, up to a maximum of $20,000.

10. As reflected in the Application and supporting materials, work on the Alamos/BFN private transmission line is well advanced. The corridor for the new transmission line has been cleared, and accesses have been prepared. Permitting is well underway, and the requisite environmental assessments have been completed. All of this has occurred with the permission of Grant Lake, pursuant to commercially negotiated access agreements.

11. Nonetheless, as noted in the Application, as of the date of filing of the Application the parties had been unable to conclude a definitive agreement for continued access to, and use of, the Grant Lake Lands by Alamos/BFN for the private utility line. Discussions between the parties had broken off in or around October, 2025.

12. In its transmittal letter dated November 28, 2025 filed with the Application counsel for Alamos/BFN indicates:

> *Unfortunately, despite having engaged in extensive discussions the Applicant and [Grant Lake] have not been able to agree on compensation for the use of the Expropriation Lands.*

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[4] Application, Appendix G. Note that the agreement filed as Appendix G replaced the Amended and Restated Access License Agreement filed as Appendix F to the Application to govern the relationship of the parties upon expiry of the Original Agreement.

13. While it is true that as of the date of filing of the Application the parties had engaged in extensive discussions, and it is also true that the parties had been unable to conclude a definitive agreement for continued access to, and use of, the Grant Lake Lands including in respect of compensation, the descriptor “extensive discussions” does not apply to the issue of compensation for the longer term rights sought by Alamos/BFN.

14. From the outset, and through the filing of the Application, Alamos/BFN and its partners took one, and only one, position on expropriation. Alamos/BFN’s initial, and only, offer in respect of compensation was a per acre annual payment of $500, or an appraised value of the land (prorated to the number of acres subject to the grant of rights), whichever was higher.

15. Grant Lake was not confident that the appraisal alternative proposed by Alamos/BFN would provide a proper commercial valuation which considered the not only the factors articulated in this evidence, including the remoteness of the Grant Lake Lands that are the subject of this Application, the costs that Alamos/BFN avoids by proceeding with its preferred route, and the ultimate value of the transmission line to Alamos Gold including as result of expediting Alamos’ transmission connection and thus avoiding a number of years of the cost of operating existing on-site generation, estimated by Alamos at a net cost saving to Alamos of ~$21.59 million per year, plus avoided carbon costs.[5]

16. In fact, there was very little discussion of compensation between the parties from the commencement of discussions in the spring of 2023 for preparatory work and the time that discussions between the parties broke off in October, 2025, and no negotiation of compensation given that Alamos/BFN and its partners were unwilling to entertain any alternative compensation terms to those initially advanced as a take it or leave it offer, despite attempts by Grant Lake’s representatives to actually engage in negotiation of compensation.

17. Following its intervention herein, Grant Lake again attempted to engage in discussion with Alamos/BFN regarding terms for a definitive land rights agreement, including in respect of compensation. At that point Alamos/BFN became receptive.

18. By that time Grant Lake had concluded a renewal of the rights granted to Algoma Power for the land on which an Algoma Power electricity distribution line is situated. Grant Lake shared with

[5] Alamos/BFN Response to OEB Staff Interrogatory 01, part f).

Alamos/BFN the per acre per year compensation agreed to with Algoma Power[6], and proposed that Alamos/BFN pay compensation for the land rights which it sought based on the agreed to Algoma Power compensation rate plus a premium for the fact that the Grant Lake Lands over which the private line was proposed to run are considerably more remote and (were) considerably less disturbed than the land over which the long established Algoma Power distribution line runs.

19. Following some additional negotiations which continued through April 29, 2026[7], the parties reached what Grant Lake believed, and Grant Lake assumes Alamos/BFN believed, was agreement, including in respect of the per acre per year level of compensation for the rights to be granted.

20. At that point it was agreed that counsel for Alamos/BFN would provide initial draft definitive agreements in line with the terms agreed to between the parties. Those draft agreements were received by counsel for Grant Lake on May 13, 2026.

21. Upon review of those draft definitive agreements, it became apparent that there remained a material lack of agreement between Grant Lake and Alamos/BFN. While the compensation amount per acre per year was settled, it was Grant Lake's belief that the per acre rate applied to all of the Grant Lake Lands, whereas Alamos/BFN has indicated that its understanding was that the agreed to per acre rate applied only to the main corridor for the private line (approximately 374 acres) and that the accesses also required (approximately 174 acres) were to be granted free of charge.

22. Following the realization that there had been no meeting of minds on resolution of compensation, and at Grant Lake's suggestion, the principals of Grant Lake and Alamos/BFN met on May 28th for further discussion. Grant Lake offered some concessions in order to conclude an agreement, and Grant Lake now believes that a revised agreement has been reached. Legal counsel continue to work on definitive agreements to document the revised agreement. Grant Lake is hopeful that the matter has now been resolved and that finalization can be achieved in relatively short order.

23. In light of the view that resolution has been achieved, Grant Lake requested that Alamos/BFN consent to a further deferral of the date for filing this evidence, and the ensuing procedural steps set

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[6] The terms of Grant Lake's agreement with Algoma Power are specified in the agreements between the parties as being confidential.

[7] By letter dated April 29, 2026, counsel for Alamos/BFN wrote to the OEB indicating that discussions between the parties had been productive and requesting deferral of the procedural dates previously set by the Board to allow the process towards resolution between the parties to continue while avoiding a parallel regulatory process which may not ultimately be necessary and thus mitigating regulatory inefficiency. The OEB accepted new dates proposed by consensus between the parties and issued Procedural Order No. 5.

out in Procedural Order No. 5, so as to avoid incurring further legal expenses and engaging further OEB resources pending conclusion of the definitive agreements reflecting what Grant Lake understands both parties now view as resolution of Alamos/BFN's quest for rights over the Grant Lake Lands. Alamos/BFN was unwilling to agree to a further deferral, advising that it remained concerned regarding timing for securing finalized access rights to the Grant Lake Lands in the event that definitive agreements are not ultimately achieved.

BFN's UTILITY INFRASTRUCTURE ACTIVITIES

24. Alamos/BFN's Application states that the proposed transmission line that is the subject of this Application is *"a key element in BFN's overall energy strategy, marking a significant step toward Indigenous energy leadership"*.[8] The Application goes on to state:

> *This will be the first transmission project to be developed and owned by BFN and will contribute to BFN's objective of becoming the largest provider of energy in the Algoma District. The Project will build technical and organizational capacity within BFN to manage large-scale energy infrastructure projects. This is an indigenous success story which also reinforces BFN's role as stewards of the land;*

25. Grant Lake understands that BFN is involved in a number of other utility developments, including a 49% ownership interest in the Goulais Wind Farm, full ownership of the Bow Lake Wind Farm, and involvement in a 230 KV hydroelectric transmission project that will supply power to Algoma Steel and its new electric arc furnace in Sault Ste. Marie.

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[8] Application, PDF page 6, enumerated paragraph 2.