



STRICITLY PRIVATE AND CONFIDENTIAL

Fergus Ewing MSP
Cabinet Secretary for the Rural Economy and Tourism
St Andrew's House
Regent Road
Edinburgh
EH1 3DG

17 May 2021

Dear Mr Ewing

**Use of Charged Account Monies for Key Project Spend
Lochaber Smelter Fort William**

Thank you for your letter dated 05 May 2021 regarding the Scottish Government's request for further information on the purchase of the pot tending machine (PTM) at Lochaber, Fort William. It is always encouraging to have the Scottish Government's support for the investment plans reiterated. There has been good progress made to date, in difficult circumstances, and the intention is to continue on schedule and as envisaged in the Accepted New Business Plan. The latest [REDACTED], provided this week, will also, hopefully, have been well received.

As you are aware, and you indicate in your letter, [REDACTED]

However, as you will hopefully also be aware, refinancing efforts across the group are continuing at pace and good progress has been made. [REDACTED]

In light of the above, and the progress being made with the projects, [REDACTED]

[REDACTED] for the following reasons:

- (i) as mentioned [REDACTED] "*... good progress is being made by the project team ... brought about by the efforts and contributions of the team members ...*". Being able to place the order for the PTM and other pressing items in the near-term will be a critical factor in maintaining the motivation and drive of the project team and, consequentially, momentum in the projects;
- (ii) [REDACTED]; and
- (iii) the business and entire local workforce are enthused to move the projects forward and an announcement that items like the PTM have been ordered would be welcome news. [REDACTED]



I am sure you will agree that the above are compelling reasons to proceed now with these orders. Finally, please also refer to the annex attached to this letter which provides responses to the questions you asked in your letter of 05 May 2021.

If you would like any further information on the progress that we have been making in relation to the various projects at Lochaber please do let me know.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Sanjeev Gupta'.

Sanjeev Gupta
Executive Chairman / GFG Alliance



Annex

Answers to Information Request as contained in the letter of 05 May 2021

Q: What is the total cost of the new PTM?

A: Based on the quotations received the total cost is estimated to be [REDACTED]

Q: When is the contract for the purchase of the PTM due to be signed and what are the payment milestones?

A: We have been working on the assumption that final supplier selection will be made by [REDACTED] at which point a [REDACTED]

Q: How will Alvalde British Aluminium fund the remaining balance for the PTM once the deposit has been made?

A: It is intended that the Obligors (as defined in the GRA) will continue to fund the project going forward, including the PTM spend.

Q: Please provide an update on when Commencement of Construction is expected to occur for your investment in Project Silver, including the billet plant and PTM in particular?

A: Please refer to the [REDACTED]

Q: What is the additional cost to be incurred prior to Commencement of Construction and where will the funding for these costs come from, in addition to the running and financing cost of your Lochaber businesses?

A: It is intended that the Obligors (as defined in the GRA) will continue to fund the project going forward.

Q: When [REDACTED]

A: [REDACTED]