

PRESS RELEASE

TOWN OF KIRKLAND LAKE TO EXIT SOLAR PROGRAM ON ARCHER DRIVE

For Immediate Release – Tuesday, November 07, 2023

Kirkland Lake, ON

The Council for the Corporation of the Town of Kirkland Lake has resolved to exit The Town of Kirkland Lake Solar Inc. Partnership/Corporation and divest itself of its shares in the Solar Project on Archer Drive. After several years with no financial returns, and no foreseeable returns, Council has decided that the best course of action is to divest itself from The Town of Kirkland Lake Solar Inc. The exit would be contingent on the Town, in collaboration with Legal Counsel, negotiating an acceptable share transfer agreement and property lease terms.

Together, with higher-than-expected lending rates, and an overwhelming number of operational issues, the project has resulted in substantial net losses for The Town of Kirkland Lake Solar Inc., since 2019. The original proposal by Solaire Kapuskasing Solar Inc., in 2013, forecasted an annual net profit of \$150,000.00 per site and in 2020 the forecast was updated to \$60,000 per site (3 sites), by 2020, and neither forecast has materialized.

To date, the Town of Kirkland Lake does not have any funds invested in the project and will not sustain a loss. The only funds expended in exiting the Partnership/Corporation are legal fees estimated at \$3,000.00 for advice and the negotiation of the share transfer agreement and property leases. Given that the Town does not have any funds invested, the share transfer will most likely be completed for a nominal fee of \$1.00.

Upon exit, the Town will remain the property owner of the three properties and continue to receive lease payments for up to 27 years, based on the negotiated property lease terms. The expectation is that the remaining shareholder of The Town of Kirkland Lake Solar Inc continue operations of the solar projects on Archer's Drive. The owner of The Town of Kirkland Lake Solar Inc would be required to remove all equipment and leave the property in a similar condition to the original property for all three sites, upon lease expiration.

The Council for the Corporation of the Town of Kirkland Lake deem this exit to be in the best interest of the Municipality.

For further information, please contact:

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