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Sent: Thursday, March 29, 2018 10:08 AM
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Subject: Astaldi Challenges

Stan/Gilbert

As you know we are concerned regarding Astaldi's performance and financial situation , their progress has been very poor so far this year and their financial situation is driving unreasonable behaviours regarding diligently performing the Work. With that situation in mind we are pursuing some alternative solutions should this behaviour and poor performance by Astaldi continue and threaten the progress of the Work and the opportunity for impoundment we discussed recently.

So I would like to inform you of what those alternative solutions are:

1. We have asked Andritz and their subcontractor CRT to provide a proposal for taking over the remaining work Astaldi have in the intakes including the hoist house. There is a benefit in using CRT as it will remove an interface
2. We are meeting with Pennecon today to discuss the remaining Astaldi scope of work should Astaldi's financial situation become critical and they can not continue. We need to be prepared to have a backup plan in place and a competent contractor to do the work

I wanted to keep you informed, we are keeping this as confidential as possible however word may get out and if so I believe you should be aware of the situation when the calls come in.

Regards Paul

Paul Harrington

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