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Open House Presentation

Growing our Business

September 16, 2014

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Growing our Business

- We are pleased to advise we now have an agreement in place to handle Potash through PCT, and are developing plans to construct a facility for this product
- On April 14, 2014 PCT signed an agreement to handle Potash with our partner K+S Potash Canada. The earliest we could handle potash would be late in 2016
- We want to now take this opportunity to provide an update on the Potash facility construction
- The navigation channel west of the terminal is too shallow to allow fully loaded vessels to sail during low tides. To eliminate this restriction the channel must be dredged deeper.

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Potash

- Potash refers to a number of forms of potassium (K) and is a natural resource found in the earth
- Potassium is found in every cell of living plants and animals
- Primarily used as a fertilizer as it strengthens plant stalks and roots, improves water retention, helps fight plant diseases, and thus improves crop yields
- Indispensable supplement to the natural nutrient content of soils
- Canada is the largest producer and exporter of Potash in the world which contributes over $18 billion to Canada's economy
- The agricultural production will have to increase by 70% until 2050 in order to feed mankind

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K+S Potash Canada

- PCT will be handling solid bulk potash on behalf of K+S Potash Canada (KSPC)
- KSPC is a subsidiary of K+S Aktiengesellschaft, which is Europe's largest producer of potash and the worlds largest salt supplier
- K+S Aktiengesellschaft was founded in 1889, with headquarters in Kassel, Germany
- Potash produced in three grades:
  - industrial (white),
  - granular (pink) and
  - standard (pink)

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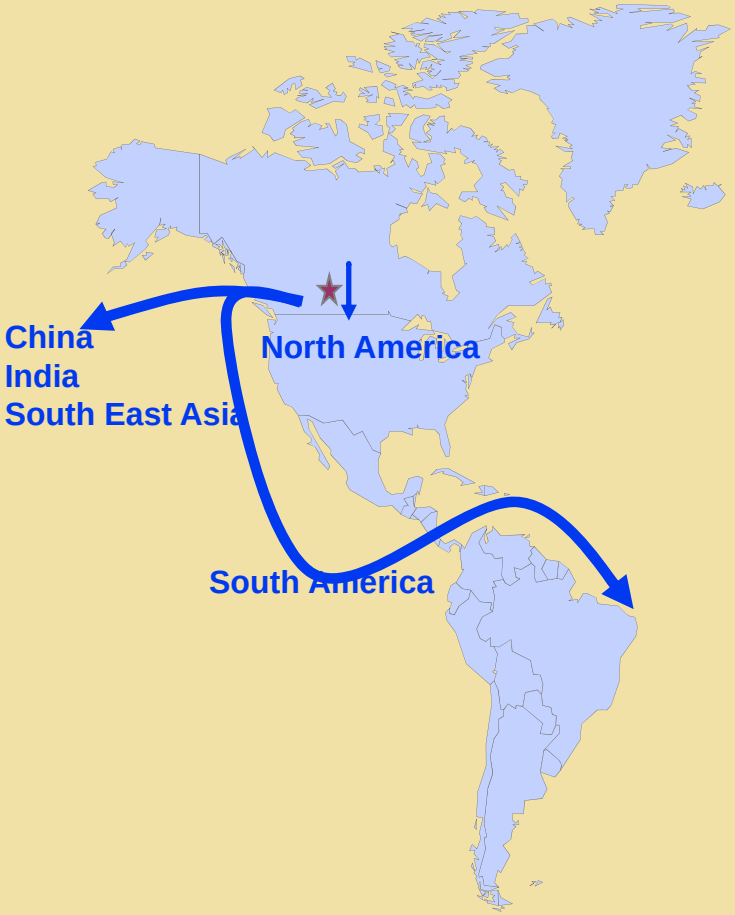
K+S Potash Canada



- K+S Legacy project in SK budget: $4.1 Billion
- Potash will be transported from Legacy Mine in SK, via PCT, to provide access to a diversification of growing markets
  - North and South America
  - China, India and South East Asia
- The PCT/KSPC Potash Handling Facility project is important part of the Legacy project to establish an efficient and reliable supply chain

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Potash handling

- PCT has 54 years of bulk material handling experience on site
- K+S's has 125 years of experience shipping potash
- This expertise will be utilized to build a safe, efficient, and reliable terminal that will utilize best practices and the most up to date technology available
- Current proposal to PMV under review is to export up to 2.2 million tonnes of Potash
- While initially handling 1.8 million tonnes of potash annually, PCT may eventually handle up to 2.8 million tonnes of potash per year (next 20 years subject to PMV review)

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Benefits to the Community

- Addition of approximately 60 new full time equivalent jobs at PCT, plus additional jobs for vessel operations (tugs, pilots, agents, ship chandlers) and rail operations
- Approximately $2,500,000 in additional municipal taxes
  - Additional funds from Provincial Government
- Increased expenditures for local goods and services
- Approximately 300 full time construction related jobs over a two-year period

PORT MOODY
City of the Arts

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New Potash Facilities

- New automated railcar dumper with conveyors to storage shed
- New storage shed and two automated stacker reclaimers to provide inventory for 160,000 tonnes of potash
- Modifications to existing rail yard & extension of exit tracks west
- Modifications to existing ship loader
- Water treatment upgrades (under construction)
- Habitat compensation areas
- Construction period of 20 months, construction start early 2015
- Total $200 million project infrastructure investment

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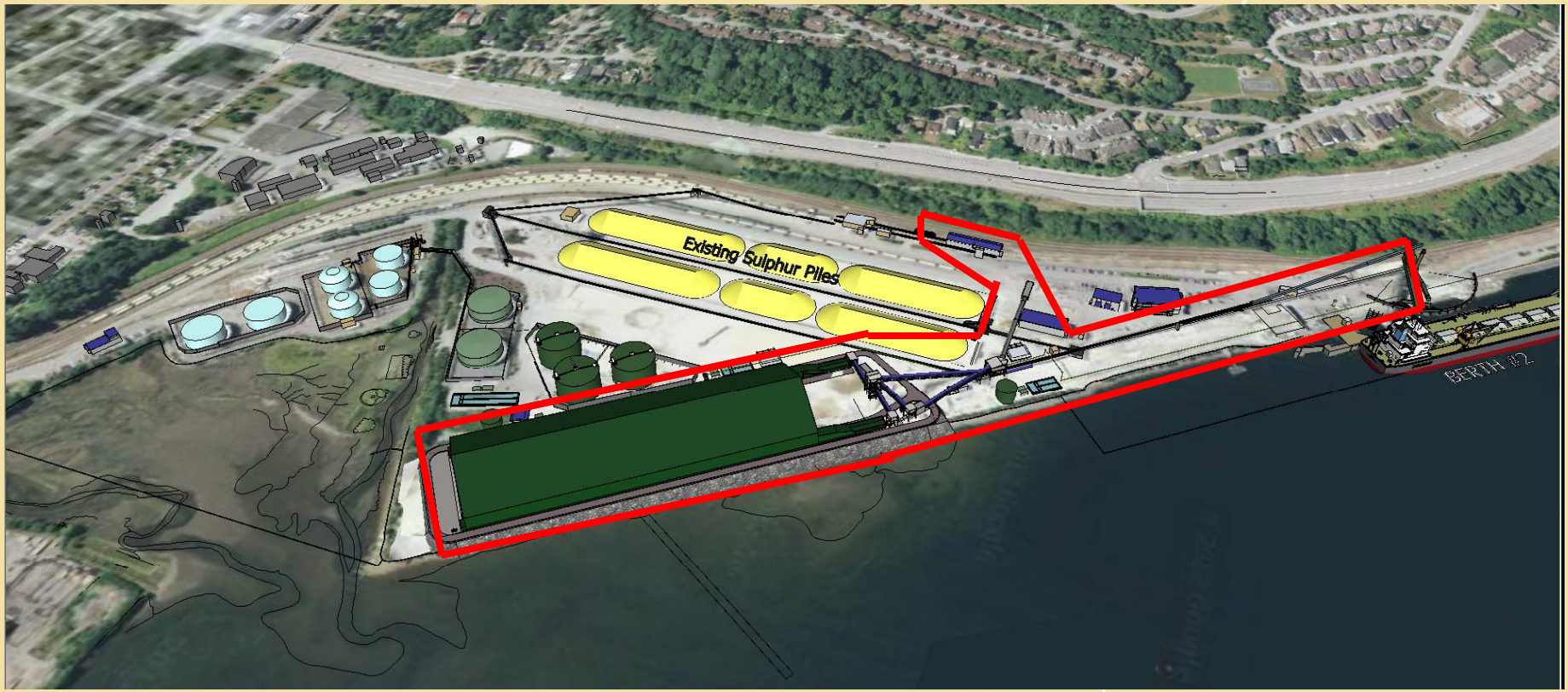
New Potash Facilities



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Railcar Unloading

- New railcar dumper to allow for the unloading of Potash cars
- Fully enclosed cars unloaded through doors in bottom of cars
- Process continually unloads as cars travel through dumper building
- Locomotives not used during unloading operations

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Storage Shed

- 160,000 tonne capacity
- 264m long x 83m wide x 34m high (at peak)
- Colour not finalized - solicit comments on options

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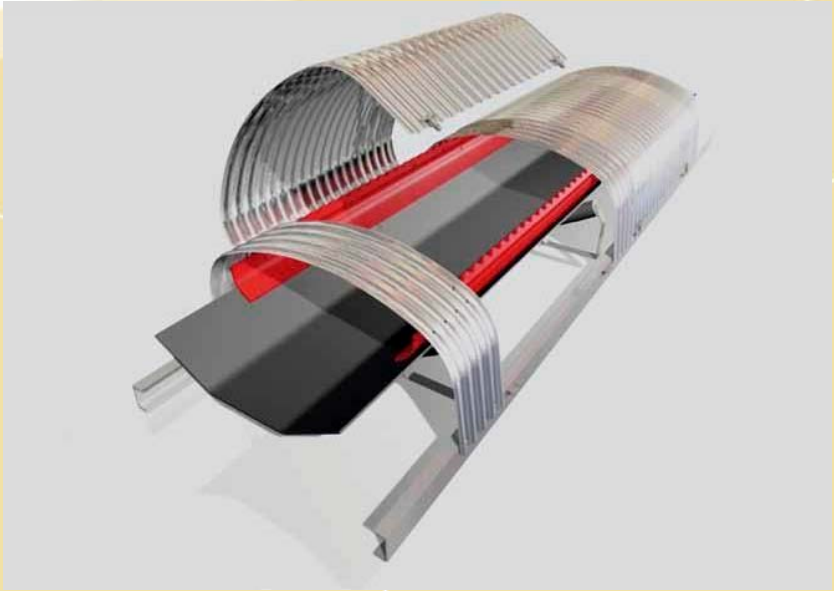
Conveyors

- All new conveyors will be either fully enclosed or covered
- All new transfer points will be enclosed and have dust collection systems
- Existing conveyors will be modified to be fully covered
- Cleaning will be done using air (new) and water (existing)



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Vessel Loading

- Existing Shiploader will be modified to load Potash as well as Sulphur
- Shiploader will have three interchangeable loading spouts for:
  1) Sulphur
  2) Potash – Fertilizer Grade
  3) Potash – Industrial Grade
- New dust collection systems
- Modifications will eliminate dust during loading
- Load Panamax Class Bulk Vessels (70,000dwt)

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Environmental Impacts

- Modest increase in emissions from train locomotives and vessel traffic
- Potash is not harmful to water or soil, it is non-toxic and non-flammable
- Designs will employ best handling practices and best available control technologies

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Visual Impacts

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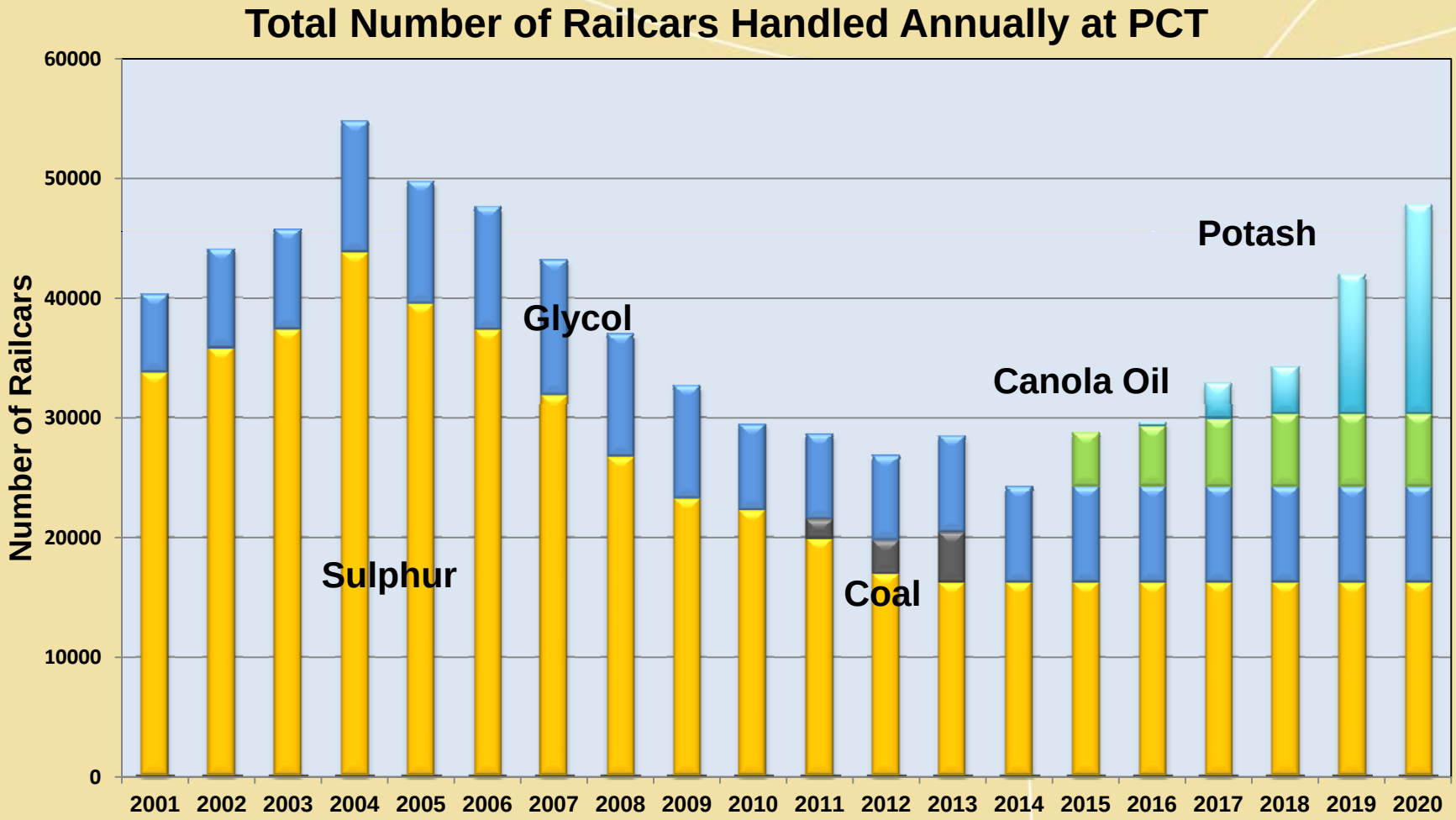

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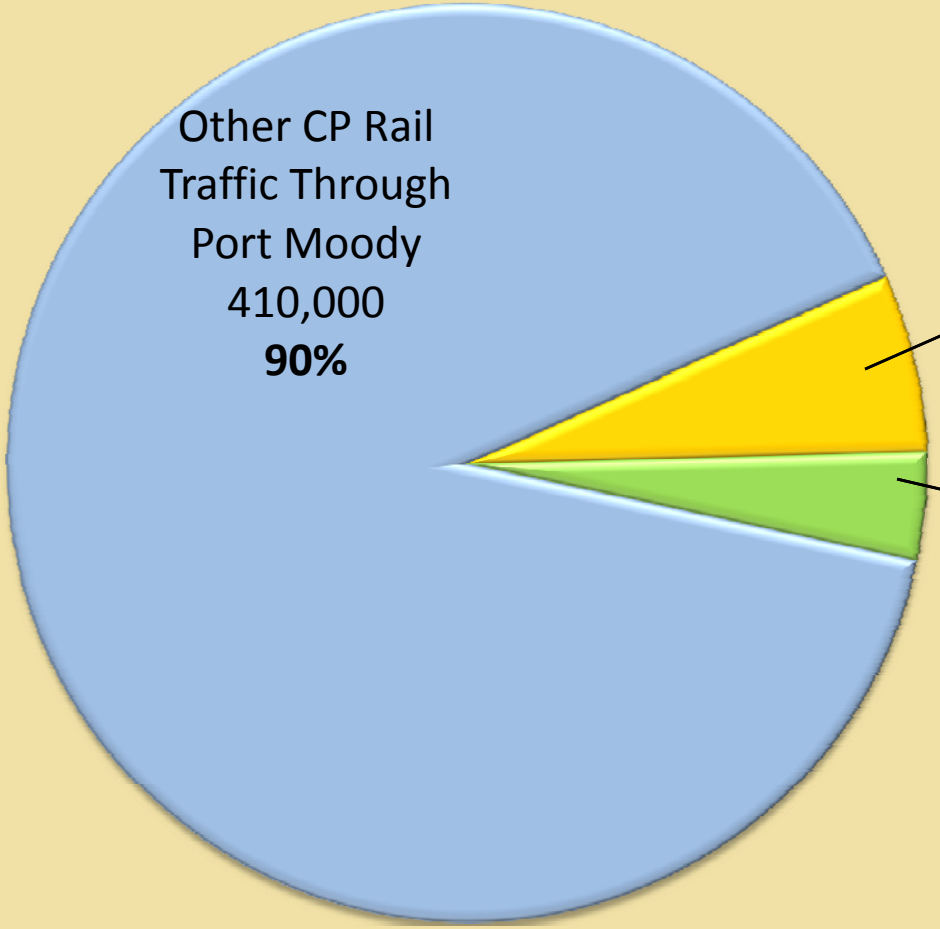
Total Railcars traveling through Port Moody Annually



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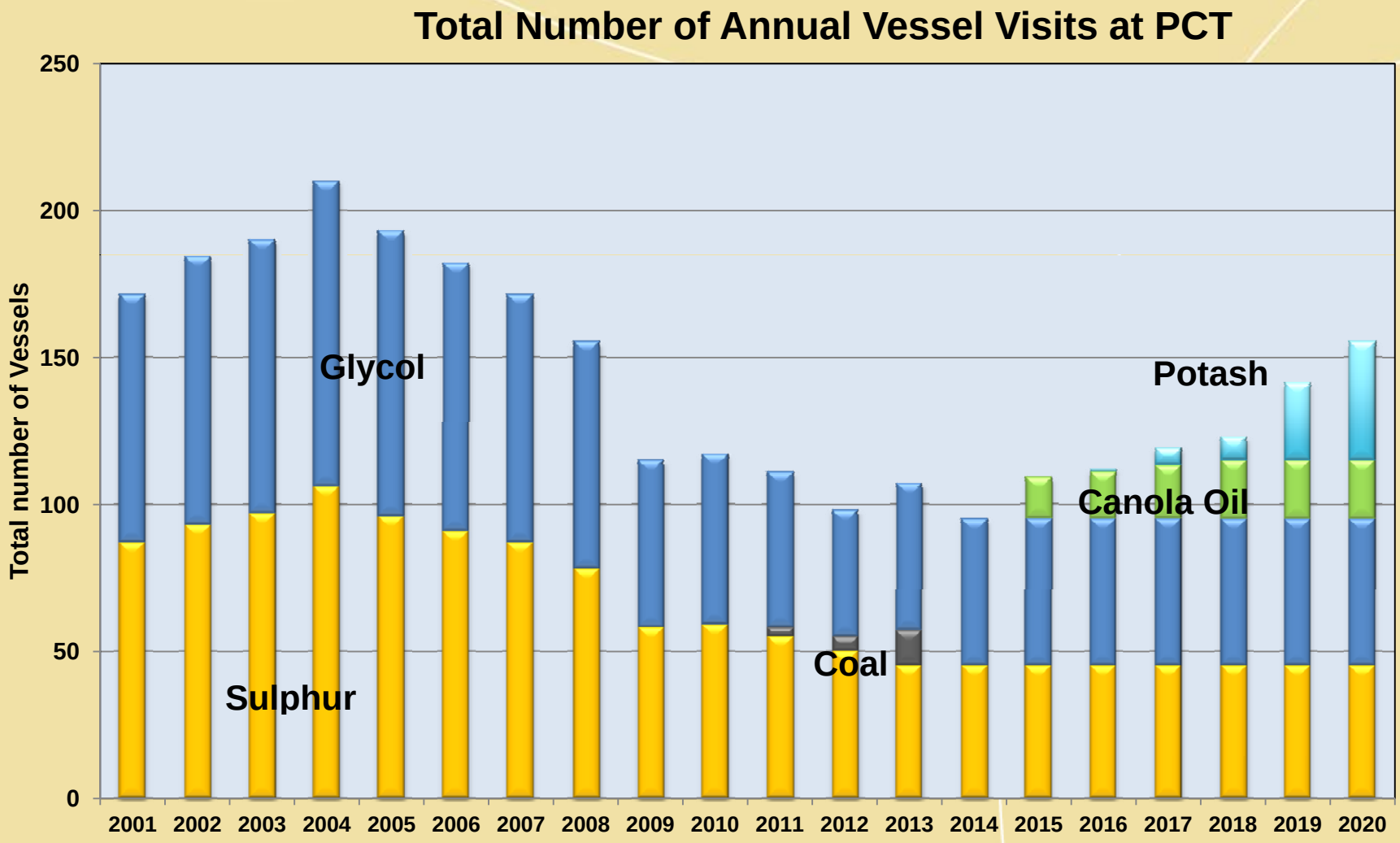

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Navigation Channel Dredging Update

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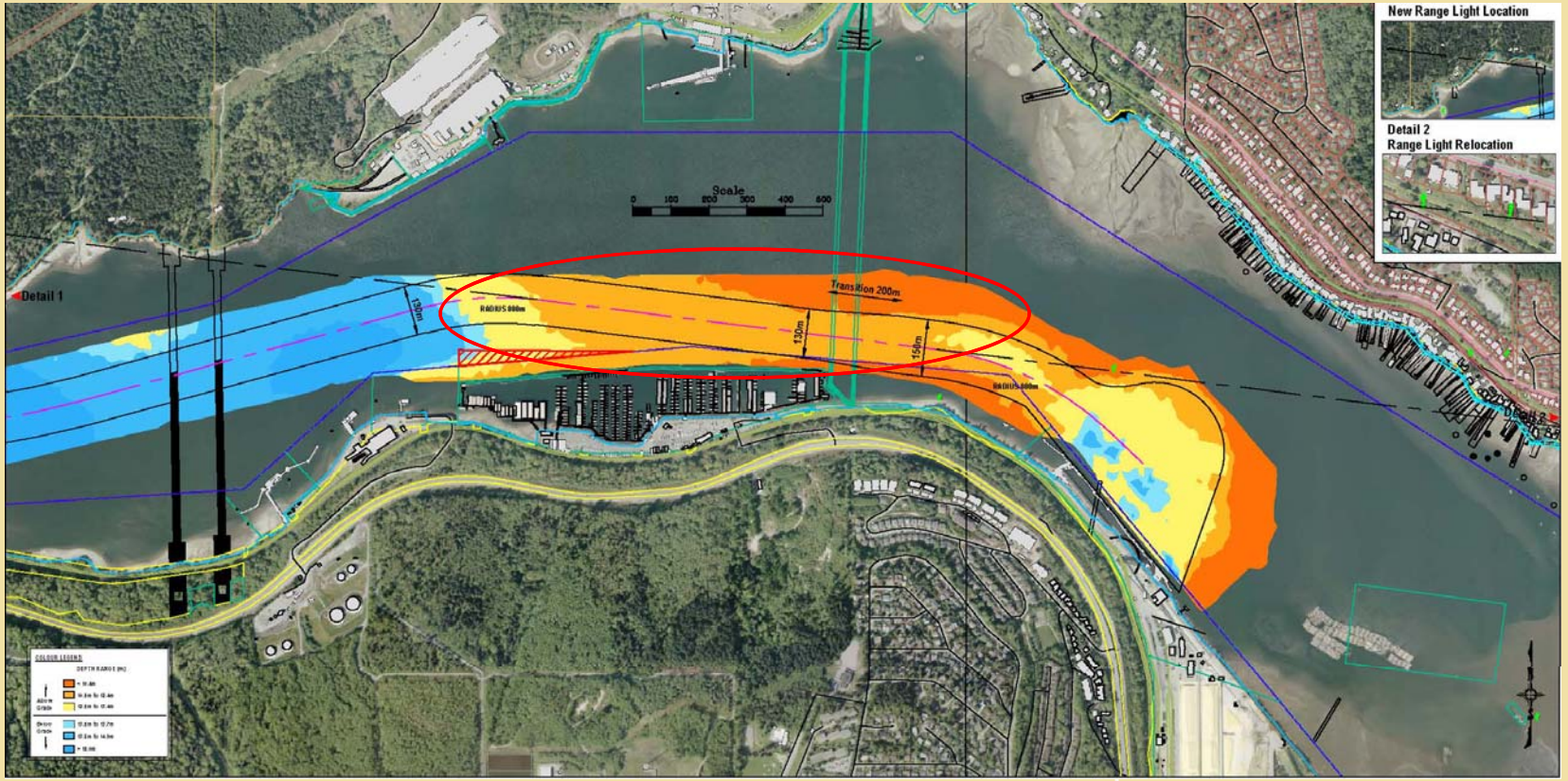
Navigation Channel Dredging Update

- Area of channel to be dredged is indicated in red circle below



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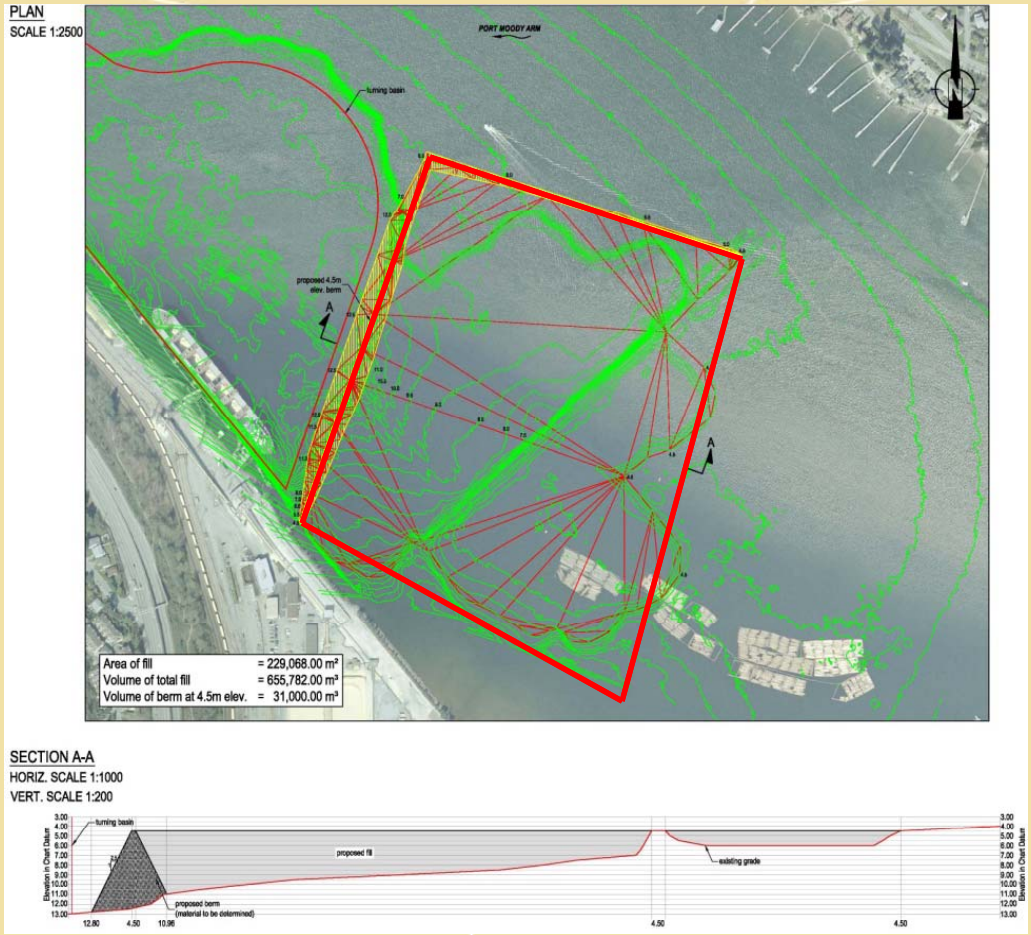
Navigation Channel Dredging Update

- Dredged material to be relocated to a deep area of inlet near PCT
- This area originally over dredged in 1960's
- Relocating sediment eliminates need for ocean dumping and provides a net environmental benefit – returns seafloor to original elevation (closer to sunlight)
- Will not affect water depth for small craft



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Navigation Channel Dredging

Anticipated project schedule

- **Permitting**
  - Application being reviewed by Port Metro Vancouver, Department of Fisheries and Oceans, and Environment Canada
- **Timing**
  - Four months
  - Prepare area that will receive the dredged material (creation of an underwater berm)
  - Dredge the channel and transport the material to the new location near PCT

Potential Impacts

- Some noise from the suction dredge engines when operating
- Small craft waterway will be narrower during dredging operation
- Bright lights on suction dredge when operating

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Permitting Process - PMV

PORT METRO vancouver

- All our projects require PCT to obtain a “Project Permit” from Port Metro Vancouver (PMV)
- Environmental Assessment included with Project Permit applications
  - examines environmental and social impacts
  - evaluates mitigation strategies if required
- Consultation requirements are assessed individually for each project under review. PMV will consult if appropriate with First Nations, municipal government, and regulatory agencies
- If approved, Project Permits will contain details and conditions of approval (code & regulatory)
- Project Permit applications and related documents are available for viewing on PCT’s website under the “Growing our Business” section.

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Permitting Process - MV

METRO VANCOUVER

- PCT has submitted an application to Metro Vancouver to amend our Air Emissions Permit to include new products to be handled
- An application to amendment to Metro Vancouver's Water Discharge Permit will outline changes to water treatment facilities

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Why PCT's and KSPC's Business Development is important to Port Moody

- PCT is a critical outlet for Western Canada resource shippers – current exports contribute approx $1.5 billion to Canada's economy – Potash could add another $1 billion to this total
- Major tax payer in Port Moody - $1,409,700 ($840,000 direct from PCT plus $569,700 from Province) in 2013 – additional $500,000 with canola oil and $2,500,000 with Potash
- Currently supports 70 full time jobs in Port Moody (plus 60 with Potash)
- Financially supports a variety of local charities and organizations:
  - Crossroads Hospice Society
  - PCT Curling Centre
  - Port Moody Library
  - Port Moody Ecological Society
  - Port Moody Rotary Club
  - Rocky Point Performance Stage
  - Sunday Summer Concerts
  - SHARE Society Food Bank
  - Port Moody Arts Centre Society
  - Port Moody Firefighters
  - Port Moody Heritage Society
  - Golden Spike Days

The Port in Port Moody