



K+S Potash Canada

Fall 2017 — Bethune Mine News

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Bethune Mine Is Producing Potash

Just under five years after a groundbreaking ceremony launched construction of Saskatchewan's first greenfield potash mine in more than 40 years, Bethune mine produced its first tonne of marketable potash on June 11, 2017.

"It was extremely rewarding to see our mission accomplished," says Sam Farris, Vice President and General Manager at K+S Potash Canada (KSPC). Farris says putting his operations people in charge of commissioning in early April was central to achieving the goal, set last year, of beginning production by the end of June 2017. "Giving our trades people and operators hands-on experience – in addition to their solid classroom training – was key to meeting the challenges that arose as we prepared for and launched production."

KSPC Production Manager Trevor Dyck says no one expected to beat the June 30 production launch goal by more than two weeks.

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Bethune Mine Is Producing Potash

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Nor, he adds, did anyone imagine employees would produce as much potash as they did. “Our goal for June was to produce 5,000 tonnes of potash and we blew that right out of the water,” says Dyck. “We made 16,387 tonnes!” And then he quipped: “Not that anyone’s counting.”

Dyck says it’s remarkable that no one was injured and no equipment damaged by KSPC employees during their scope of commissioning and start-up of the Bethune

mine. “It shows our teams were well prepared and focused on safety.” Meanwhile, news that production had begun at Bethune mine was greeted with gratitude, relief and celebration by K+S management and employees around the world.

“Over the past years we’ve had some big challenges and it was sometimes hard to look to the future and say everything will work out,” says Dyck. “Well, as we sit here today, everything does find a way to work itself out.”



K+S Potash Canada Takes Delivery of First Domestic Rail Cars



K+S Potash Canada (KSPC) has taken delivery of 200 rail cars that will be used to deliver Bethune mine potash to North American customers. The rail cars, manufactured by National Steel Car (NSC) of Hamilton, Ontario, represent the first installment of KSPC’s domestic fleet.

“More domestic cars will be built and delivered in 2018,” says Steffen Brill, Senior Manager of Logistics and Transportation at KSPC’s Vancouver office.

NSC is the same company that’s manufacturing KSPC’s international rail car

fleet, 531 of which were delivered to the mining company in autumn last year. The new domestic cars are built to the same state-of-the-art specifications as the international ones but are painted bright blue rather than the grey colour of the international fleet. Both feature a single opening at the top that allows them to be loaded in motion.

KSPC’s international fleet is growing, too. Brill says KSPC began taking delivery of an additional 177 rail-car set starting in September. “The additional cars are required to accommodate our increasing potash

production rate,” says Brill. KSPC unit trains that will be used to haul potash to port comprise of 177 international rail cars plus five locomotives and are about 2.6 kilometres long.

Two, 60-rail-car blocks already have been loaded with potash at Bethune mine and transported to KSPC’s new Potash Handling and Storage Facility at Port Moody in British Columbia, says Heather Pollock, KSPC Shipping Coordinator at Bethune mine. She says the product is being used to support commissioning at the Potash Handling and Storage Facility. KSPC will start regular unit train shipments in September 2017.

Pollock says the shipments have given Bethune mine employees an opportunity to put into practice the training they’ve received in recent months. “The whole team now is trained on loading product and on the various computer programs we use,” says Pollock.

K+S has announced the first international shipment of Bethune mine potash, 30,000 to 50,000 tonnes, will be transported to Asia. On the domestic front, K+S signed an exclusive potash supply agreement with Koch Fertilizer in the United States in 2015.

Sales and distribution of Bethune mine’s potash are handled by K+S’s well-established global distribution network.



Grand Opening of K+S Mine Featured VIPs and a \$1 Million Gift

The most modern potash facility in the world celebrated its ceremonial grand opening on May 2 with congratulatory remarks from a host of dignitaries and a million dollar gift to STARS air ambulance service.

"This is an exciting and historic day for K+S and Saskatchewan," Norbert Steiner, then Chairman of the Board of Executive Directors of K+S, told about 700 people gathered in a brightly decorated auditorium on site.

"The Legacy Project is by far the biggest investment in our company's history and the most modern potash production facility in the world. I want to wholeheartedly congratulate everyone involved in this outstanding achievement," he said.

Steiner, who retired days later, said he and his successor, Dr. Burkhard Lohr, visited the Legacy mine site many times since the groundbreaking ceremony in June 2012. "Now, anyone can see that what we have created here on the Canadian prairies, in just a few short years, is simply amazing," he said.

Saskatchewan Premier Brad Wall offered greetings and congratulations from the people and Government Saskatchewan. "We're delighted to welcome a very good corporate citizen, K+S, back to Saskatchewan as it begins operations at a mine that has created more than 400 permanent jobs and will generate taxes and royalties for years to come," Wall said. Two of K+S's predecessor companies were partners of a potash mine near Lanigan, Saskatchewan, which was sold to the provincial government in 1977.

CP Rail's construction of a spur line that will help move Bethune potash to port represents the most significant engineering project undertaken by the company since the

mid-1980s, CP President and CEO Keith Creel said. "We are incredibly proud to have collaborated with K+S Potash Canada on this project and look forward to delivering their product to international markets for years to come," said Creel.

Dr. Ralf Bethke, then Chairman of the Supervisory Board of K+S, told the audience that United Nation's reports indicate the world's population is expected to grow by 50 per cent by the end of the 21st century. He said the increased food production that will be needed to feed everyone poses a challenge and an opportunity for K+S. "The world will be a better place when the hungry are fed and others are able to improve their diets," Dr. Bethke said.

Dr. Ulrich Lamp, President and CEO of K+S Potash Canada (KSPC), complimented the people of Saskatchewan on their openness. "It's a pleasure to do business in this province and we're proud to say that we are here to stay for many generations to come." Then, with assistance from three RCMP officers, Dr. Lamp unveiled a sign revealing the new name of the facility: the Bethune mine. He later presented the non-profit STARS organization with a cheque for \$1 million, the largest gift ever presented by KSPC.

Other distinguished guests included: Werner Wnendt, Ambassador of the Federal Republic of Germany to Canada; Rural Municipality of Dufferin Reeve Terry Neugebauer; elected Councillors from George Gordon and Pasqua First Nations, whose Treaty 4 territorial land is home to the Bethune mine; CP Rail President and CEO Keith Creel; and Pacific Coast Terminals Vice President Wade Leslie. One of the highlights of the afternoon was a performance by World Champion Hoop Dancer Terrance Littleletent.

The proceedings closed with Steiner and Wall standing shoulder to shoulder with other special guests and, together, cutting the ribbon symbolically opening Bethune mine.





The new crystallizer attracted a lot of attention as it traveled across Saskatchewan highways from Saskatoon.

Enormous Crane and Great Care Required for Crystallizer Replacement

It took the second largest crawler crane in the world to put into place a 247 tonne crystallizer replacing the one that collapsed due to a structural failure in July 2016 at Bethune mine.

“What made the lift unique was that the location of the placement point was almost 61 metres from the centre point of the crane,” says Tyler Deans, AmecFW Site Construction Manager.

“The combination of the load and placement radius meant the 1,350-tonne crane was operating at about 95 per cent of its capacity,” says Deans, adding the

load also had to be lifted over KSPC’s newly operating facility more than 50 metres in height. The event took months of planning but only four hours to execute.

This major milestone was achieved almost exactly one year after the accident. During that year, many parties had worked diligently on making that day possible.

“Of course, the work is not finished yet,” says Jochen Kirn, Senior Manager, Major Claims, KSPC. “The roof needs to be closed before the snow flies and all piping and electrical connections have to be made.”

He notes, however, that everything is on track for completion in November, when the crystallizer will be required to reach the full production capacity.



The crystallizer was put into place using the second largest crawler crane in the world.

Opportunities with K+S and Contractors

Interested individuals may apply for posted jobs and keep an eye out for new ones on KSPC’s career page.

ks-potashcanada.com/opportunities

Additional information on jobs, job fairs, information sessions and company culture are available by following links to KSPC’s Facebook, Twitter, LinkedIn and YouTube accounts.



If you have questions or concerns about the Bethune mine, please call the K+S Community Hotline at:

1-855-385-8686 ext. 2999



Eric Cline, Vice President, Land and Sustainable Development at KSPC, speaking in Regina at lands now preserved as natural habitat for birds and other wildlife.



KSPC Meets Environmental Commitment with \$2.8 Million Landmark Wetlands Agreement

In what's believed to be the largest wetlands conservation agreement in Saskatchewan history, K+S Potash Canada (KSPC) has committed more than \$2.8 million to Ducks Unlimited Canada (DUC) to ensure wetlands affected by the Bethune mine are offset through the restoration and preservation of wetlands across Saskatchewan.

"Wetlands are one of the most important ecosystems on the planet and provide critical habitat for migratory birds, including waterfowl," says Trevor Plews, Head of Conservation Programs for DUC in Saskatchewan. "Wetlands have been in decline in Saskatchewan for many years and because Saskatchewan is in the heart of waterfowl breeding habitat in North America, this offset agreement goes a long way to help mitigate habitat loss in this very important region."

The agreement is based on a unique, science-based formula developed by Saskatchewan's Ministry of Environment in collaboration with KSPC and DUC. Eric Cline, Vice President of Land and Sustainable Development at KSPC,

says the arrangement satisfies the ministry's condition of approval of KSPC's Environmental Impact Statement and employs a credible third party to do so. "It's of benefit to have Ducks Unlimited Canada facilitate this agreement because their interest is to maximize the amount of quality wetlands in Saskatchewan," says Cline. "This partnership with DUC is valuable to our company not only because it ensures the offset meets our commitment to the ministry, but also because it assures the public that the conservation plan is being implemented in a scientific way," he says.

The ministry hails the agreement as a large and successful test case whose collaborative

development and formula-based approach can benefit other industry players. "I would like to congratulate and thank K+S Potash Canada and Ducks Unlimited Canada for being leaders and innovators in our quest for responsible development," says Brant Kirychuk, Executive Director of the ministry's Fish, Wildlife and Lands Branch.

Michael Champion, Head of Industry and Government Relations at DUC, says: "Protecting the Earth is everyone's responsibility. We want to recognize the efforts of KSPC in doing their part as a good corporate citizen."



Representatives from KSPC, Ducks Unlimited, Nature Conservancy Canada, and local and provincial government were all in attendance for the announcement.



K+S Potash Canada and Pacific Coast Terminals Celebrate Grand Opening of World-Class Port Facility

K+S Potash Canada (KSPC)
now has the port facility it
requires to ship Bethune mine
products to overseas customers.

On August 28, KSPC and Pacific Coast Terminals (PCT) celebrated the grand opening of their state-of-the-art potash handling and storage facility in Port Moody, B.C.

“This port facility is essential to the success of our Canadian potash operations,” Dr. Burkhard Lohr, Chairman of the Board of Executive Directors of K+S, said at the ceremony. “In Saskatchewan, we now have access to high-quality resources for generations to come – and from here, in Port Moody, we will deliver our products to customers around the world.”

KSPC and PCT signed a long-term agreement in 2014 that called for construction of a new 160,000 tonne storage warehouse and modifications to PCT’s existing operations. The work included a railcar unloading facility, conveyor belts and new transfer towers. PCT will operate the new facility.

“We are proud to have partnered with K+S Potash Canada on this exciting project,”



Dr. Burkhard Lohr, Chairman of the Board of Executive Directors, K+S AG, speaks at the Grand Opening event.

said Lorne Friberg, President and CEO of PCT. “The expansion of our operations allows for a greater contribution to the City of Port Moody in terms of new jobs, additional municipal taxes, and increased support to local community organizations and events. Adding potash to our portfolio contributes to the sustainability of PCT and is key to our strategic positioning.”

KSPC President and CEO Dr. Ulrich Lamp congratulated everyone on “this impressive project” and thanked the people of Port Moody for their support. “This project has required cooperation from many sides and we are grateful to all those involved.”



Speakers and special guests posed for a photo following the event.



PCT and KSPC hosted the grand opening of the port facility on August 28, 2017.