

COMMUNITY UPDATE

Fraser Surrey Docks (FSD) has applied to Port Metro Vancouver for a project permit to build coal handling facilities within the existing terminal operations. The facilities would allow for the direct transfer of coal from trains to barges via a conveyor system, meaning no permanent stockpiling of coal at the terminal would be required.

Project Overview

FSD is investing in the future. We're strengthening our role as a key link in Canada's Pacific Gateway and as an important contributor to our local and provincial economy.

FSD is proposing to add new coal handling facilities to its terminal operations, all within our existing footprint. The proposed facilities would require a significant investment to upgrade existing infrastructure that would include:

- additional terminal rail trackage
- installation of two railcar unloading pits
- conveyor connecting the unloading pits to barges
- upgrades to the electrical systems
- installation of associated dust control and fire prevention systems

The new facilities would be capable of handling eight million metric tonnes of coal annually at full capacity. In the immediate term, FSD is seeking to handle a minimum of four million metric tonnes annually. FSD forecasts that it would handle two million metric tonnes in 2013 and four million metric tonnes per year starting in 2014.

Coal would be unloaded directly from bottom dump railcars in to the receiving pits and transferred directly onto barges via a conveyor



system. The barges would carry the coal to Texada Island, where it would be unloaded, stored at an existing coal storage yard and then transferred to deep-sea vessels for export to Asia.

The coal will be delivered to FSD by train about every two days starting in 2013. This will increase to about one train per day in 2014.

The coal will be delivered to Texada Island by two barges about every two days in 2013. This will increase to two barges a day in 2014.

Making the most of our strategic location here in Surrey and our efficient rail and shipping connections, this new facility will allow us to link Canada's largest markets of the United States and China.

Protecting the Environment

We have a proven track record of safety and quality handling. Our coal handling operations will use industry-leading best

available technology on bottom dump railcars, transfer pits and conveyance systems.

The design, engineering and construction of the facilities will minimize the potential of any environmental contaminants and pollutants. FSD has undertaken a full risk and mitigation analysis to ensure we employ the best environmental and safety practices at every step.

FSD will use the latest dust suppression technology to minimize the possibility of air borne contamination. We will continually monitor and update our risk assessment to ensure the transfer of coal to barge and the barging of coal along the Fraser River is held to the highest operating standards possible. In the unlikely event that any coal is spilled, it will be immediately contained and controlled as outlined in our comprehensive Spill Response Plans.

In order to significantly reduce environmental impacts, there will be no permanent storage facilities of coal on site. The facility will provide for a short-term stockpile of up to 30,000 metric tonnes (two trains) in case of a supply chain delay. Upon resumption, any coal stockpiled on the terminal will be moved to barge prior to any further direct transfer.



Port Metro Vancouver Review

Port Metro Vancouver conducts a comprehensive project review process. Details on the review process can be found at portmetrovancover.com/projectreview.

Community Benefits

We've been a growing part of the local community for 50 years. By encouraging trade and commodity diversification on the Fraser River, FSD is investing in the future of our communities and improving trade relations.

This project will lead to job creation, economic growth, and tax revenues at the municipal, provincial and federal levels that will benefit our communities as a whole. In addition to the 280 full-time equivalent jobs currently provided at FSD, the project will deliver a further 50 more high-paying jobs to the community,

as well as a significant number of additional indirect positions.

FSD is a significant contributor to the over 4,000 jobs that Port Metro Vancouver supports in Surrey. These jobs account for approximately \$27 million in annual wages. That is money that flows back into the hands that matter – families and the local community.

Each year, nearly \$1 million goes directly back to Surrey and Delta through taxes, which helps provide essential services to the public.

About Fraser Surrey Docks

FSD is the largest multi-purpose marine terminal on the west coast of North America.

We offer convenient road and rail access, minimizing transportation times, traffic volumes and our carbon footprint.

We help customers throughout BC

and Canada send products to their customers in the Asia Pacific and throughout the world.

At FSD, the commodities we handle include:

- break bulk (i.e. steel, aluminum and heavy equipment)
- project cargo (i.e. heavy equipment)
- agriculture bulk (i.e. canola meal, malt and lentils)
- containers
- forest products

This year, we're anticipating the arrival of 221 vessels at our terminal.



For More Information

Being a good neighbour and an environmentally responsible operation means that we'll be reaching out to people and sharing our plans for the future. FSD will ensure that required stakeholders are notified of the project and kept up to date on a regular basis.

For more information, including FAQs, please check out our website at www.fsd.bc.ca or follow us on Twitter at @FSD.

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