WESTSHORE TERMINALS INCOME FUND

ANNUAL INFORMATION FORM

March 31, 2005

TABLE OF CONTENTS

WESTSHORE TERMINALS INCOME FUND

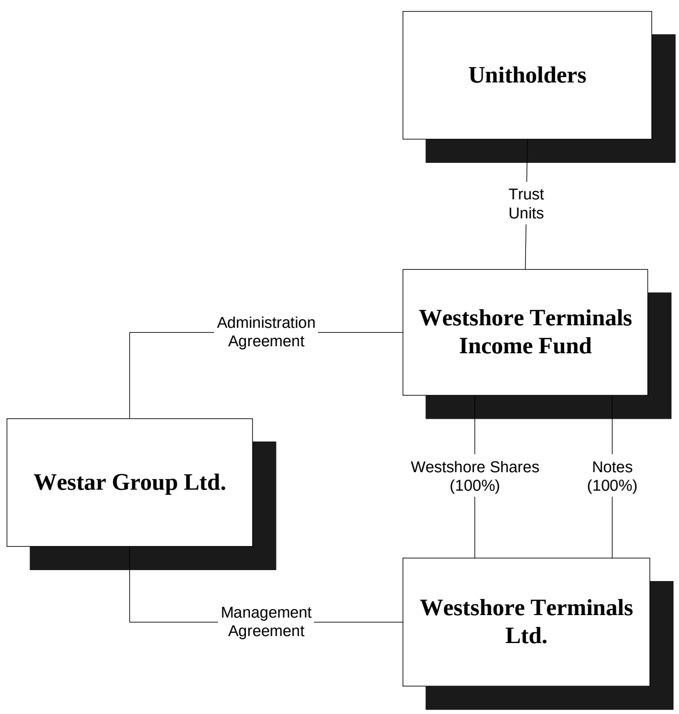
Westshore Terminals Income Fund (the "Fund") is an open-ended trust that was established on December 2, 1996 under the laws of British Columbia. The Fund owns all of the common shares and the $645 million aggregate principal amount of subordinated notes (the "Notes") of Westshore Terminals Ltd. ("Westshore"), a company incorporated under the laws of British Columbia. The Fund distributes to its unitholders ("Unitholders") on a quarterly basis available cash received from Westshore less the Fund's expenses.

Effective February 28, 2003, the Fund made a $150 million investment in the Fording Canadian Coal Trust (the "Fording Trust"), representing approximately 9.1% of the outstanding units of the Fording Trust, and during 2003 received its pro rata share of distributions which were, in turn, distributed to the Fund's Unitholders. By December 17, 2003, the Fund had sold 3,360,714 of its 4,285,714 units of the Fording Trust and by January 30, 2004, had sold the balance of its holdings. As a result, going forward the Fund's distributions are solely based on the distributions received from Westshore. The Fund does not conduct any active business.

The Fund derives its cash inflows from its investment in Westshore by way of interest on the Notes and dividends or return of capital on the common shares of Westshore. Westshore operates a coal storage and loading terminal at Roberts Bank, British Columbia, which is the largest coal loading facility on the west coast of the Americas. The Fund's principal office is located at 1600 – 1055 West Hastings Street, Vancouver, British Columbia V6E 2H2.

Structure of the Fund

The following chart illustrates the primary structural and contractual relations between the Unitholders, the Fund, Westshore and Westar Group Ltd. ("Westar"). Westar provides management services to Westshore and administrative services to the Fund. Details of these arrangements will be included in the Information Circular for the Fund's 2005 Annual General Meeting. See "Additional Information".



New Notes - $175 million Senior Subordinated Notes

In view of the trading price of the Fund's units during the last quarter of 2004, the Trustees and the Directors of Westshore reviewed Westshore's capitalization and determined that the value of Westshore and the Fund support a higher component of debt. Concurrently with a return of capital by Westshore to the Fund, the Fund acquired $175 million principal amount of new Notes of Westshore bearing a fixed rate of interest of 8.5% per annum. The recapitalization was effective January 5, 2005.

BUSINESS OF WESTSHORE

History

Westshore operates a coal storage and loading terminal (the "Terminal") on land leased from the Vancouver Port Authority (the "VPA") located on a man-made island at Roberts Bank, British Columbia. The Terminal is approximately 30 kilometres south of Vancouver and is the largest coal loading facility on the west coast of the Americas. Westshore began operating in 1970, two years after construction commenced on the Roberts Bank superport and terminal facilities.

The initial operation encompassed 20 hectares and had a rated loading capacity of 8.5 million tonnes per year. In 1982, the purchase of an additional stacker-reclaimer increased the rated loading capacity to 11 million tonnes per year. In 1984, a major equipment and site expansion was completed at a cost of $130 million, resulting in an increase in the rated loading capacity of the Terminal to 22 million tonnes per year. As well, the expansion increased the nominal storage capacity of the Terminal from 358,000 tonnes to 1.9 million tonnes and added new shiploading facilities that permitted the simultaneous loading of two ships.

The demands of coal consumers have resulted in an increase in the number of brands and blends of coal required to be handled by Westshore. Each brand requires a separate stockpile and each additional stockpile reduces storage capacity by approximately 40,000 tonnes. To meet this need, Westshore added additional equipment and reconfigured the operations at the Terminal in 1991 at a cost of $31 million. As a result of these and subsequent upgrades, throughput capacity was increased to the current capacity that Westshore estimates at 26 million tonnes per year. The 1991 expansion increased nominal storage capacity by approximately 68% to 3.2 million tonnes, allowing for more diversified operations and improved overall site efficiency. As a result of the increased number of blends and brands of coal being handled by Westshore, the available storage capacity is currently approximately 2.4 million tonnes.

Operations

Westshore operates the Terminal on a throughput basis and is paid a handling charge by its customers when the coal is loaded on a ship. Westshore does not take title to the coal it handles under its customers' contracts. Market conditions for coal affect the competitiveness of Westshore's customers and, as a result, affect the volume of coal handled by Westshore. Westshore handles and loads coal from mines in British Columbia and Alberta and, occasionally, the northwestern United States. Coal shipped from mines owned by the Coal Partnership ("Coal Partnership") accounted for approximately 93% of Westshore's coal revenues in 2004.

Coal is delivered to the Terminal in unit trains operated by Canadian Pacific Railway, Canadian National Railways and Burlington Northern Santa Fe Railway and is then unloaded and either directly transferred onto a ship or stockpiled for future ship loading. Ultimately, the coal is loaded onto ships that are destined for approximately 20 countries worldwide, with the largest volumes presently being shipped to Japan, Europe and South Korea. Westshore provides service to its customers seven days a week, 24 hours a day.

Shipments of coal through the Terminal by destination for the past three years were as follows:

Shipments by Destination (thousands of tonnes)						
	2004		2003		2002	
	Tonnes	**%**	**Tonnes**	**%**	**Tonnes**	**%**
Japan	5,635	27	6,823	35	6,896	35
Europe	6,371	30	5,669	29	5,469	28
S. Korea	3,384	16	2,856	15	3,787	20
S. America	2,464	12	1,696	9	2,064	11
Taiwan	960	4	1,004	5	809	4
China	1,764	8	531	3	-	-
Other	667	3	745	4	409	2
Total	**21,245**	**100**	**19,324**	**100**	**19,434**	**100**

Westshore's revenues depend upon the volume of metallurgical and thermal coal shipped through the Terminal and the rates charged for such coal. The prices per tonne charged by Westshore to its customers are established by contract and are unregulated. In order to remain profitable, Westshore must be able to sustain a volume of throughput, and charge rates for such volume, which allow it to meet its relatively fixed operating costs.

The amount of throughput at the Terminal is determined by the ability of Westshore's customers to supply coal to industrial consumers in the Asia-Pacific region, Europe and other countries. Shipments of coal through the Terminal in the last 10 calendar years are presented in the table below.

Coal Shipments (millions of tonnes)										
	1995	**1996**	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**
Metallurgical	17.3	18.2	19.4	19.1	17.9	19.5	20.6	17.8	17.6	19.5
Thermal	3.5	3.7	4.0	3.0	3.4	2.9	2.7	1.6	1.7	1.7
Petroleum Coke	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0
Total	**20.9**	**22.0**	**23.5**	**22.2**	**21.4**	**22.5**	**23.3**	**19.4**	**19.3**	**21.2**

Coal is the only commodity shipped through the Terminal, other than small volumes of petroleum coke shipped from time to time. The volume of coal handled by Westshore is dependent on the international competitiveness of Western Canadian coal exporters. Coal is used primarily for the generation of electricity (thermal or steam coal) and the production of steel (metallurgical or coking coal). Nearly 40% of the world's electricity is generated from coal and about 70% of the world's steel production involves the use of coal. Coal is also used as an energy source in industrial processes (such as cement manufacture and pulp and paper) and to produce a wide range of products (such as tars and chemicals). During 2004, 92% of Westshore's volume was metallurgical coal, with the remaining 8% being thermal coal.

Pricing

World coal prices are quoted in U.S. dollars and are based on supply and demand factors. The Japanese steel mills in aggregate represent the largest consumer of seaborne traded coal. The following table shows the approximate prices (in U.S. dollars per tonne) for international seaborne metallurgical coal delivered to Japan for the last ten years as calculated by Westshore for internal reporting purposes.

World Coal Prices (US$) 12 Months Commencing April 1										
	1995	**1996**	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**
Metallurgical	51.10	53.30	53.30	50.65	41.65	39.50	42.50	45.00	43.00	52.00

On February 1, 2005, the Fording Trust announced that the Coal Partnership had achieved sufficient settlements to indicate that its average price for coal sales in the period April 1, 2005 to March 31, 2006 is expected to be approximately US$122, over 100% higher than the average US dollar price realized in the coal year ending March 31, 2005. This represents sales for all products, not only those exported through Westshore.

Customers

The throughput of the Terminal is wholly dependent on the success of Westshore's customers selling coal, principally metallurgical coal, in international markets. This in turn depends largely on the strength of those markets and the competitive position of Westshore's customers. The strength of the metallurgical coal market depends on the demand for steel. The share of the metallurgical coal market that Westshore's customers are able to capture and retain depends upon several factors. The primary competitive factor is the relative cash cost of production from the customers' mines versus other exporting metallurgical coal mines. In Canada, the two largest components of this cost are rail carriage and mining costs.

Currently, the Terminal receives coal on a regular basis from five mines in southeastern British Columbia, which are owned by the Coal Partnership, and from two mines in Alberta, one of which is owned by Luscar Ltd. ("Luscar") and the other owned by Grande Cache Coal Corporation. In 2004, coal was also received from a mine in Montana. With its five mines in British Columbia, the Coal Partnership is by far Westshore's largest customer. These mines shipped 92% of the Terminal's throughput in 2004 versus 94% in 2003. The Coal Valley mine, which is owned by Luscar, accounted for most of Westshore's remaining throughput in 2004. In September 2004, Westshore secured an agreement with Grande Cache Coal Corporation for handling coal production from its Grande Cache operation in Alberta, which accounted for 52,000 tonnes in 2004.

A key factor that impacts the competitiveness of Canadian coal is exchange rates. Coal prices are quoted in U.S. dollars while the operating costs of Westshore's customers are generally incurred in Canadian dollars. Subject to hedging arrangements entered into by Westshore's customers, currency exchange fluctuations can play a role in determining the relative competitiveness of coal producers in different countries. Furthermore, the comparative value of the Australian dollar to the U.S. dollar has an effect on the world price of coal. At times when the value of the Australian dollar is relatively low, Australian coal producers are highly competitive, which creates downward pressure on world coal prices. As a result of the foregoing, Westshore's throughput is affected by changes in the value of the Canadian dollar relative to other currencies.

Consolidation in Canadian Metallurgical Coal Industry

The Western Canadian export coal industry has experienced considerable consolidation and mine closures over recent years. Between 1997 and 2000, the U.S. dollar denominated reference prices for coal decreased by approximately 25%. Due to the resulting financial pressures, the Gregg River mine and the Quintette mine both closed in 2000, and Smoky River Coal Ltd. went into receivership and its mine also closed in 2000 (which has since reopened as the Grande Cache mine). The Bullmoose mine closed in 2003, and Luscar announced the closure of the Obed Mountain mine in March 2003. Of these mines, only the Gregg River mine and the Obed Mountain mine shipped coal through Westshore.

Most significantly, the formation of the Fording Trust consolidated all of the largest operating export metallurgical coal mines into one entity. With the exception of the Cardinal River mine, all of the mines owned by the Coal Partnership (in which the Fording Trust owns a 60% interest) ship their coal through Westshore. Four of these mines have exclusivity arrangements with Westshore pursuant to which, subject to *force majeure* and minor exceptions relating to customer preferences, all coal exported by these mines through west coast ports must be exported through Westshore. See "Business of Westshore – Loading Contracts" for a summary of the terms of these contracts, and a description of the proven and probable reserves of such mines.

Operating Costs

A large portion of Westshore's operating costs are fixed, including a significant portion of labour costs. The principal variable cost is the participation rental charged under the lease of the Terminal from the VPA (the "VPA Lease") for tonnage in excess of the minimum annual tonnage (the "MAT") of 17.6 million tonnes. Labour and the VPA Lease costs are the two largest components of Westshore's expenses, representing approximately 52% and 22%, respectively, of Westshore's expenses (before depreciation and interest) in 2004. Other costs include general and administration costs, outside services, materials and supplies, insurance, property taxes and utilities.

Westshore's customers incur demurrage penalties if a ship being loaded with their coal is not loaded within a specified number of hours after it is ready to load at the Terminal. They also receive credits for early completion of loading, but only at half the hourly rate of the demurrage penalty. Since 1992, Westshore has shared these penalties and credits with its customers, except in certain situations where the customer bears the entire penalty and receives the entire credit. One such situation is if the coal to be loaded on the vessel is not at the Terminal when the vessel arrives. The demurrage cost to Westshore in 2004 was $2.1 million, about the same as incurred in 2003.

The railways that deliver coal to the Terminal also claim detention charges from Westshore's customers in respect of any delays beyond a specified number of hours that occur between the commencement of loading at the mine and the completion of unloading at the Terminal. The railways also grant credits in respect of trains that complete the process in less than the specified number of hours. With certain exceptions, Westshore also shares these charges and credits equally with its customers. The largest annual train detention cost to Westshore was $1.6 million in 1997. The cost to Westshore for train detention was $745,000 in 2004, compared to $83,000 in 2003.

Capital Expenditures

Westshore's capital expenditure requirements are comprised of two types of expenditures – maintenance and expansion capital. Maintenance capital expenditures are additions to or replacements of fixed assets required to maintain the Terminal at its current throughput capacity. Expansion capital expenditures are investments that provide improvements in the operations with respect to either throughput considerations or significant cost savings.

Over the past five years, Westshore has spent on average $1.7 million each year on capital expenditures to maintain the Terminal's throughput capacity, ranging from a low of $0.7 million to a high of $3.8 million in annual expenditures during this period. Regular capital expenditures in 2004 were $0.7 million. In addition, substantial expenditures were made to rebuild the ship loading facilities at Berth 2, which were damaged in a windstorm and were out of operation from January 2, 2003 until August 1, 2003. Apart from discretionary upgrades, the expenditures on rebuilding Berth 2 were covered by insurance proceeds. Westshore estimates that capital expenditures in 2005 will be $6.0 million on a variety of projects.

Competition

The competitiveness of coal terminals is dependent on the proximity of the facility to cost-competitive coal mines, deep sea berthing capability, availability of rail links, proximity to export markets, labour stability and the efficient handling of different coals and blends. Westshore believes that there is limited ability to construct new facilities in the Pacific Northwest of North America due to few remaining deep-sea berth locations, limited links to existing infrastructure, the significant capital cost of constructing such facilities, and environmental and regulatory constraints.

Westshore's primary competitors for the handling of coal from western Canadian producers have been Ridley Terminals Inc. ("Ridley") and Neptune Bulk Terminals (Canada) Ltd. ("Neptune"). Ridley operates a single-purpose, single-berth, coal loading facility. This facility was built in Prince Rupert, approximately 1,500 kilometres north of Vancouver, specifically to serve British Columbia's northeast coalfields, then consisting of the Quintette and Bullmoose mines. Ridley's business has been sourced primarily from those mines, but the Quintette mine closed in 2000 and the Bullmoose mine closed at the end of March 2003. In 2004, Ridley did not handle any coal but did handle minimal amounts of coke products. Its rated annual capacity is 16 million tonnes.

Neptune operates a three-berth terminal operation that handles various bulk commodities including coal, potash and fertilizer. Located in Vancouver's inner harbour on land leased from the VPA, Neptune shipped a total of

3.5 million tonnes of coal in 2004, compared to 4.8 million tonnes in 2003. During 2003, and as a result of the windstorm incident**,** approximately 1.9 million tonnes of coal were diverted to Neptune, with Westshore's consent, between January 2, 2003 and August 1, 2003 while Berth 2 at Westshore was inoperative. Neptune is owned by its shippers. The Coal Partnership is one of the shareholders of Neptune as a result of its acquisition of Luscar's metallurgical coal assets. Both thermal and metallurgical coal have been shipped through Neptune from mines now operated by the Coal Partnership and Luscar.

Annual export coal shipments through Westshore and for Neptune and Ridley as estimated by Westshore for the last ten years were as follows:

	1995	**1996**	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**
Westshore	20.6	22.0	23.5	22.2	21.4	22.5	23.3	19.4	19.3	21.2
Neptune	6.1	5.3	5.0	6.1	5.4	5.0	3.9	3.4	4.8	3.5
Ridley	5.9	5.8	6.5	5.3	6.0	3.9	2.2	1.8	2.5	0.0
Total	**32.6**	**33.1**	**35.0**	**33.6**	**32.8**	**31.4**	**29.4**	**24.6**	**26.6**	**24.7**

Loading Contracts

Westshore operates under long-term contracts with its customers. Westshore has contacts relating to five of the six metallurgical coal mines that were combined in the Coal Partnership. Westshore does not have a contract for the sixth mine owned by Coal Partnership, which is the Cardinal River mine. This mine ships primarily through Neptune and occasionally through Westshore.

The contract (the "Port Services Agreement") governing the three mines which Fording Inc. owned prior to the formation of Coal Partnership (Fording River, Coal Mountain and Greenhills, which is 80% owned by the Coal Partnership) runs to February 29, 2012, which coincides with the end of the current renewal term of the VPA Lease. The contract governing the Elkview mine (the "Elkview Contract") runs to 2010, and was assigned to the Coal Partnership. Under the Elkview Contract, the Coal Partnership gave notice on September 30, 2004 that it is requesting a review of the loading rate, as provided under such agreement, with a view to changing the rate effective April 1, 2005, which if changed would apply for the balance of the contract to 2010. The loading rate for all such coal is at present a function of the Canadian dollar price received for such coal. The Elkview Contract covers production from only the Elkview Mine. No timetable for negotiations has been established. Westshore considers that the contract has operated in accordance with the original intention of the parties.

Westshore's contract for Line Creek coal runs to 2007 but covers only a portion of the coal produced at that mine, with the Coal Partnership being entitled to ship the balance of the tonnage through Neptune, in which the Coal Partnership holds a 46% interest. The Line Creek contract was also assigned to the Coal Partnership.

The contract with Luscar for handling of thermal coal from the Coal Valley and Obed Mountain mines expires in 2017. In March 2003, Luscar announced the closure of the Obed Mountain mine, which accounted for approximately 1% of Westshore's throughput in 2002.

In September, 2004, Westshore secured a coal handling contract with Grande Cache Coal Corporation for handling coal produced from its Grande Cache operations in Alberta. The term of the contract expires on March 31, 2013 and contains a pricing mechanism based on fixed rates (with escalation clauses). Westshore anticipates shipping approximately 1.3 million tonnes under this contract in 2005. In 2004, Westshore shipped 52,000 tonnes of Grande Cache coal.

The following tables list the loading contracts and coal reserve information for each of the Coal Partnership's mines that is covered by a contract with Westshore:

Metallurgical Coal Reserves
(millions of tonnes)

Contract and Mine	Reserves Proven	Reserves Probable	Reserves Total	2004 Production	Contract Expires
Port Services Agreement					
Fording River	145	112	257	9.6	February 29, 2012
Greenhills	91	7	98	4.9	
Coal Mountain	27	1	28	2.5	
Elkview Contract	184	65	249	5.9	March 31, 2010
Line Creek Contract	17	–	17	2.5	March 31, 2007

Source: Fording Canadian Coal Trust Annual Information Form dated March 29, 2005 (except for contract expiry date).

Note: Reserves are reported exclusive of interests of third parties, except at Greenhills, where reserves are reported inclusive of Pohang Steel Canada Limited's 20% interest.

In 2004 the loading rates charged by Westshore for a majority of the coal handled for the Coal Partnership were linked to the price in Canadian dollars received by the Coal Partnership for that coal, subject to a floor rate. The remaining tonnage handled by Westshore in 2004 was at fixed rates which are subject to adjustment in subsequent years.

Historically the loading rates for most of the tonnage shipped by Westshore escalated in accordance with changes in the consumer price index and changes in the lease rates charged by VPA. The Line Creek contract and the Coal Valley contract provide for a portion of the rates under those contracts to escalate in accordance with changes in the consumer price index, but otherwise consumer price index based escalators have been eliminated from the loading contracts. The prior contracts stipulated an annual tonnage to be shipped, without any take or pay commitment on the part of the shipper. Under the Port Services Agreement and the Elkview Contract, these provisions have been replaced by covenants on the part of the shipper that, subject to *force majeure* and certain minor exceptions relating to preferences of coal buyers, all product from the Fording River, Greenhills, Coal Mountain and Elkview mines that is shipped through a west coast port must be shipped through Westshore.

The loading contracts all provide for a specified maximum tonnage of coal that can be stored at the Terminal in a specified number of stockpiles. Generally, the limit under each contract is proportional to the volume of coal shipped from the mine covered by the contract. Because extra stockpiling reduces storage capacity at the Terminal, the contracts provide that if the customer requests and Westshore agrees to an additional stockpile, the customer's aggregate storage capacity is reduced by a specified volume. In addition, the contracts provide for sharing by Westshore in train detention penalties and ship demurrage and related credits. See "Operations – Operating Costs".

Facilities

The Terminal

The Terminal's throughput capacity, being the volume of coal capable of being shipped through the Terminal, was rated at 22 million tonnes per year prior to the most recent expansion in 1991. Westshore has been in the process of continuously improving the site since 1991 and believes that the Terminal currently has a throughput capacity of 26 million tonnes per annum. Throughput in 2004 was 21.2 million tonnes, up from 19.3 million tonnes in 2003. In 1997, Westshore's record year to date, the Terminal handled 23.5 million tonnes.

Upon arrival at the Terminal, coal cars are unloaded by one of two dumpers, which invert the rail cars without uncoupling them. The Terminal is equipped with a single rotary car dumper, which was commissioned in 1991, and a tandem rotary car dumper that unloads two cars at a time and has been in operation since 1984. The tandem dumper can unload a unit train of approximately 110 rail cars in two and a half hours while the single dumper takes approximately four hours to unload a similar sized unit train. Both dumpers are capable of unloading shorter aluminum rail cars. Use of the shorter aluminium cars has become more prevalent since they have a larger individual payload and can accommodate more cars per train than standard Canadian steel cars. This allows a unit train to carry a greater volume of coal, which increases rail transit efficiency. The tandem dumper was originally designed to unload only the standard steel coal cars historically used by Canadian rail carriers. In 1998, Westshore completed a project to convert one barrel of the tandem dumper to handle shorter aluminum rail cars in addition to the standard steel coal cars, which allows Westshore to achieve increases in productivity in the handling of coal.

Modifications to the dumper control system to reduce the number of operators required from two per shift to one per shift were initiated in January 2001 and completed in January 2002. As part of the project, new bin level and feeder controls were installed to provide improved blending and productivity at the dumper station.

On the Terminal site, there are over six kilometres of conveyors that carry the coal from the dumpers to one of the three stacker/reclaimers or to one of three shiploaders for loading onto a ship. The stacker/reclaimers deposit the coal onto uncovered stockpiles. Stockpiled coal is segregated as to customer and specific type until such time as it is loaded onto a ship, at which time the coal is "reclaimed", or picked up, by a stacker/reclaimer and transported by the conveyor belt system to a shiploader.

Westshore is able to blend varieties of coal either on a stockpile or in a ship's hold. As the number of brands and demand for blended coal has increased, blending has become an integral part of the operations of the Terminal. Both the quality and blending of coal at the Terminal continue to be of primary importance in order to ensure that the customer receives the contractually specified type of coal. More than 90% of the coal product moving through the Terminal is now blended.

The Terminal has two deep-sea berths for loading ships. Berth 1 was constructed in 1984. It is 350 metres long and has a depth of 22.9 metres. It can handle ships of up to 260,000 deadweight tonnes and is equipped with a traveling shiploader capable of handling up to 7,000 tonnes of coal per hour. Berth 2 was originally constructed in 1970, is 263 metres long and has a depth of 20.8 metres. Berth 2 is capable of handling ships of up to 150,000 deadweight tonnes and loading up to 7,000 tonnes of coal per hour. The Terminal handled 250 ships in 2004, compared to 206 in 2003.

Berth 2 at the Terminal was inoperative for half of 2003, due to a windstorm incident on January 2, 2003 that resulted in damage to the two cranes at Berth 2. This rendered Berth 2 incapable of loading coal from January 2, 2003 to August 1, 2003, when the replacement of the two cranes and related work was completed. Westshore's insurance covered both the costs of repair to Berth 2 and most of the lost profits from reduction in shipments, net of applicable deductibles. $18.2 million of the insurance proceeds were received by Westshore as of December 31, 2003. The balance of the insurance claim (which includes property and business interruption) was paid in 2004 bringing the total insurance proceeds received to $24.7 million.

VPA Lease

Westshore occupies the Terminal site at Roberts Bank under the VPA Lease, the original term of which expired on February 28, 2002. In November 2000, Westshore exercised its option to renew the VPA Lease for the period March 1, 2002 to February 29, 2012. Westshore has a second option to renew the VPA Lease for one additional ten-year period at its discretion following 2012.

The VPA Lease requires Westshore to pay all charges, taxes and assessments and keep all structures and installations at the Terminal in good repair. The VPA is required to perform maintenance work required to prevent erosion by tides and waves. Under the VPA Lease, the VPA may require Westshore, upon expiry of the lease, to restore the Terminal site to a condition similar to that at the commencement of the lease, or the VPA may acquire the equipment used in the operations for its fair value.

Charges payable by Westshore under the VPA Lease are comprised of (i) an annual base land and water lot rental fee ("base rental fee"); and (ii) an annual throughput charge ("participation rental") based on the volume of coal shipped. The participation rental is calculated by multiplying each tonne of throughput by a rate ("participation rate") determined under the VPA Lease. The minimum annual participation rental is based on a minimum annual throughput ("MAT") of 17.6 million tonnes. A higher throughput rate per tonne applies to volumes in excess of the

MAT. The applicability of the MAT is subject to any *force majeure* that may be suffered by Westshore or any of the rail carriers, but not to any *force majeure* suffered by any of Westshore's customers. During 2004, Westshore's lease cost for rent and throughput charges totalled $15.2 million, compared to $13.3 million in 2003. Higher total rent in 2004 compared to 2003 was due to higher throughput during 2004.

The VPA Lease provides that the VPA must review and adjust the land and water-lot rentals and participation rentals effective upon commencement of each ten-year renewal and on the third, sixth and ninth anniversaries thereof. On each occasion, Westshore has the right to invoke an arbitration process in order to seek redetermination of any increased rental set by the VPA. In respect of the first three years of the first renewal term (March 1, 2002 – February 28, 2005), the VPA set the same base rental fee and participation rates as were charged in the lease year ended February 28, 2002. Westshore anticipates that for the second three years (March 1, 2005 – February 28, 2008) of the renewal period, the base rental fee and participation rates will remain unchanged.

The previous provisions for annual escalation of the base rental fee and the participation rate in respect of the MAT, and for escalation every three years of the throughput rate in excess of the MAT, are no longer applicable. Similarly, the provisions in Westshore's loading contracts for the escalation of the loading rates in relation to increases in the rent payable under the VPA Lease have been deleted from the customer contracts.

Labour

Westshore currently has 21 non-union and 162 unionized employees, the latter being represented by three separate locals of the International Longshore and Warehouse Union (the "ILWU"). The largest bargaining unit, Local 502, represents 119 employees; Local 514 represents 30 foremen and Local 517 represents 13 administrative employees. All three locals of the ILWU, covering the longshoremen, the foremen and the clerical workers renegotiated their contracts in 2003 (all of which expired on January 31, 2003). Each local concluded a four-year collective agreement expiring on January 31, 2007. The impact on wages is an increase of approximately 2.6% per annum over the four years of the contracts.

In its 35 years of operation, Westshore has had only one legal work stoppage, which lasted for five days. The collective agreements are separate from those of the British Columbia Maritime Employers Association, which represents most of the other terminal operations in the Vancouver area.

Environmental

Westshore has obtained and is in compliance with all licences, permits and other authorizations relating to the protection of the environment that are required for the operation of its business. In particular, Westshore operates under an effluent discharge permit issued by the British Columbia Ministry of Environment, Lands and Parks and an air emissions permit issued by the Greater Vancouver Regional District.

Under the effluent discharge permit, Westshore is permitted to discharge water from its water treatment plant provided that it meets quality standards established under the permit. Westshore takes weekly samples of runoff water collected for discharge at Westshore's water treatment plant where coal solids are removed from treated water. Since 1992, when the water treatment plant was upgraded, water quality standards have been consistently met. Westshore is also required to take monthly samples from its sewage treatment plant to determine whether discharge water meets quality standards established under the permit. Water discharged from the sewage treatment plant has consistently met such standards for the past several years. Westshore has taken steps to minimize the amount of coal dust that falls into the water during ship loading. It is conceivable that any contaminated sediment that may result from coal dust falling into the water may require remediation in the future. Such contamination is expected to have a low impact on the affected areas.

Under the air emission permit, Westshore takes monthly samples from two dustfall canisters located offsite near the Terminal. The total dustfall received by the canisters is consistently below the British Columbia ambient air quality guidelines for dustfall. Westshore is also required under the permit to maintain records of prevailing weather conditions and the use of Westshore's installed dust suppression system. Results are reported to the Greater Vancouver Regional District.

Westshore's Business Strategy

Westshore's strategy is to maintain its position as the leading coal terminal on the west coast of the Americas. Key aspects of Westshore's competitive advantage are its location relative to the high quality metallurgical coal deposits in southeastern British Columbia and central Alberta, its access to rail lines linking the mines to the Terminal, and its ability to handle unit trains and seaborne shipping vessels of all sizes. Westshore will remain focused on providing the Canadian coal industry with a competitive and efficient port facility. Continued emphasis on productivity improvements and the provision of value-added services such as coal blending will remain an integral part of Westshore's strategy. Additionally, Westshore continues to review business development opportunities and potential acquisitions as they arise.

RISK FACTORS

Any of the following risks could materially and adversely affect Westshore's, and therefore the Fund's, business, results of operations and financial condition, which in turn could materially and adversely affect the ability of the Fund to pay distributions on its units (the "Trust Units") and the value of the Trust Units. In addition to the risk factors listed below, businesses are often subject to risks not foreseen or fully appreciated by management. In reviewing these risk factors investors should keep in mind other possible risks that could be important.

Risks Relating to Westshore's Business

Dependence on Coal

As a single purpose port facility, Westshore's profitability is principally determined by the volume of coal, particularly metallurgical coal, shipped by its customers through the Terminal and the rates paid by Westshore's customers. Volumes exported, prices received by Westshore's customers for coal products and the competitiveness of Westshore's customers are affected by numerous factors beyond the control of Westshore or its customers, including the demand for steel and steel-based products, the availability of cost competitive coal supplies, currency exchange rates, political and economic conditions and production costs in major coal producing regions.

The effect of any or all of these factors on coal prices and export volumes is virtually impossible for Westshore or its customers to predict. If realized coal prices fall below the full cost of production for any coal operations belonging to Westshore's customers, they will experience operating losses and may decide to discontinue those operations for a period of time, thus reducing the coal volumes being shipped through the Terminal and Westshore's profitability.

Dependence Upon Key Customer

Westshore is highly dependent upon a key customer for a significant amount of its throughput. Mines owned by the Coal Partnership accounted for approximately 93% of Westshore's coal revenues in 2004 and 94% in 2003. If, for any reason, shipments from this customer are either materially reduced or terminated, this would materially adversely affect the financial performance of Westshore.

Loading Contracts

Westshore operates under various term contracts with its customers. The expiry dates of these contracts range between 2007 and 2017. In 2010 the contract that covers production from the Elkview mine will expire. This contract accounted for 25% of Westshore's coal loading revenue in 2004 and 27% in 2003. In 2012, the Port Services Agreement covering the Fording River, Greenhills and Coal Mountain mines will expire. These three mines together accounted for approximately 60% of Westshore's coal loading revenue in 2003 and 2004. The Coal Partnership holds a 46% interest in the company that owns Neptune terminal, which is Westshore's most direct competitor. A new contract will need to be negotiated when each contract expires. No assurances can be given that new contracts on acceptable terms can be negotiated or will be entered into.

Foreign Currency Fluctuations

The throughput of the Terminal is wholly dependent on the success of Westshore's customers selling coal in the international markets. A key factor that impacts the competitiveness of Canadian coal is exchange rates. World coal prices are quoted in U.S. dollars while the operating costs of Westshore's customers are generally incurred in Canadian dollars. Subject to hedging arrangements entered into by Westshore's customers, currency exchange fluctuations can play a role in determining the relative competitiveness of coal producers from different countries. As a result, the fluctuations in the value of the Canadian dollar relative to other currencies, especially the U.S. dollar, could significantly affect Westshore's throughput and therefore its operating results.

Westshore now has greater and more direct exposure to exchange rate fluctuation than it did prior to February 28, 2003. As a result of the Port Services Agreement that covers mines formerly owned by Fording Inc., the rates charged by Westshore for a majority of the coal loaded for the Coal Partnership have been tied to the Canadian dollar price realized by the Coal Partnership for such coal. Since most coal sales are denominated in U.S. dollars, Westshore's loading rates and revenue for a portion of its throughput are directly affected by movements in the value of the Canadian dollar relative to the U.S. dollar. To mitigate the impact of short-term fluctuations in the exchange rate, Westshore has adopted a hedging policy, as described in the Fund's Annual Report.

Rail Transportation

All export coal loaded onto ships at the Terminal is delivered to the Terminal by Canadian Pacific Railway, Canadian National Railways and Burlington Northern Santa Fe Railway. All coal arrives at the Terminal via an access line belonging to B.C. Rail Ltd. Service interruption at any of these rail carriers may result in lost sales by Westshore's customers. Significant cost escalation for these services will reduce the profitability of Westshore's customers and may increase the full cost of production at affected operations to a level that is in excess of realizable coal prices, thus reducing the volume of coal shipped through the Terminal.

Labour Relations

The Terminal is operated by a unionized workforce whose collective agreements expire on January 31, 2007. The operations of Westshore's customers, the rail service providers and the tugboat and other marine service providers are also operated by unionized workforces. Strikes or lockouts affecting any of these operations could restrict the ability to produce or transport coal to purchasers and adversely affect Westshore's profitability.

Operation on Leased Premises

Westshore operates from premises leased from the VPA. Upon expiration of the VPA Lease, Westshore would be unable to operate its business from its present location and it is unlikely that an alternative location would be available. The VPA Lease contains a further renewal option to 2022.

Environmental Costs and Liabilities

Westshore's operations are subject to Canadian federal and British Columbia provincial laws and regulations relating to environmental protection and operational safety.

Although Westshore believes that the current operation of its business is in compliance with all applicable environmental and safety regulations, it is possible that other developments, such as increasingly strict environmental and safety laws, regulations and enforcement policies thereunder, and claims for damages to persons or property resulting from Westshore's operations, could result in significant costs and liabilities to Westshore.

At present there are no restrictions on the height or configuration of the coal piles at the Terminal. In the future, if regulatory restrictions on the height or configuration of coal piles were enacted, they could have a negative effect on Westshore's storage capacity, which in turn could impact total throughput. If new environmental requirements are enacted, or if the standards in Westshore's permits are made more onerous, Westshore could be required to incur expenditures to meet enhanced requirements or standards.

Earthquakes/Windstorms

The Terminal is located on a man-made island that is situated in an earthquake zone. In the event of an earthquake, the operations of the Terminal could be subject to serious long-term disruption. In addition, the Terminal is exposed to windstorms. Westshore generally manages this risk by suspending loading operations during periods of high winds. However, it is not always possible to anticipate sudden increases in wind speed or wind gusts, as demonstrated by the January 2, 2003 windstorm that caused significant damage to the loading facilities at Berth 2.

Risks Inherent in an Investment of Trust Units

Dependence on Westshore

The Fund is an open ended, limited purpose trust that is entirely dependent on the operations and assets of Westshore through the Fund's ownership of the common shares of Westshore and the Notes. Although the Fund intends to distribute the interest and dividend income earned by the Fund, less expenses and amounts, if any, paid by the Fund in connection with the redemption of Trust Units, there can be no assurance regarding the amounts of income to be generated by Westshore and therefore funds available to the Fund. Accordingly, the Fund's ability to make cash distributions is dependent upon the ability of Westshore to pay its interest obligations under the Notes and to declare dividends or other returns of capital in respect of the common shares of Westshore, which ability, in turn, is dependent upon the operations and assets of Westshore.

The actual amount paid or distributed by Westshore to the Fund, and distributed by the Fund to Unitholders, will depend upon numerous factors including profitability, determination of taxable income and taxes payable by Westshore, management fees payable by Westshore, fluctuations in working capital, the sustainability of margins and capital expenditures. The Fund is of the view that all expenses to be claimed by the Fund and Westshore will be reasonable and deductible. However, taxation authorities may take the view that certain income or expense transactions should be treated differently for tax purposes, any of which could materially adversely affect returns to Unitholders.

Nature of Trust Units

Although a Unitholder's investment in Trust Units is subject to substantially the same risks as if it were a direct investment in Westshore, the Trust Units do not represent a direct investment in Westshore and should not be viewed by investors as shares in Westshore. As holders of Trust Units, Unitholders will not have the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring "oppression" or "derivative" actions. The Trust Units represent a fractional interest in the Fund. The Fund's primary assets will be the Notes and common shares of Westshore. The price per Trust Unit is a function of anticipated distributable cash and other market factors.

The Trust Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under the provisions of that Act or any other legislation. Furthermore, the Fund is not a trust company and, accordingly, is not registered under any trust and loan company legislation as it does not carry on or intend to carry on the business of a trust company.

Capital Investment

The timing and amount of capital expenditures by Westshore will directly affect the amount of income available for distribution to Unitholders. Distributions may be reduced at times when significant capital or other expenditures are made.

Restrictions on Potential Growth

The payout by Westshore of substantially all of its operating cash flow will make additional capital and operating expenditures dependent on increased cash flow or additional financing in the future. Lack of those funds could limit the future growth of Westshore and its cash flow.

Distribution of Securities on Redemption or Termination of the Fund

Upon redemption of Trust Units or termination of the Fund, the Trustees may distribute the common shares of Westshore directly to the Unitholders, subject to obtaining any required regulatory approvals and complying with the requisite terms and conditions of such approvals. Common shares of Westshore so distributed may not be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans and registered education savings plans, depending upon the circumstances at the time. In addition, no public market may exist for such common shares and, accordingly, they may not be capable of being readily disposed of.

The Fund May Issue Additional Trust Units Diluting Existing Unitholders' Interests

The Declaration of Trust authorizes the Fund to issue an unlimited number of Trust Units for the consideration and on those terms and conditions as are established by the Trustees without the approval of any Unitholders. Any further issuance of Trust Units may dilute the interests of existing Unitholders.

Income Tax Matters

Westshore's income is subject to Canadian tax laws and the Fund is subject to Canadian tax laws, all of which may be changed in a manner that could adversely affect the amount of distributable cash available to Unitholders. There can be no assurance that Canadian federal income tax laws respecting the treatment of mutual fund trusts will not be changed in a manner that adversely affects the holders of Trust Units. If the Fund ceases to qualify as a "mutual fund trust" under the *Income Tax Act* (Canada) (the "Tax Act"), that could have material and adverse income tax consequences for the Fund and Unitholders. Further, interest on the Notes accrues at the Fund level for income tax purposes whether or not actually paid. The Declaration of Trust provides that an amount equal to the taxable income of the Fund will be distributed each year to Unitholders in order to eliminate the Fund's taxable income. Where interest on the Notes has accrued but has not been paid in whole or in part, the Declaration of Trust provides that additional Trust Units must be distributed to Unitholders in lieu of cash distributions. Unitholders will generally be required to include an amount equal to the fair market value of those Trust Units in their taxable income, even though they do not directly receive a corresponding cash distribution.

Investment Eligibility

There can be no assurance that the Trust Units will continue to be qualified investments for registered retirement savings plans, deferred profit sharing plans, registered retirement income trusts and registered education savings plans. The Tax Act imposes penalties for the acquisition or holding of non-qualified or ineligible investments.

Unitholder Limited Liability

The Declaration of Trust provides that no Unitholder will be subject to any liability in connection with the Fund or its obligations and affairs or for any act or omission of the Trustees and, in the event that a court determines Unitholders are subject to any such liabilities, the liabilities will be enforceable only against, and will be satisfied only out of, each Unitholder's share of the Fund Assets, as represented by the Trust Unit certificates. The Declaration of Trust further provides that all written instruments signed by or on behalf of the Fund shall contain a provision or be subject to an acknowledgment to the effect that such obligation will not be binding upon Unitholders personally and that such provision or acknowledgment shall be held in trust and enforced by the Trustees for the benefit of the Unitholders.

However, in conducting its affairs, the Fund will assume certain contractual obligations and may have to assume further obligations in the future. Although the Trustees will use reasonable efforts to have any contractual obligations modified so as not to have such obligations binding upon any of the Unitholders personally, they may not obtain such a modification in all cases. To the extent that any claims under such contracts are not satisfied by the Fund, there is a risk that a Unitholder will be held personally liable for obligations of the Fund where the liability is not disavowed as described above. Personal liability may also arise in respect of claims against the Fund (to the extent that claims are not satisfied by the Fund Assets) that do not arise under contracts, including claims in tort, claims for taxes and possibly certain other statutory liabilities. The business of the Fund and its wholly-owned subsidiary, Westshore, will be conducted, upon the advice of counsel, in such a way and in such jurisdictions so as to avoid, as much as possible, any material risk of liability to the Unitholders for claims against the Fund including obtaining appropriate insurance, where available, for the operations of Westshore and ensuring that all written agreements signed by or on behalf of the Fund include a provision that such obligations are not binding upon Unitholders personally. However, there can be no assurance that a Unitholder will not be subject to liability in the future, although the possibility of any personal liability of this nature arising is considered unlikely.

LEGAL PROCEEDINGS

Neither Westshore nor the Fund is currently party to any legal proceedings.

CASH DISTRIBUTIONS

Cash distributions in 2004 on the Trust Units were as follows per Trust Unit:

	Income	Other	Total Distribution
March 31	$ 0.19968	$ 0.10032	$ 0.300
June 30	0.12533	0.01467	0.140
September 30	0.12889	0.01111	0.140
December 31	0.23965	0.00035	0.240
TOTAL	$ 0.69355	$ 0.12645	$ 0.820

The following table sets forth cash distributions on the Trust Units (per Trust Unit) for each of the three most recently completed financial years of the Fund:

	Income	Other	Total Distribution
2004	$ 0.69355	$ 0.12645	$ 0.820
2003	0.77078	0.068199	0.812
2002	0.61573	0.00027	0.616

DESCRIPTION OF CAPITAL STRUCTURE

Trust Units of the Fund

The Amended and Restated Declaration of Trust dated as of June 15, 2004 (the "Declaration of Trust") established and governs the Fund, including the Fund's capital structure. The Fund is currently authorized to issue an unlimited number of Trust Units. As of March 31, 2005, there were no securities of the Fund created and issued other than Trust Units. Each Trust Unit represents an equal undivided beneficial interest in any distribution from the Fund and in any assets of the Fund (net of liabilities) in the event of termination or winding-up of the Fund. Each Trust Unit ranks equally and rateably with each other Trust Unit without discrimination, preference or priority (except that the Fund may deduct or withhold amounts from distributions payable to any Unitholder in order to comply with applicable law) and entitles the holder of record to one vote at all meetings of Unitholders.

Trust Units are redeemable at the option of the Unitholder at a price per Trust Unit equal to the lesser of (i) 90% of the weighted average price per Trust Unit for the 10 day trading period commencing immediately after the date on which the notice of redemption is received by the Fund, and (ii) 100% of the closing market price on the date the notice of redemption is received by the Fund. There is a limit of $250,000 per month for such redemptions, provided that in the event the limit is exceeded the Fund may satisfy the redemption price by way of a pro rata distribution of Notes and common shares of Westshore (or other securities held by the Fund that the Trustees consider reasonably capable of being distributed in specie). There are no conversion rights or pre-emptive rights attached to the Trust Units.

Limitation on Non-Resident Ownership

The Declaration of Trust provides that at no time may non-residents of Canada (as determined for the purposes of the Income Tax Act (Canada)) be the beneficial owners of more than 49% of the Trust Units. The potential impact of exceeding this threshold may be the loss of mutual fund status to the Fund, which may significantly impact the valuation of the Trust Units. As such, the Fund continues to monitor, to the extent possible given the practical limitations regarding beneficial ownership information, the level of non-Canadian resident Unitholders. To the best of the knowledge of the Trustees, the Fund has always had fewer than 49% non-Canadian resident Unitholders.

The inability of all public issuers to obtain the residency information of its beneficial holders means that issuers must rely upon the information provided to the transfer agent. Residency information is subject to the accuracy provided by third party data and by system limitations. Accordingly, the reported level of Canadian ownership is subject to these limitations and the level of Canadian ownership may change at any time without notice.

The Fund will continue to monitor the non-resident ownership levels. If at any time the Fund becomes aware that the beneficial owners of 49% of the Trust Units then outstanding are, or may be, non-residents of Canada or that such a situation is imminent, it may publish a notice and require completion of residency declarations before the Trustees will accept a subscription for Trust Units or complete any transfer of Trust Units. At the time that the Trustees determine that more than 49% of the Trust Units are held by non-residents, the Trustees may send a notice to non-resident holders of Trust Units, chosen in inverse order to the order of acquisition or registration or in such other manner as the Trustees may consider equitable and practicable, requiring them to sell their Trust Units, or a portion thereof, within a specified period of not less than 60 days. If the Trust Units are not sold within such period or if the Unitholders are not able to provide evidence that they are not non-residents of Canada, the Trustees may sell those Trust Units on the Unitholders' behalf and, in the interim, shall suspend the voting and distribution rights attached to such Trust Units.

Rating

On May 3, 2004, Dominion Bond Rating Service Limited ("DBRS") assigned a stability rating of STA-4(middle)p to the Trust Units. The following information is taken from the DBRS rating report dated May 3, 2004.

DBRS's stability rating provides an indication of both the stability and sustainability of an income fund's distributions per unit. Ratings categories range from STA-1 to STA-7, with STA-1 being the highest. In addition, DBRS further separates the ratings into high, middle and low to indicate where they fall within the rating category. Ratings take into consideration the following seven main factors of (1) operating and industry characteristics, (2) asset quality, (3) financial flexibility, (4) diversification, (5) size and market position, (6) sponsorship/governance and (7) growth. In addition, consideration is given to specific structural or contractual elements that may eliminate or mitigate risks or other potentially negative factors. The "p" in the rating indicates that the rating is based on public information only.

Income funds rated as STA-4 are considered by DBRS to have "adequate stability and sustainability of distributions per unit". The stability rating assigned by DBRS is not a recommendation to buy, sell or hold Trust Units. Rather, the stability rating is an indication of risk in terms of the stability and sustainability of an income fund's distributions per unit over time, as well as the income fund's capacity to make consistent distribution payments to unitholders. A rating may be subject to revision or withdrawal at any time.

MARKET FOR SECURITIES

The Trust Units are listed for trading on the Toronto Stock Exchange under the symbol "WTE.UN".

The following table shows the volume traded, the highest daily closing price and the lowest daily closing price in each month and the closing price on the last trading day of each month for the Trust Units on the Toronto Stock Exchange during the year ended December 31, 2004.

Period	High	Low	Close	Volume
January	$ 7.40	$ 6.91	$ 7.38	2,621,256
February	$ 8.19	$ 7.15	$ 8.10	4,461,841
March	$ 8.50	$ 7.55	$ 7.60	2,781,427
April	$ 7.90	$ 6.86	$ 7.20	2,022,804
May	$ 7.59	$ 6.15	$ 7.41	2,036,112
June	$ 7.50	$ 7.00	$ 7.45	1,906,934
July	$ 8.35	$ 7.25	$ 7.90	4,661,595
August	$ 8.73	$ 7.80	$ 8.37	4,721,222
September	$ 8.95	$ 8.25	$ 8.95	4,986,826
October	$ 9.90	$ 8.75	$ 9.60	4,326,716
November	$ 11.60	$ 9.40	$ 10.90	5,565,856
December	$ 12.66	$ 9.92	$ 12.52	4,662,247

REGISTRAR AND TRANSFER AGENT

The Fund's registrar and transfer agent is Computershare Trust Company of Canada at its offices in Vancouver and Toronto.

TRUSTEES

The following table sets out information concerning the Trustees of the Fund.

Name and Municipality of Residence	Principal Occupation(1)	Trustee Since(2)	Trust Units Beneficially Owned or over which Control or Direction is Exercised(3)
WILLIAM W. STINSON Toronto, Ontario	Chairman of the Board, Sun Life Financial Inc. Corporate Director	January 1997	3,000
M. DALLAS H. ROSS Vancouver, British Columbia	Partner Kinetic Capital Partners	December 1996	Nil
WILLIAM C. SCHEIDT Calgary, Alberta	Retired Banker	January 1997	4,000
GORDON GIBSON Vancouver, British Columbia	Corporate Director	June 2001	2,000
MICHAEL J. KORENBERG Vancouver, British Columbia	Managing Director, Vice Chairman The Jim Pattison Group	September 2001	Nil
JIM G. GARDINER Calgary, Alberta	Corporate Director	March 2004	11,543

NOTES:

(1) Each of the foregoing persons has been engaged in the occupation set forth above or similar occupations with the same employer for the last five years except for Mr. Gardiner who from March 2003 to March 2004 was President of the Fording Canadian Coal Trust and from 1993 to March 2003 was President and Chief Executive Officer of Fording Inc.

(2) Each Trustee's term of office expires at the 2005 Annual General Meeting of the Fund.

(3) As a group, the Trustees beneficially own or exercise control or direction over less than 1% of the Trust Units.

(4) The Fund has an audit committee comprising of all of the Trustees, but does not have an executive committee. The Trustees participate in the review and approval of the Annual Report (including preparation and approval of the audited financial statements) and discussions with external auditors concerning the preparation of the Annual Report.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the knowledge of the Fund, except as disclosed under "Interest of Insiders in Material Transactions" in the Management Information Circular and Proxy Statement of the Fund dated May 10, 2004 (which is incorporated by reference herein), no Trustee of the Fund or director or executive officer of Westshore, no person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over more than 10% of the outstanding Trust Units and no associate or affiliate of any of the foregoing persons or companies, has or has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is expected to materially affect the Trust or Westshore.

MATERIAL CONTRACTS

During the twelve months ended December 31, 2004, neither the Fund nor Westshore entered into any material contract other than contracts entered into in the ordinary course of business. Material contracts entered into by the Fund or Westshore between January 1, 2002 and December 31, 2003, other than contracts entered into in the ordinary course of business, are no longer in effect.

INTERESTS OF EXPERTS

PricewaterhouseCoopers LLP, the Fund's auditor, has been named as having prepared or certified a statement, report or valuation described or included in a filing, or referred to in a filing, made under National Instrument 51-102 during, or relating to, the Fund's financial year ended December 31, 2004. To the knowledge of the Fund, PricewaterhouseCoopers LLP holds no interest, directly or indirectly, in any securities or other property of the Fund or Westshore.

DATE OF INFORMATION

Unless the context otherwise requires or unless otherwise indicated, the information contained in this annual information form is given as of December 31, 2004 and the use of the present tense and of the words "is", "are", ''current'', ''currently'', ''presently'', ''now'' and similar expressions in this annual information form is to be construed as referring to information given as of December 31, 2004.

FORWARD-LOOKING STATEMENTS

This annual information form contains certain forward-looking statements, which reflect the current expectations of the Fund and Westshore with respect to future events and performance. Wherever used, the words ''may,'' ''will,'' ''anticipate,'' ''intend,'' ''expect,'' ''plan,'' ''believe,'' and similar expressions identify forward-looking statements. Forward-looking statements should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether, or the times at which, such performance or results will be achieved.

Forward-looking statements are based on information available at the time they are made, assumptions made by management, and management's good faith belief with respect to future events, and are subject to the risks and uncertainties outlined in this annual information form that could cause actual performance or results to differ materially from those reflected in the forward-looking statements, historical results or current expectations.

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

To the knowledge of the Fund, no Trustee or Unitholder holding a sufficient number of securities of the Fund to materially affect control of the Fund, and no director or executive officer of Westshore:

(a) is, as at the date of this annual information form or has been, within the 10 years before the date of this annual information form, a director or executive officer of a company that:

   (i) while acting in that capacity, was subject to a cease trade or similar order for a period of 30 consecutive days;

   (ii) while acting in that capacity, was subject to an event that resulted, after the director or executive officer ceased in such capacity, in a cease trade or similar order for a period of 30 consecutive days; or

   (iii) within a year of ceasing to act in such capacity, became bankrupt, made a proposal under legislation relating to bankruptcy or insolvency or was subject to any proceedings, arrangement or comprise with creditors or had a receiver or trustee appointed to hold its assets; or

(b) has, within the 10 years before the date of this annual information form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officer or shareholder,

other than Mr. Stinson who was a director of Unitel Inc. until August 1995. In December 1995, when Mr. Stinson was no longer a director, Unitel Inc. instituted a compromise with creditors.

ADDITIONAL INFORMATION

Reference is made to the section of the Fund's 2004 Annual Report entitled "Management's Discussion and Analysis", which provides additional financial information for the Fund's most recently completed financial year and is incorporated by reference herein. Additional information, including that relating to Trustees' remuneration, principal holders of the Fund's securities and interest of insiders in material transactions, is contained in the Fund's Information Circular dated May 10, 2004 for its Annual General Meeting held on June 15, 2004 and in the financial statements of the Fund for the period ended December 31, 2004, which are contained in the Fund's 2004 Annual Report.

Additional information relating to the Fund may be found on SEDAR at www.sedar.com.