POTASH HANDLING CONTRACT TO PROCEED

August 17, 2021

Vancouver, British Columbia – On July 22, 2021, Westshore Terminals Investment Corporation (TSX: WTE) (the “Corporation”) announced that its wholly-owned subsidiary Westshore Terminals Limited Partnership (“Westshore”) had entered into a conditional agreement (the “Agreement”) to provide services to BHP Canada Inc. (“BHP”). As a result of BHP Group’s final investment decision to proceed with the Jansen Stage 1 project, the conditions precedent in the Agreement have now been satisfied.

The Agreement requires Westshore to construct the necessary infrastructure to provide port services to BHP’s Jansen potash mine in Saskatchewan (the “Jansen Mine”) for a term to 2051, subject to extension.

Construction of Potash Facilities

Westshore is designing and will construct the necessary infrastructure to handle potash, including a potash dumper, storage building and associated conveying systems. In addition, certain existing infrastructure at Westshore’s terminal will be modified to support handling potash. Potash will be loaded only at the terminal’s Berth 2, which will continue to be available for loading coal. Coal operations are expected to continue without undue disruption through the construction phase.

Westshore must obtain certain permits in order to commence construction. Westshore has been in discussion with relevant authorities, principally the Vancouver Fraser Port Authority (“VFPA”). Westshore anticipates that the required permits will be issued in the first half of 2022, following which construction will commence. The Agreement provides that the potash infrastructure must be available by mid 2026.

BHP will substantially fund the construction, with Westshore being responsible for construction costs in excess of the agreed budget. Westshore will also contribute up to an aggregate $33 million to costs related to specific infrastructure or unexpected permitting conditions that are encountered.

Provision of the Services

The Agreement provides for a fixed loading charge per tonne that is indexed annually to changes in CPI for the life of the Agreement.

BHP has committed to providing Westshore with minimum annual volume commitments that are calibrated to the output of Stage 1 of the Jansen Mine. Under the Agreement, if BHP elects to invest in the next stage of Jansen, then its minimum annual volume commitments under the
Agreement will correspondingly increase to reflect the higher output of the Jansen Mine. The minimum annual volume commitments during both Stage 1 and Stage 2 of the Jansen Mine represent a substantial percentage of the expected output of the Jansen Mine while providing some flexibility for BHP to make domestic sales.

The potash dumper and conveying system have been designed to handle volumes equivalent to the maximum annual bulk material throughput at Berth 2. For volumes above Stage 1, it is anticipated that the potash storage building will be expanded, and the building has been designed accordingly. BHP is entitled but not required to use Westshore’s facilities for increased output from the Jansen Mine beyond Stage 2.

The Agreement requires Westshore to exercise its renewal options under the lease of the terminal from VFPA to 2051. For periods after 2051, provided BHP has exercised its option to extend the Agreement and certain minimum annual volume requirements are satisfied, Westshore must exercise its further renewal options under the lease.

Berth 1 and the existing stackers will remain devoted exclusively to coal, and Westshore does not anticipate that the Stage 1 tonnage will result in a functional restriction on its ability to handle current levels of coal throughput.

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This news release contains certain forward-looking statements that reflect the current expectations of the Corporation and Westshore with respect to future events and performance, including but not limited to obtaining the required permits in the first quarter of 2022, timing of commencement of construction of the potash facilities, Westshore’s ability to continue handling current levels of coal throughput while also handling potash at the Stage 1 tonnage and the impact of the construction of the potash facilities on Westshore’s coal operations. Forward-looking statements are based on information available at the time they are made, assumptions made by management, management’s good faith belief with respect to future events, and will be impacted by and are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events, performance or results to differ materially from those expressed or implied, including, without limitation, the following: difficulties or delays in obtaining the necessary permits, including from VFPA; unexpected requirements in the necessary permits; standard challenges and unexpected complications during construction of the potash facilities; and including those risk factors outlined in Westshore’s Annual Information Form, that could cause actual performance or results to differ materially from those reflected in the forward-looking statements or current expectations. 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. There is significant risk that estimates, predictions, forecasts, conclusions and projections will not prove to be accurate, that assumptions may not be correct and that actual results may differ materially from such estimates, predictions, forecasts, conclusions or projections.