

FAQ's – Fraser Surrey Docks Direct to Barge Proposed Project
August 2014

1. What is the status of the project?

Now that Port Metro Vancouver (PMV) has granted the permit for Fraser Surrey Docks' Direct Coal Transfer Project. The permit also allows us to move towards the construction phase. Our goal is to be up and running in the fall of 2015.

2. Why was the permit granted when there has been so much opposition?

The decision to grant or deny a permit lies with PMV.

Over the past two years, a lot of work and comprehensive studies have gone into ensuring this project is safe and that concerns raised were addressed. An Environmental Impact Assessment, Air Quality Assessment and a Human Health Risk Assessment were conducted by third-party experts, and the result show that the project will not have any unacceptable health risks.

3. Are you confident that the health impacts were properly addressed in the Human Health Risk Assessment (HHRA)?

The HHRA was conducted based on Health Canada methods and guidance. Health Canada is the primary agency providing guidance on completion of HHRA's in Canada, and in particular for federally regulated lands such as Fraser Surrey Docks (FSD).

In addition, Port Metro Vancouver (PMV) has retained Golder Associates Ltd. to act as their third party reviewer and advisor on the HHRA, air quality monitoring and aquatic toxicology for our project.

Our consultants worked hard to ensure our proposed scope, approach, comparisons and problem formulation are acceptable and in alignment with Port, Golder and Health Canada expectations. You can familiarize yourself with the HHRA which is available on our website at <http://www.fsd.bc.ca/index.php/company/community-outreach/>

4. Several medical health officers have been calling for a full health impact assessment for this Project, and a number of communities have expressed opposition to the project. How do you persuade them that it is safe?

A comprehensive Environmental Impact Assessment, Air Quality Assessment and Human Health Risk Assessment were completed. These reports clearly show that the project will not result in unacceptable health risks for exposures to project emissions. We are confident that the measures we have in place to minimize emissions are effective and the project can be operated safely.

In addition, it is important to note that coal has been shipped through Port Metro Vancouver for more than 40 years and is currently the Port's most important export. During this time, air

quality in Vancouver has been steadily improving while the industry has grown, thanks in part to ongoing investments into the kind of dust-suppression systems that we will be employing.

5. Do you believe there will be a formal judicial review or appeal placed against the permit?

FSD has acted transparently throughout the process and completed everything that PMV has asked. Additionally PMV has ensured through the conditions that we will build and operate the project safely.

6. What are you doing to prevent coal dust?

Throughout the last two years we have continued to enhance the project design and dust mitigation strategies throughout the logistics chain. The following measures will be undertaken to prevent coal dust from escaping:

- Coal cars will be sprayed twice with a latex binding and topping agent – once at the mine site and once again at a station south of the Canada-U.S. border
- During this phase of the project, coal will no longer be stockpiled on the terminal as originally planned
- All conveyor systems and transfer points of coal at the terminal will be fully enclosed and fitted with wetted dust suppression systems
- The coal will be sprayed again at the terminal with a binding agent as it is being loaded onto barges
- Barges will not be loaded or travel if wind is in excess of 40km/hr

7. Are the binding and topping agents safe?

The product used as a coating on the coal is a non-toxic, non-hazardous polymer emulsion and is not considered a Dangerous Good by Transport Canada.. In addition it is not considered a controlled product by the Workplace Hazard Information System (WHMIS).

None of the coatings used for coal transport within BC are listed as carcinogens by the International Agency for Research on Cancer (IARC), the National Toxicology Program (NTP) or the American Conference of Governmental Industrial Hygienists (ACGIH). These products have been used in North America for over ten years without any concerns.

Based on this, we are confident the products are safe to use.

8. Will you be obtaining an Air Quality Permit through Metro Van?

We are looking into applying to Metro Vancouver for an Air Quality Permit. This is a voluntary move on our part, and is not a requirement of the Project.

9. What happens if Metro Vancouver does not grant FSD an air emissions permit?

The Air Quality Assessment undertaken by Levelton Consultants looked at emission sources related to our project, as well as the development of an air dispersion modeling plan in consultation with Port Metro Vancouver. The results of assessment indicate that the project can be operated safely and that emissions will fall within all Ambient Air Quality Objectives (AAQO).

Based on this, we see no reason why Metro Vancouver will not issue an Air Quality Permit for our project.

The AQA can be found at <http://www.fsd.bc.ca/index.php/company/community-outreach/>

10. There have been many discussions about volume of coal this project is handling as well as number of coal trains per day. Can you please confirm volumes?

This project is expected to handle approximately 2 million metric tonnes (MT) of coal in the first year of operations, increasing to 4 million MT in years two and beyond. When handling 2 million MT there will be approximately one train every other day. When handling 4 million MT we will be unloading just shy of 1 train per day.

11. How will you ensure emissions remain within acceptable guidelines?

Fraser Surrey Docks is committed to monitoring our project emissions on an ongoing basis. Since 2013 we have been compiling baseline data that will enable us to specifically quantify the level of emissions once it becomes operational. The results of the monitoring will be made available to the public on a monthly basis. Through monitoring, we will be able to identify and then address any issues that may occur.

12. How will PMV ensure you are complying with all of the set out conditions?

This question is best addressed by PMV. What I can tell you is that as a terminal operator we are regularly in communication with PMV to keep them informed about our terminal activities.

13. Why isn't climate change addressed in any of your documents?

We understand climate change is a concern and the burning of coal is a greenhouse gas contributor. As the main function of the Project is to handle the transfer of coal from rail to barge, the scope does not include the assessment of the ultimate use of coal, nor does it include the mining of coal. For this reason, the effects *of and on* climate change have been excluded from the scope of the project.

14. When will the operations commence?

Our target timeline for the Project to be operational is in the fall of 2015.