Construction Camp Gets Up and Running

Chef Robert Bury prepares the meals, which are highly popular among residents at Legacy Camp.

On April 28th, 2014, the first person checked into KSPC's construction camp 3 km north-east of the Legacy mine site. Between that day and the official opening on May 29th, the number of people in the camp climbed to approximately 200.

There are now about 650 residents at the camp, all of whom are employed by KSPC's construction and services contractors. Clean Harbors is the supplier of the camp modules and is responsible for the installation. ATCO has partnered with George Gordon First Nation to operate the camp. That includes services such as catering, housekeeping, and maintenance.

The camp is still under construction. The first phase finished in July with 720 rooms. The second phase will be completed in December 2014 and will bring the camp's final capacity to 1470.

Despite the necessity of the camp, KSPC faced some barriers in the initial stages. "When we bought Potash One, they had never considered a camp, so we had to go through a permitting process," said Dr. Markus Gawlowski, Area Manager, Camp, for KSPC. After doing an assessment, KSPC needed to meet with the council and rate payers of the RM of Dufferin to explain why there was now a desire to build a camp, the benefits of doing so, and how KSPC would manage details like security, noise, garbage and waste disposal. "The meetings between KSPC and the RM were very positive. KSPC involved the RM during the permitting phase including several townhall meetings and addressed all of their concerns," said Gawlowski. After these meetings, the RM of Dufferin approved KSPC's Development permit and shortly after, the Ministry of the Environment gave approval for the camp's construction.

Rooms at the camp are all singles equipped with a private bathroom, cable TV, and internet. There is also a gym, small theatre, billiards, foosball tables, and a commissary. With meals and daily cleaning services provided and a lounge opening this fall, the camp is certainly a desirable place to stay.

In addition, all utilities at the camp are built-in for the life of the construction camp; these include a potable waterline, power supply, and gas supply. Gawlowski said, "If you have to truck everything, there is more traffic and higher risk. Having built in lines is more convenient for the surrounding area."

KSPC wanted to ensure that workers at Legacy would be well taken care of. "We are in competition with other projects around here, in Saskatchewan, especially in Alberta. Our intention was to offer potential employees a nice place to live and attract the best workers for our Legacy project," said Gawlowski.

"Living at the K+S camp is like staying at a hotel – double bed, private shower, internet, TV and everything is taken care of for me. I have stayed at other camps and the food here is awesome. The only difficulty I have is trying not to eat too much."

Alvin Speidelsbach
Logistics Coordinator,
Engelheim Charters

Legacy Project Status Update

CONTINUED FROM PAGE 1

just added a new operational element to what we do. We provide accommodations and meals for the workers, as well as transporting them back and forth from the project site, so there's a significant coordination effort there. It's essentially like running a very large hotel."

However, this is no vacation spot; everyone on site is working hard to fulfill Legacy's legacy.

The project is humming steadily toward 2016 when the mine is set to begin potash production. "We have been constructing at the site for just over two years now, and by October of this year, we will complete construction of our cavern development facilities, which are required to begin development of the mine itself. We are also well into the concrete program for the main processing and product storage facilities. We'll begin erecting steel for those facilities in September of this year," Brown said.

The mine isn't the only thing KSPC is building at the Legacy site; there is also something less tangible under construction. Poley said, "We are building a culture. We didn't want the culture at KSPC to just happen by itself. We have an opportunity to actively engage our employees in creating the culture that we want and that will help us to achieve our vision and create a legacy. Everyone is working together, bringing all that experience. There are lots of really diverse cultures but also really diverse skill sets. People are taking the best of what they know and building it even better."

Progress means thinking ahead and plenty of people are looking forward to the future, which includes a long-term, sustainable potash mine. Eric Cline, VP, Corporate Social Activity for KSPC, said, "We haven't finalized our mine plan, but it will probably be a hundred year plan." Besides the Legacy site, Saskatchewan's potash is plentiful. Cline explained, "Saskatchewan's potash resource is such that it could supply the world's need for a thousand years with known reserves."

2 Million Hours without a Lost Time Injury 2
KSPC and Bethune Partner for Wastewater Disposal 3
KSPC Using Shuttle Service to Transport Employees 3
Construction Camp Gets Up and Running 4

K+S Potash Canada

September 2014 — Legacy News

ks-potashcanada.com

The Legacy Project: Status Update

Drillers work skillfully at Legacy mine site.

The Legacy mine site, located near the Village of Bethune within the RM of Dufferin, is the first new potash mine in Saskatchewan in nearly 40 years, and the name is a fitting one; many employees have come to K+S Potash Canada (KSPC) for the chance to be part of something bigger than themselves.

"They have a once in a lifetime career opportunity to build a mine from the ground up. When I started in 2011 there was just a prairie field. Every time I am at site, I see significant progress," said Kim Poley, Vice President of Human Resources for KSPC. This once in a lifetime opportunity is something KSPC is using to attract prospective employees and they believe it is working. "Currently our KSPC payroll is over $30 million and when we're in full production, it will be double that. Our goal is to hire local skilled trades and operations men and women," Poley continued.

During the construction period, KSPC will pay hundreds of thousands of dollars per year in municipal taxes to the RM of Dufferin. Once the mine is in production, this amount will rise to over half a million dollars per year. According to the provincial government's formula, this money will be distributed to the RM of Dufferin as well as other nearby rural municipalities, towns, and villages.

In 2010, a company called Potash One began conducting feasibility studies on an area of land in the RM of Dufferin. At the end of 2011, the K+S Group purchased the so-called Legacy Project from Potash One and K+S Potash Canada was born.

More than 1100 workers, employed by over 50 contractors, are currently active at site. KSPC has teamed up with AMEC Americas, a highly experienced Engineering, Procurement, and Construction Management firm in the Canadian potash industry, to manage the project on their behalf. "We manage the contractors in their work, as well as the interfaces among contractors, and the construction services and facilities that tie the program together," said Kevin Brown, Project Director for AMEC.

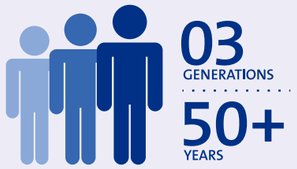
Even though they are two separate companies, the level of teamwork and quality of partnership between KSPC and AMEC is apparent. "About a year ago, AMEC and KSPC established an integrated team to manage execution of the project. The organizational structure is definitely unique but has been highly effective in dealing with the challenges presented by a project of this complexity," said Brown.

The newly opened construction camp is currently functioning at about 650 of its 1470-person capacity. Brown said, "We have

See STATUS UPDATE, Page 4

K+S Potash Canada by the numbers

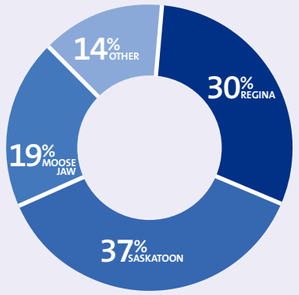
LONGEVITY OF THE LEGACY MINE



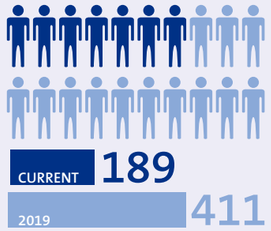
03 GENERATIONS

50+ YEARS

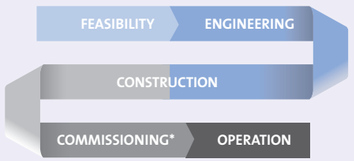
WHERE OUR EMPLOYEES ARE FROM



CURRENT AND TARGETED NUMBER OF EMPLOYEES



STAGES OF BUILDING THE MINE AND WHERE WE ARE CURRENTLY



*Commissioning is targeted for the summer of 2016

Brett Welder, Manager, Health, Safety, & Security, presents Malerie Kostiuk, Legacy Coordination Specialist, an embroidered blue tote bag. All KSPC employees received the gift in recognition of their contribution to the significant safety milestone.

2 Million Hours without Lost Time Injury Milestone Reached

For KSPC, health and safety is the first priority. On May 14, the company reached 2 million hours without a lost time injury, the first significant safety goal set for the Legacy project. “In the last year, we haven’t had a lost time injury,” said Colin Braithwaite, VP, Health, Safety & Security at KSPC.

Each person’s hours are counted individually. This means that the bigger the project, the faster such milestones may be reached. Including contractors, there are currently over 1000 people at the Legacy site and that number is growing daily over the busy summer construction months. Based on the project’s current size, this milestone is substantial.

Braithwaite notes that without the teamwork and commitment of KSPC, AMEC, and the project’s construction and service contractors, “This milestone would not have been achieved.”

Colin Braithwaite,
VP, Health, Safety & Security at KSPC

KSPC’s commitment to safety also contributes to sustainability and benefits the environment. “We always talk about safety, but I think the other piece is that these contractors are also very conscious of the environment,” said Braithwaite. “Environment is such a big part of health and safety.”

As a company, KSPC has had the opportunity to build its safety culture anew. “Not many people get to start a project from scratch. We had a clean slate,” said Braithwaite.

Even more than a freshly constructed culture, Braithwaite credits the dedication of every single person at site for the achievement of this milestone:

> **“We put ownership on everybody. I might be the one that has the title, but it’s within everybody that works with KSPC that they take the ownership, that safety is paramount, and that our culture is being driven by each employee and contractor working with us.”**

Wastewater lagoon construction

KSPC and Village of Bethune Partner for Wastewater Disposal

There are many things that spark great partnerships. For the town of Bethune and KSPC, the source of ignition was a mutual need for wastewater disposal.

In order to further its growth and development, the Village of Bethune, located approximately 60 km from Regina within the Rural Municipality of Dufferin, required an expanded sewage lagoon. The $5.6 million cost for the project would have to be divided amongst Bethune’s 400 residents. At $14,000 per person, the steep price tag meant that neither the lagoon nor the Village would undergo expansion.

Meanwhile, the number of employees and contractors at KSPC’s Legacy mine site, located approximately 18 km from Bethune, was rising toward an estimated peak capacity of 2200, which would be reached sometime in 2015. By 2012, it was apparent that there would be no way to build the mine without a construction camp. When at its peak capacity, the camp, located approximately 3 km from the mine site, could potentially produce up to 80,000 gallons of wastewater each day.

Rodney Audette, Administrator for the RM of Dufferin and Village of Bethune, said, “After reviewing what we had for our own requirements, the decision was made to contact KSPC to see what type of sewage treatment needs they had and if there was something we could look at to benefit each other.”

In addition to hauling camp wastewater to either Moose Jaw or Regina, “KSPC was going to originally build its own treatment facility for site wastewater. We saw an opportunity to invest in and work with the closest community to meet mutual needs instead,” said Eric Cline, VP of Corporate Social Activity for KSPC.

The agreement was signed in the spring of 2013, and the benefits that Bethune will reap from the sewage lagoon partnership are numerous. “It provides us with very long-term effluent disposal and treatment and will allow us to contemplate residential and commercial development within the Village of Bethune for decades to come,” said Audette, speaking warmly of the partnership and KSPC’s presence in the area. “The municipality continues to appreciate KSPC’s community involvement,” he continued.

Rodney E. Audette,
Administrator,
RM of Dufferin #190

Cline added, “The expression ‘win-win’ is somewhat overused but does apply here. It’s good for the community and it’s good for us. Progress on a huge project like Legacy requires close cooperation with local governments and KSPC appreciates the close working relationship it has with both the RM of Dufferin and the Village of Bethune.”

Vice President of Operations, Sam Farris, stands in front of the KSPC shuttle which helps to reduce traffic and dust near the mine site.

For employees at KSPC’s Legacy mine site, the hour-long commute to and from work was compounded with having to drive on 20 km of gravel road. “Some people just aren’t that comfortable with driving on gravel,” said Sam Farris, VP, Operations for KSPC. “It’s also harder on vehicles than pavement is.”

After conducting a survey to gauge employees’ interest, KSPC began a trial program for a shuttle service, which began in January. In both Moose Jaw and Regina, KSPC partnered with Superstore, which provides KSPC employees who are using the shuttle with parking. After a successful trial, KSPC decided to proceed with a shuttle program on an ongoing basis.

Prior to the shuttle trial program being implemented, “People were on their own to get to work,” said Farris. As Legacy continues to grow, Farris hopes the shuttle service will be attractive to potential employees, “When you’re trying to grow and retain your workforce, it’s an effective feature to be able to offer employees.”

This positive initiative ensures a higher level of safety for employees, as well as a reduction in traffic and dust volume, changes that benefit both KSPC and the surrounding community.

Throughout 2015 and 2016, KSPC will be hiring great people with industrial experience for operations, and journey trades people for maintenance. Please visit **ks-potashcanada.com/#opportunities** and apply early!