



Bethune mine

- Bethune mine is a greenfield solution potash mine.
- Saskatchewan's first new potash mine in over 40 years.
- Potash production began in June 2017 and we are on track to meet our 2018 sales plan.
- The gradual extension of the annual capacity to 2.86 million tonnes will occur in subsequent years.







Bethune products

At Bethune mine, K+S Potash Canada extracts potash crude salt, which is further processed to three different products of potassium chloride:

- MOP standard white
- MOP granular
- KCl 99 compacted

MOP granular and MOP standard are used as natural fertilizers all over the world; KCl 99 compacted is used in a variety of industrial applications.











Port Facility

- In 2014, KSPC and Pacific Coast Terminals (PCT) signed a long-term agreement to ensure that products from KSPC's Bethune mine would be delivered to international clients in a secure and competitive manner.
- The agreement included modifications to PCT's existing facility and the construction of a new potash storage building on the site. Now that these modifications have been completed, PCT's site is the most innovative of its kind in the world.







Partnership with Canadian Pacific

- To ensure a rail connection, KSPC partnered with Canadian Pacific (CP). Potash bound for port is transported by CP from the Bethune mine.
- In spring 2017, CP completed the 30 km Belle Plaine subdivision, a new line of rail that links Bethune mine to existing CP track near Belle Plaine.
- KSPC also completed an additional 14 km of rail line that links CP's new track to a loop at the potash mine's loading facilities and 6 km of storage track adjacent to its line. This ~20 km of line is owned and operated by KSPC.



SAFETY IS OUR TOP PRIORITY







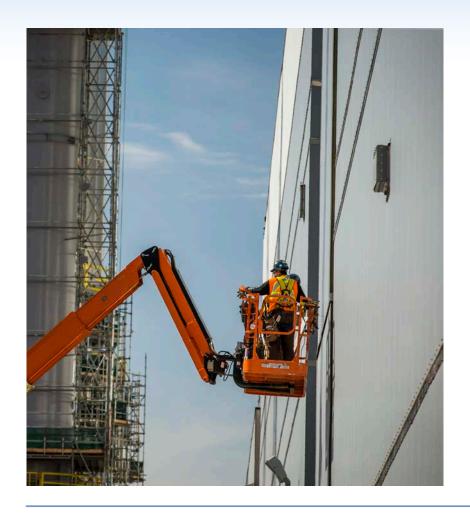
- Honoured to receive the SMA Safety Award for the past four years
- Committed to Mission: Zero
- Excellent safety performance during Legacy Project and Port construction
- Safe transition from construction through commissioning and into operations
- Looking forward to seeing our ERT Team participate in their first ever SMA Mine Rescue Challenge in June!







MAINTENANCE AND RELIABILITY

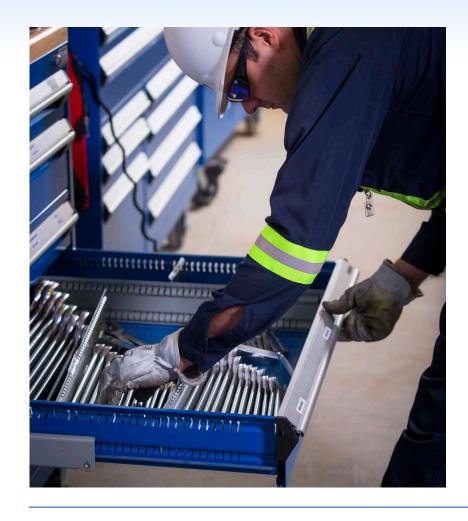


Our Vision

- To be world-class in maintenance and reliability performance
- To be transparent and collaborative partners
- To focus on practices that are safe, people-centred, innovative and sustainable.
- To perform an asset management optimization with all necessary technical administrative and managerial actions to maintain the Bethune plant in a safe and sustainable manner.



MAINTENANCE AND RELIABILITY



In order to be successful we need to perform Proactive Reliability Centred Maintenance (RCM) instead of traditional reactive maintenance.

- 70% of our workload will be Preventative and Predictive maintenance.
- 20% of our workload will be planned Corrective maintenance
- Our goal is to have a maximum of 10% unplanned Emergency work
- Support Target = 80% KSPC employees and 20% Contractor support



CONTRACTOR STRATEGY

Contractor Support Areas

- Scaffolding
- Painting and sandblasting
- Belt repair vulcanization
- Insulating
- Rubber lining (with expertise inhouse)
- FRP (with expertise in-house)
- Lighting
- Refractory
- Gas Turbines (with expertise in-house)
- Elevators

- Overhead doors
- HVAC (heating, ventilation & air conditioning, gas fitting)
- Truck and mobile equipment maintenance
- Carpentry
- Boilermaker
- Road and yard maintenance
- Overhaul equipment (major and infrequent)
- Major shutdowns





ROLES AND RESPONSIBILITIES

The maintenance and reliability department is divided into five pillars:

Marc Colombet, Maintenance Manager

Planning Group

Planning Superintendent

Execution Group

 Maintenance Superintendent

Core Systems Group

 Core Systems Superintendent

Reliability Group

Reliability
 Superintendent

Plant Engineering Group

 Plant Engineering Superintendent



CAPITAL PROJECTS AND TECHNOLOGY





Major Capital Projects are executed by the Projects and Technology Team

- Team is located in Saskatoon and at the Bethune mine
- Project Responsibility for Bethune mine and Port Moody
- Acting as contact to headquarters in Germany as center of excellence



PROJECT EXECUTION

FEL 0
Idea Generation and Capture

FEL 1
Pre-Feasibility

FEL 2
Feasibility

FEL 3
Planning)

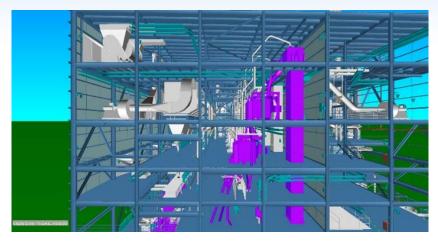
Execution

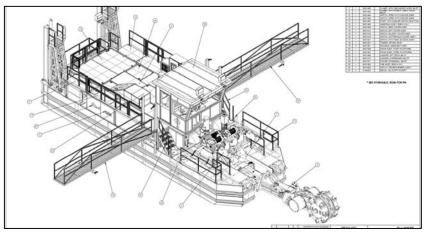
Completion and
Close Out

- Stage gate approach
- Engineering (FEL Stages) in-house with third party support if required
- Secondment strategy preferred
- Project execution with core team third party support



FUTURE MAJOR CAPEX PROJECTS





Potential projects include:

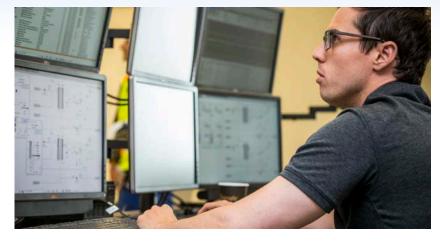
- Wellpad program
- 4th compaction loop
- Secondary mining
- Ongoing optimization
- Expansion projects
- Feasibilities



CONTINUOUS IMPROVEMENTS

Several optimizations were executed last year, but improvements are ongoing through 2018 / 2019, including:

- Continuous improvement of product quality and reliability
- Increase plant flexibility to react to fluctuating market conditions
- Increase production rate







WELLPAD PROGRAM

- Ongoing pad construction
- Long-term approach is one pad per year
- Further design improvements
- Engineering in-house
- Execution with third party support



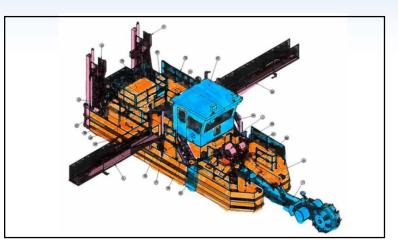




PROJECTS SUMMARY



















OUR TEAM

Josh Lommer, Vice President, Contracts and Supply Chain Management

Sarah Thompson,

Senior Manager, Procurement and Materials Management

Lowell Berg, Superintendent, Procurement Preeti Pereira,
Specialist, Logistics and
Expediting

Emmanuel Oladokun, Senior Business Optimization Analyst

Kevin Reed, Sr. Buyer Amber Bates, Buyer Megan Berg, Buyer Danka Spiric, Procurement Expeditor

Robin Stotz, Buyer Sameer Saran, Sr. Specialist, Contracts Nordia Stewart, Procurement Coordinator

Colin Staruiala, Contracts Specialist -Projects Lindsey Hermann, Contracts Specialist Shawn Purcell, Contracts Specialist (Temp)



PROCUREMENT KPIS

Safety and Environment

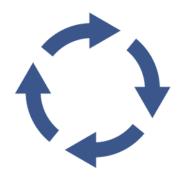


Supplier Delivery Compliance

Spend on Contract

Savings











Track the number of incidents

Measure of time between release of purchase requisition to release of purchase order Measure the % of late deliveries compared to original quoted delivery dates

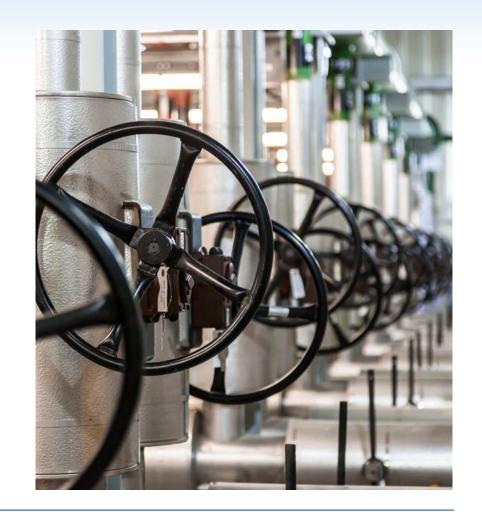
Value of supplier spend on contract

Savings compared to budget and negotiated savings over lowest original quoted price

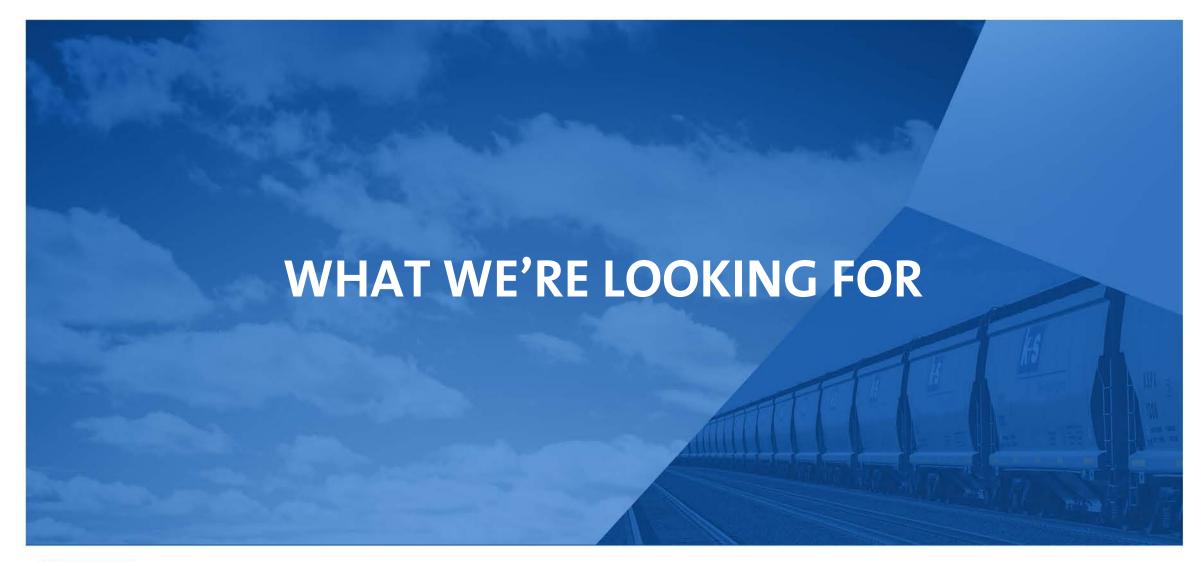


PROCUREMENT AGREEMENTS

- We intend to leverage vendors and contractors to help us maintain our facility.
- We are in the process of tendering and awarding Master Service Agreements and Fixed Pricing Agreements.
 Terms will vary from one to three years with the option to extend.
- All agreements are being or have been competitively bid with the exception of when OEM parts or services are required to maintain warranties.









OUR REQUIREMENTS

What does K+S Value in a Supplier?

- Safety
- Quality product or service
- On-time delivery
- Competitive pricing
- Indigenous content
- Local content
- Value-add initiatives







OUR REQUIREMENTS

What are our Insurance Requirements?

- 5M CGL (Commercial General Liability) insurance is our standard requirement.
- \$5M Professional Liability/E&O (Errors & Omissions) insurance is our standard requirement.
- ISN will always maintain our standard limits and coverage requirements.







OUR REQUIREMENTS

K+S values bidders and suppliers who have meaningful involvement with Indigenous entities.

This involvement can be demonstrated through:

- contracting
- ownership
- employment
- other arranged commitments in a manner which is seen as positive initiatives which enrich the lives and well-being of Indigenous people.







INDIGENOUS CONTRACTING



All contracting is in accordance with KSPC guidelines, directions, and requirements of quality, competitive pricing, community factors and overall value.

Where appropriate, KSPC will:

- Take proactive approaches to identify and match contracts with Indigenous businesses
- Provide positive consideration in bid evaluations for Indigenous content
- Develop internal support measures for Indigenous procurement policy



LOCAL AND INDIGENOUS SPEND 2017



In 2017:

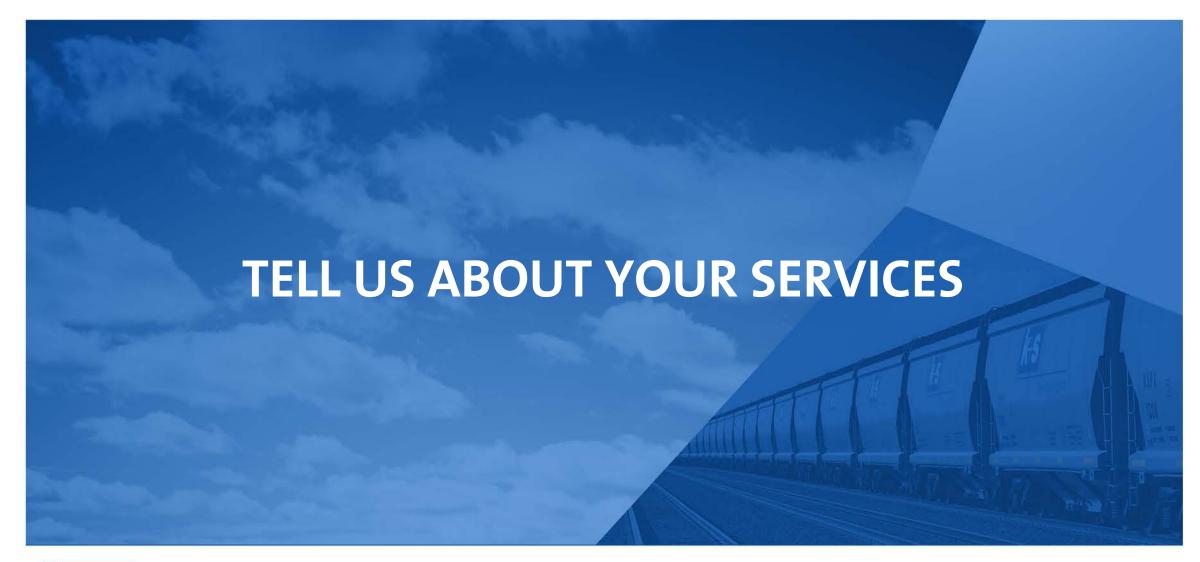
- 526 local contractors and suppliers were engaged
- \$290 million+ was awarded to local companies
- \$84 million+ was awarded to companies with Indigenous involvement



CONTRACTOR LABOUR TRACKING

Contract Information					Hours of FNM Workforce Participation						Total Number of Personnel						
Contract#	Contractor Name	Contract Title		Total Labour	Total Mgmt	General Labour	Sub Labour	General Mgmt	Sub Mgmt	Treaty 4 First Nations Workforce (#)	Other First Nations Workforce (#)	Workforce	Workforce	Canadian Workforce	Non- Canadian Workforce (#)		
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Grand Total				0) (0	0	0	0	0) 0	0	0	0	(







LEGACY "YELLOW PAGES"

- Indigenous and local contractors are asked to submit "one pagers" outlining their company and the work they do to PROCUREMENT@ks-potashcanada.com. These one pagers are put into the KSPC Yellow Pages.
- Larger contractors are recommended to propose how they intend to subcontract to local and Indigenous vendors.
- Smaller vendors are encouraged to join forces to take on projects they may not otherwise be able to manage.







THANK YOU

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