

## Projet d'ouverture et d'exploitation de la mine d'apatite du Lac à Paul au Saguenay-Lac-Saint-Jean

### Question d'un participant au BAPE

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Question :

- Pourriez-vous documenter la cause exacte de la fermeture de la mine à Kapuskasing?

Réponse :

- Après vérification dans le rapport annuel d'Agrium pour 2013. L'approvisionnement en concentré de phosphate provenant de la mine de Kapuskasing a cessé au cours du deuxième trimestre 2013 : celle-ci a fermé en raison de l'épuisement de ses réserves minérales.

À ce titre, d'ailleurs nous joignons la page 41 du rapport annuel d'Agrium qui le précise.

Le 11 mai 2015  
Secteur Mines

## WHOLESALE – KEY DEVELOPMENTS

During 2013, Wholesale continued to progress expansion plans for potash and nitrogen, which will increase our capacity, help lower costs and grow future earnings for the Company.

Our brownfield potash expansion project at Vanscoy is on schedule for completion in the second half of 2014. The project is expected to increase our annual production capacity by one million tonnes and reduce our cash cost of production by approximately \$20 per tonne by 2017, when total incremental production is fully operational. In the second half of 2014 we intend to bring the plant down for approximately 14 weeks for the final tie-in to existing production. The project is expected to exceed previous spending estimates by approximately 25 percent due to labor shortages, contractor productivity and extreme weather conditions in Saskatchewan<sup>1</sup>. Current estimates are contingent on improved contractor productivity and adherence to the current construction schedule<sup>1</sup>.

Agrium has a 50 percent interest in the Profertil nitrogen facility located in Bahia Blanca, Argentina, which currently has a total annual capacity of 1.2 million tonnes of urea and 70,000 net tonnes of merchant ammonia. A brownfield expansion and energy efficiency project is currently underway to increase the facility's total projected annual production capacity by approximately 125,000 tonnes of urea and 10,000 net tonnes of merchant ammonia. The expansion project is designed to significantly increase gas utilization efficiency, such that no additional gas will be required to produce the additional volume, leading to significant anticipated reductions in per-tonne production costs. The expansion project is proceeding as planned and is expected to be completed in the second half of 2014.

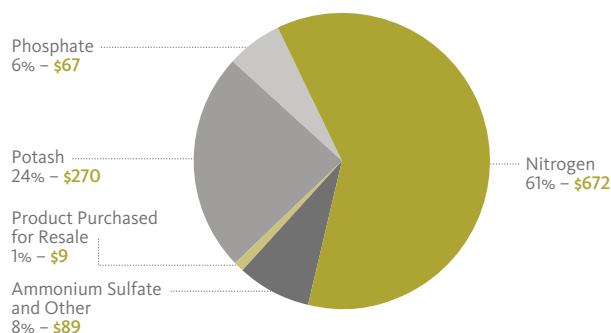
Agrium also owns a 26 percent stake in a nitrogen facility located in Egypt, the Egyptian Misr Fertilizers Production Company S.A.E. ("MOPCO"). The 675,000 tonne urea facility has a competitive gas cost structure. An expansion project to triple the annual capacity by adding two new facilities was put on hold due to security concerns resulting from political and civil unrest. The project was over 90 percent complete when it was suspended.



The expansion project would increase production capacity to 1.95 million tonnes of urea and 150,000 net tonnes of merchant ammonia. There remains continued interest from the Egyptian government to complete the project, given the existing facility's strong environmental and economic performance and the positive contribution the expanded facility could provide to the Egyptian economy. There was a positive development in late 2013, with the Egyptian government issuing a decree supporting the recommencement of construction and at this time MOPCO is on-site and assessing the plant condition in the anticipation of a restart of construction. However, it is too early to say whether the project will be successfully completed.

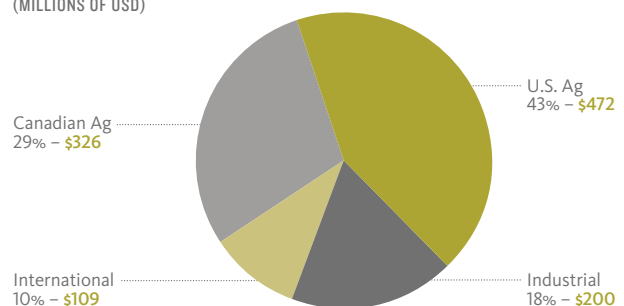
During the fourth quarter of 2013, construction was completed for Agrium's phosphate rock import terminal at Neptune Bulk Terminals (Canada) Ltd. on the West Coast of Canada. This dedicated terminal will facilitate the handling and delivery of imported phosphate rock from Morocco for production at our facility in Redwater, Alberta. The phosphate rock supply from our mine in Kapuskasing, Ontario ceased in the second quarter of 2013, as the mine was closed due to depletion of its economic reserves.

2013 WHOLESALE GROSS PROFIT BY NUTRIENT  
(MILLIONS OF USD)



Source: Agrium

2013 WHOLESALE GROSS PROFIT:  
DIVERSIFIED MARKETS BY GEOGRAPHY AND END-USER  
(MILLIONS OF USD)



Source: Agrium

<sup>1</sup> Exclusive of sustaining capital scope and owner's costs.