



Nash Johnston LLP
3013 – 595 Burrard Street
Vancouver, BC V7X 1C4

August 11, 2017

Attention: Greg Nash

Re: Review of Marsoft Report Calculated Shipping Freight Rates

You have asked us to provide our comments on specific results related to the freight rate analyses presented in the Marsoft report titled “Expert Report of Arlie G. Sterling”, dated June 9, 2017 (the “Marsoft Report”). You have provided us the following files and documents:

- I. The Marsoft Report;
- II. Marsoft Excel model with a file name “Marsoft – R0681.xlsm” (the “Marsoft Model”);
- III. FTI Consulting report titled “Expert Report of Howard Rosen” dated December 15, 2016 (the “FTI Report”); and
- IV. FTI Excel model with a file name C 1095.xlsx (the “FTI Model”).

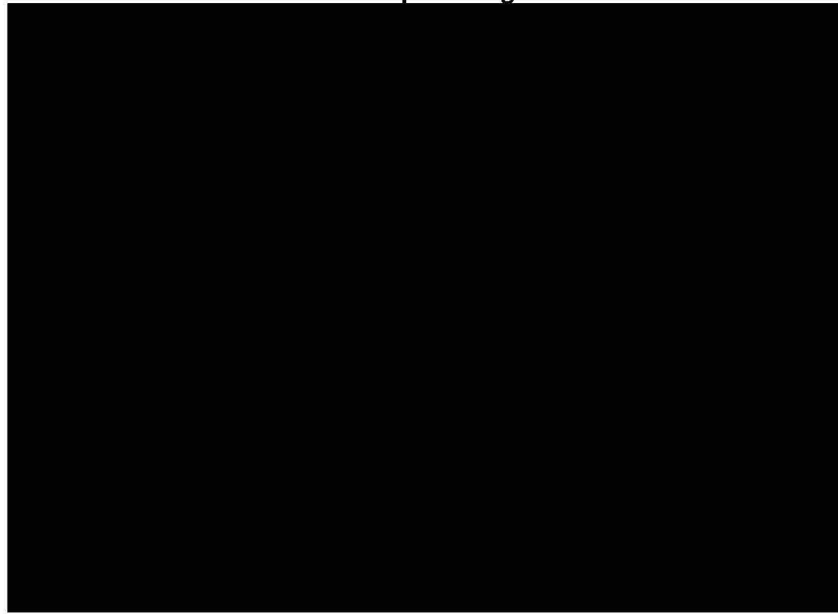
Our reviewed results and observations are set out on the following pages.

1. Correcting the FTI Rates Shown in Figure 10 of the Marsoft Report

Figure 10 in the Marsoft Report shows data derived from Marsoft’s [REDACTED] which is based on [REDACTED] compared against freight

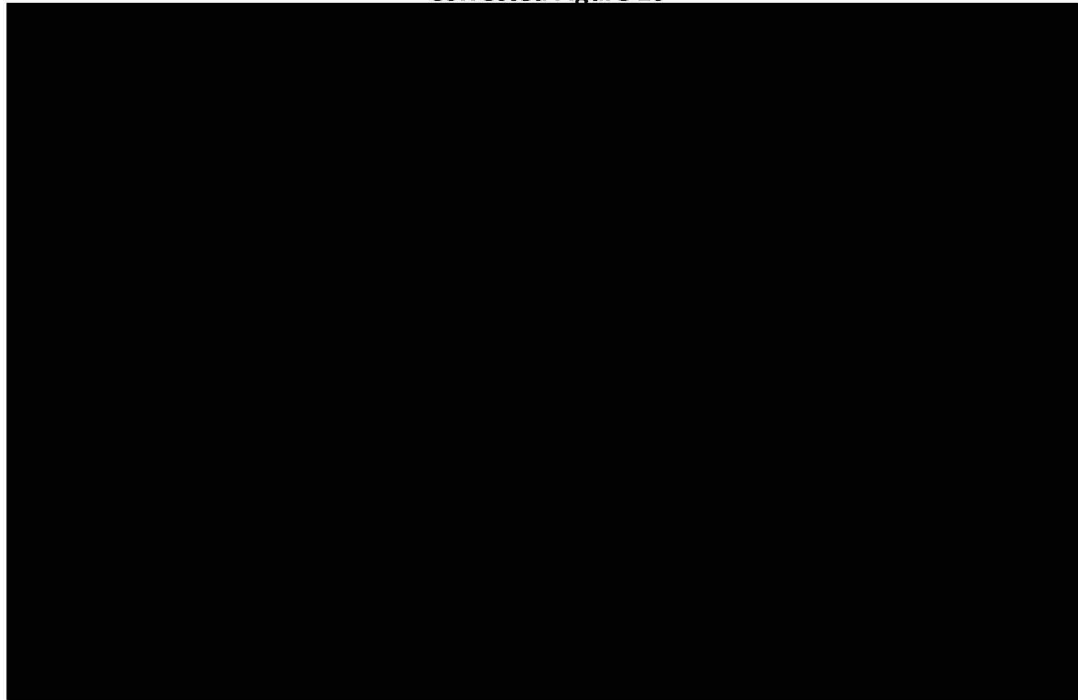
costs calculated by both FTI and Tamarack. The Marsoft Report notes at paragraph 70 that [REDACTED]

Marsoft Report – Figure 10



The figure below corrects Marsoft's presentation of [REDACTED]

Corrected Figure 10



2. Presenting [REDACTED] with Correct [REDACTED]

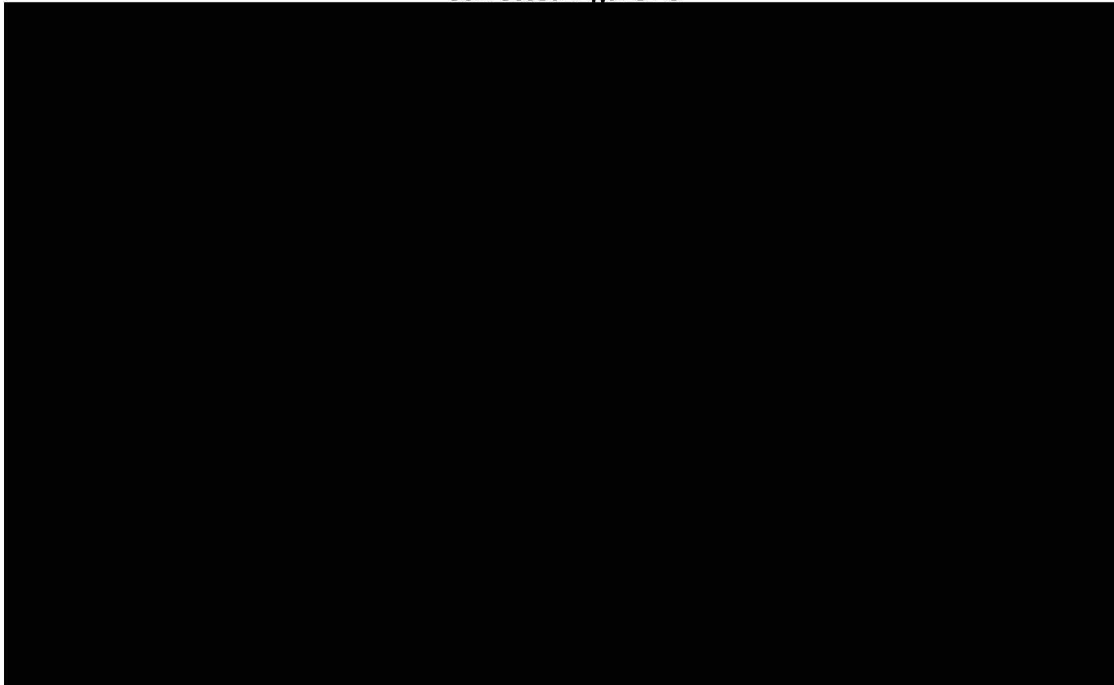
Figure 15 in the Marsoft Report shows the freight costs based on [REDACTED] on the assumption that [REDACTED]. The black line in Figure 15 shows the freight costs per ton from Marsoft's [REDACTED] based on this [REDACTED] assumption. The blue line in Figure 15 shows the freight costs per ton from Marsoft's [REDACTED] based on [REDACTED] and [REDACTED].

Marsoft Report – Figure 15



The figure below, based on Figure 15 in the Marsoft Report, shows the freight costs per ton based on [REDACTED]

Corrected Figure 15



This figure also shows the freight costs per ton from the two scenarios in Figure 15, as well as the [REDACTED] in the Corrected Figure 10 above. I have been advised that [REDACTED]

My curriculum vitae setting out my qualifications is attached as Appendix "A" to this letter.

Yours truly,

SNC-Lavalin Inc.



Jussi Jaakkola
Vice-President, Investment Development

Mr. Jussi Jaakkola holds the position of Vice-President, Investment Development and is responsible for developing and leading public-private partnership (P3) project pursuits in Western Canada and developing project investment opportunities in oil and gas globally for SNC-Lavalin. He has 20 years of industry experience and over a decade of experience with both the public and private sector in developing, bidding and providing board level oversight of several large P3 infrastructure and energy infrastructure projects. He has a deep understanding of commercial deal structures and project finance, coupled with a sound background in engineering and project management. His expertise covers business case development, financial modelling, market analyses, procurement, and asset management. He has consistently demonstrated leadership and the ability to deliver complex, multi-disciplinary assignments. With SNC-Lavalin Capital, he is responsible for bid strategy, arranging equity investments and coordinating all commercial and legal arrangements required for delivering project financed projects.

EDUCATION

2004	M.B.A., Sauder School of Business, University of British Columbia, Vancouver
1998	M.A.Sc. Civil engineering, University of British Columbia, Vancouver
1995	B.A.Sc. Geological engineering, University of British Columbia, Vancouver

EXPERIENCE

Since 2010 **SNC-Lavalin Capital, Vancouver, B.C.**

Vice-President, Investment Development

- ◆ Equity Sponsor Representative and lead of the multidisciplinary team for P3 infrastructure project pursuits in Western Canada, development of optimal commercial, financial and fiscal structures, teaming arrangements, negotiation of shareholder and project agreements, assessment of project risks and project viability and development of risk mitigation strategies.
- ◆ Bid development and provisional project financing for a \$250 million gas plant in the Middle East
- ◆ Bid director for the \$3 billion P3 George Massey Tunnel Replacement Project
- ◆ Bid director for the \$1.8 billion P3 Edmonton Valley Line LRT project

- ◆ Bid director for the \$1 billion John Hart Generating Station Replacement P3 Project in British Columbia
- ◆ Bid director for the \$1.6 billion Northeast Anthony Henday Project highway P3 project in Alberta
- ◆ Financial advisory team member for the \$889 million Evergreen Rapid Transit Project
- ◆ Investment evaluation of several oil and gas and power projects.

2006-2010 CH2M HILL, Burnaby, B.C.

Sr. Management Consultant

Managed a team of 10 management consultants, project managers, and project coordinators with a focus on providing project development and transaction services on large P3 projects.

Lead Technical Advisor to Infrastructure Ontario for the \$1.6b Windsor Essex Parkway Alternative Finance Procurement.

- Responsible for coordinating commercial-technical issues, development of performance measures and payment mechanism, and leading development of technical procurement documents. Supporting development of risk allocation, procurement documents and proposal evaluation.

Technical Advisor to Infrastructure Ontario for the \$1.0b+ Highway 407E extension Alternative Finance Procurement.

- Developed project agreement payment/performance mechanism

Technical Advisor to BC Ministry of Transportation for the \$1b South Fraser Perimeter Road P3.

- Developed contractual payment/performance mechanism; prepared funding application and business case securing \$365 million in federal funding; led development of the payment mechanism; and evaluated RFQ submissions.

Technical Advisor to City of Edmonton for the procurement model assessment and business case development of the \$3b West and Southeast LRT project(s)

Technical Advisor to BC Ministry of Transportation and the Transportation Investment Corp. for the \$2.5b Port Mann-Highway 1 procurement.

- Developed P3 procurement documents related to tolling; responsible for coordination of all electronic toll collection issues; supported conversion of the toll system contract to a conventional procurement and led the technical evaluation of proposals.

2004-2006 Trilogics Technologies (now Fuseforward International), Vancouver, B.C.

Asset management consulting services for hydroelectric plant operators and water utility clients

2003 Methanex Corp., Vancouver, B.C.

MBA Summer Intern, Corporate Development

Prepared screening study analyzing the cost/risk profile of developing a \$400 million process plant in 12 international locations

2000-2002 BC Hydro, Burnaby, B.C.

Project Engineer/Project Manager, Power Supply Engineering

Geotechnical field investigations and stability modeling on large earthfill dams

1999-2000 EBA Engineering, Vancouver, B.C.

Project Engineer

Geotechnical design on large transportation, water and wastewater projects

1995-1996 R.T. Banting Engineering, Cranbrook, B.C.

Project Engineer

Geotechnical risk analyses and slope stability assessments for the forest industry