



Tamarack Resources

**BILCON – Whites Point Quarry Project
Vessel Delivery Cost Report**

December 9, 2016



Scope of Work

The purpose of this report is to show ocean delivery costs from the Whites Point Quarry to docks in the New York City/New Jersey area, [REDACTED]

The report [REDACTED] estimates applicable freight rates.

Tonnage references are in Short Tons (St) of 2000 pounds and currency references are in US\$, unless otherwise noted.

Background

The Bilcon Whites Point Quarry was being developed to supply aggregates into the NY/NJ markets.

The Whites Point Quarry was planning to produce and ship aggregates that would be prepared at the quarry prior to shipping. [REDACTED]

Definitions

Charterer: Person or company that hires a vessel.

Charter Party (CP): A contract between the shipper of goods (aggregates in this case) and the owner of the vessel carrying the goods. There are different types of charter parties.

Voyage (Spot) Charter: The charterer contracts with an owner to move his product from one port to another - typically but not always for a single voyage.



Tamarack Resources

Time Charter (TC): The owner of the vessel takes instructions from the charterer, who typically pays the running cost of the vessel like fuel, insurance, port costs. Typically done for several months to several years. Owners also commonly use the term “time charter” rate as an expression of the daily revenue they plan to earn.

Bare Boat Charter: A self-contained contract between the owner of a ship and the charterer containing all terms and conditions, such as the period of the charter, the rate of hire, the trading limits and all the rights and responsibilities of the parties.

Contract of Affreightment (COA): A convenient form of charter party for a charterer who has a large quantity of cargo (like aggregates) to move over time (multiple years and multiple voyages), typically to established locations.

Handymax/Supermax Vessels: These ships typically carry 25,000 to 50,000 St (St) of cargo, are equipped with cranes on deck, and use shore stevedores as crane drivers.

Panamax Vessels: These ships typically carry 50,000 to 75,000 metric tons (Mt), and do not have cranes on deck.

Hybrid Vessels These ships have cranes on deck, crew that are trained crane drivers and a hopper and boom system on deck to allow the cargo to be discharged faster and to a single point on the dock. This allows for direct loading of trucks or rail cars via a hopper or a barge.

Boom Self-Discharging Vessels: These vessels have booms like hybrid vessels, but are equipped with a gravity feed system that discharges the cargo via conveyor belts and the boom.

Demurrage: The monies charged by vessel owners to charterers for delays in loading and unloading the vessel.

Despatch: The monies paid by vessel owners to charterers for time saved in loading and discharging the vessel. It is typically paid at ½ the demurrage rate.

Last Done: Rate at which a cargo shipment was last performed.

Laydays: Days allowed by the ship owner to the charterer or bill of lading holder in which to load and/or discharge the cargo.



Tamarack Resources

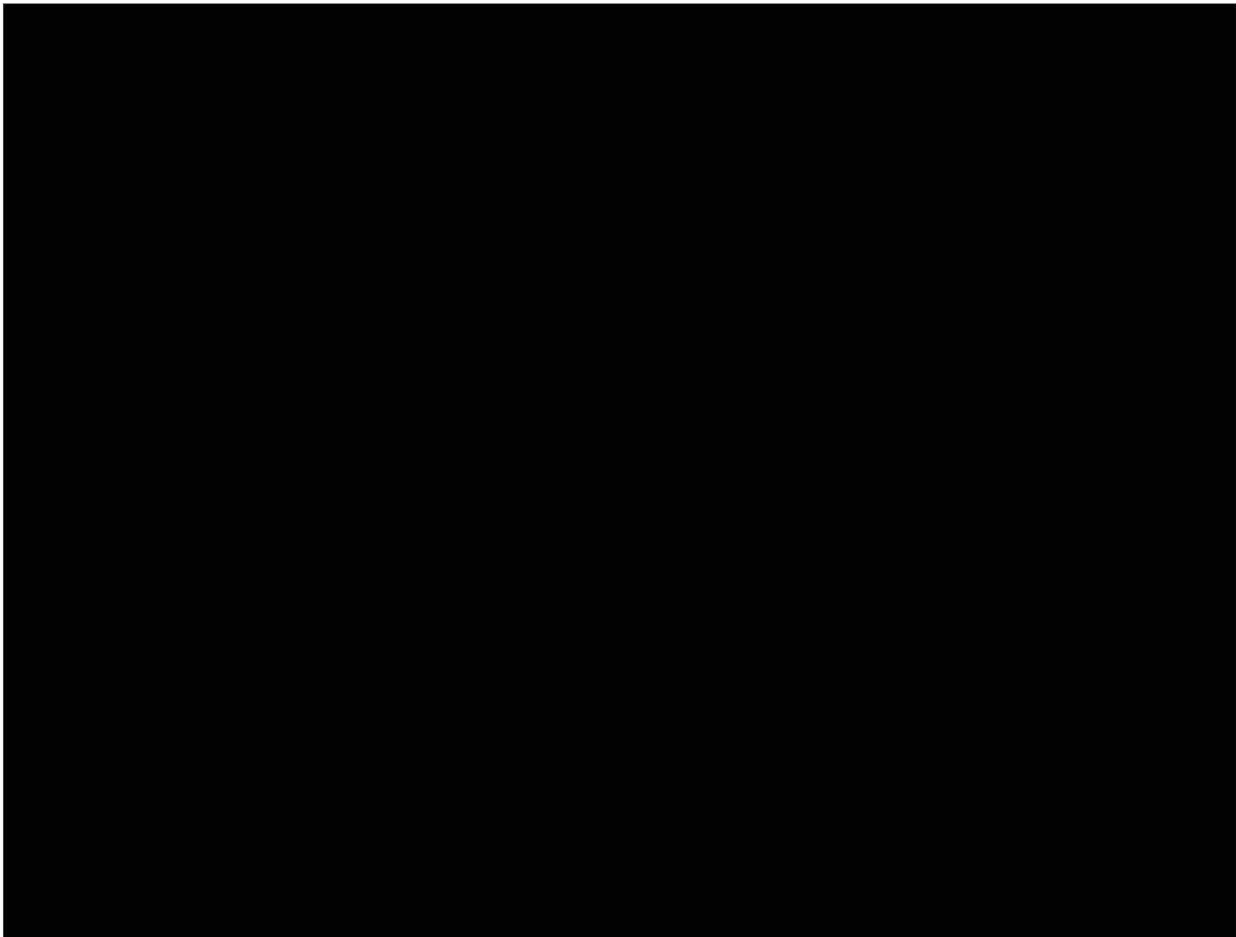
Laycan: Period during which the ship owner must tender notice of readiness to the charterer that the ship has arrived at the pod of loading and is ready to load. This period is expressed as two dates, for example arriving, January 1 canceling January 10.

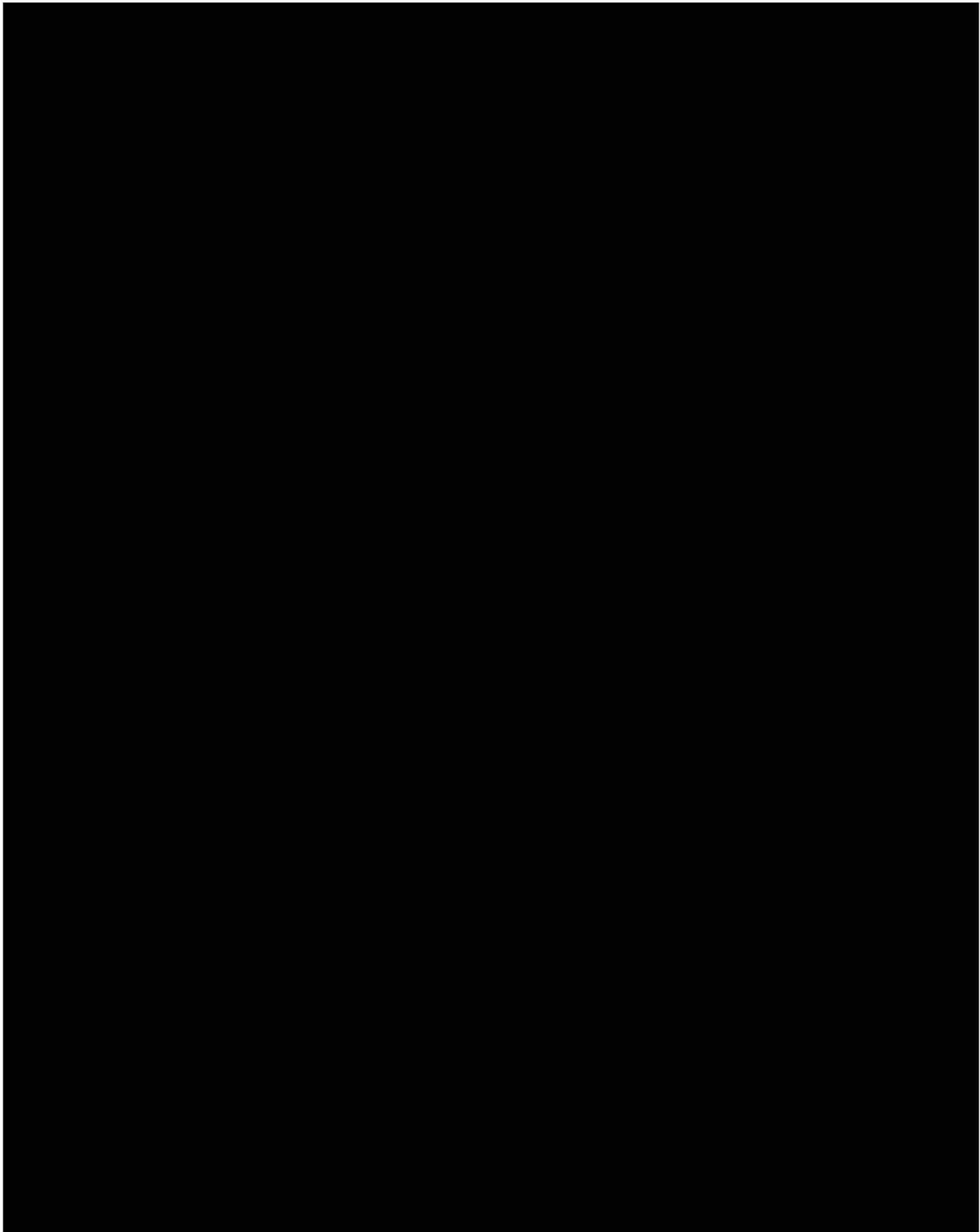
Tramp vessel or Tramping: A vessel that has no regular trade and takes on and discharges cargos whenever and wherever hired to do so.

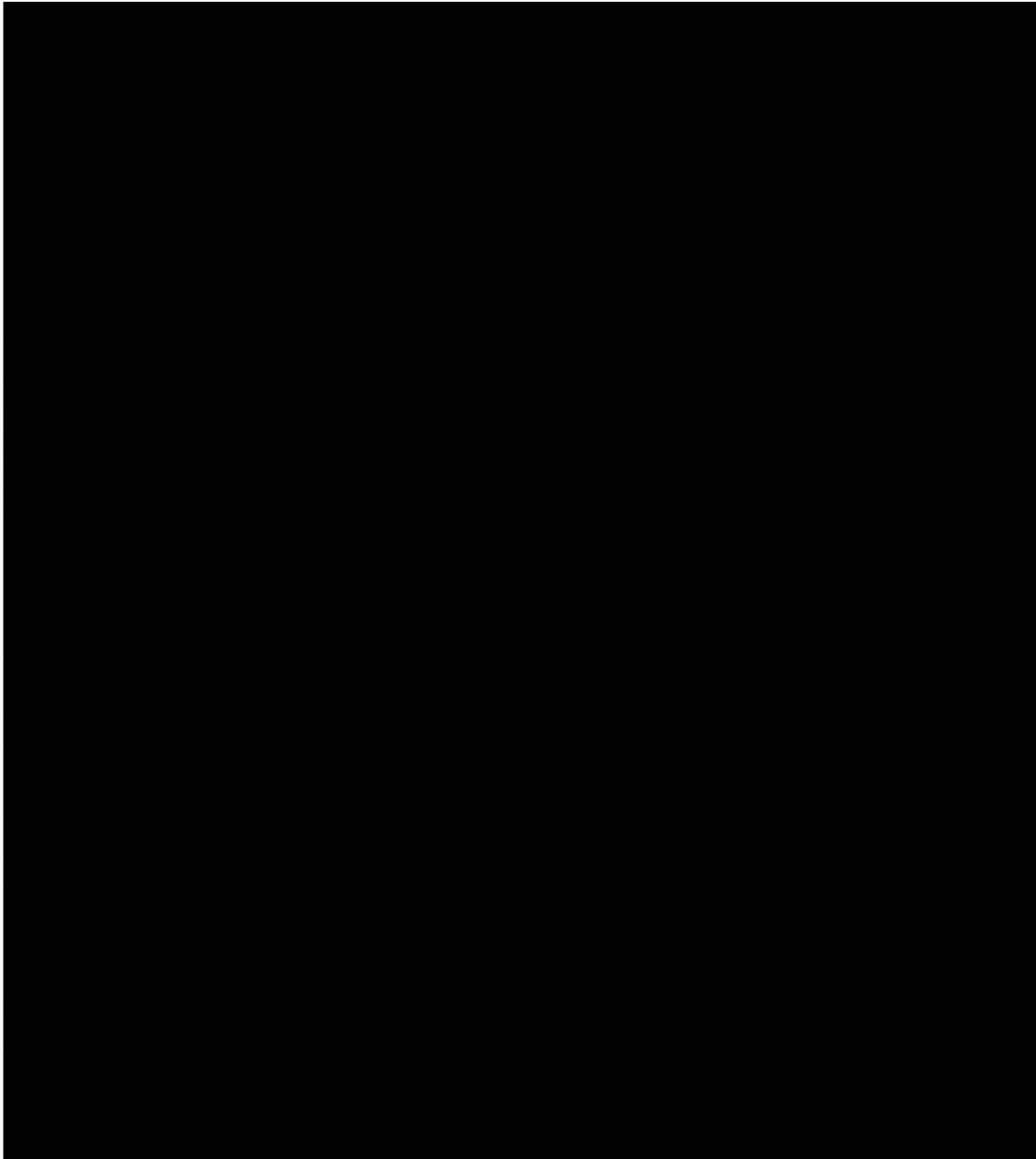
Ton: Short Tons (St) have been converted from Metric Tons (Mt) at the conversion rate of 0.907184.

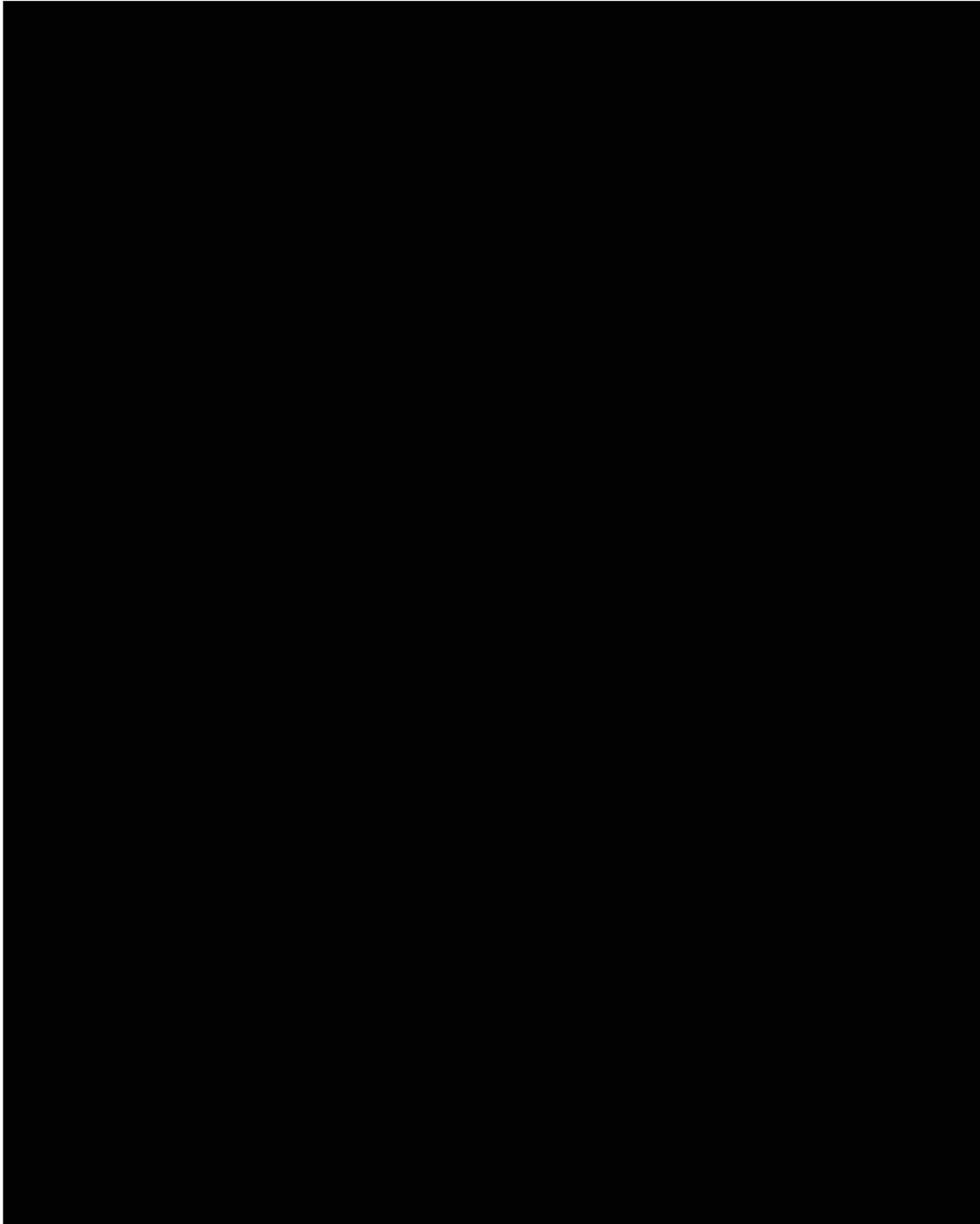
Assumptions

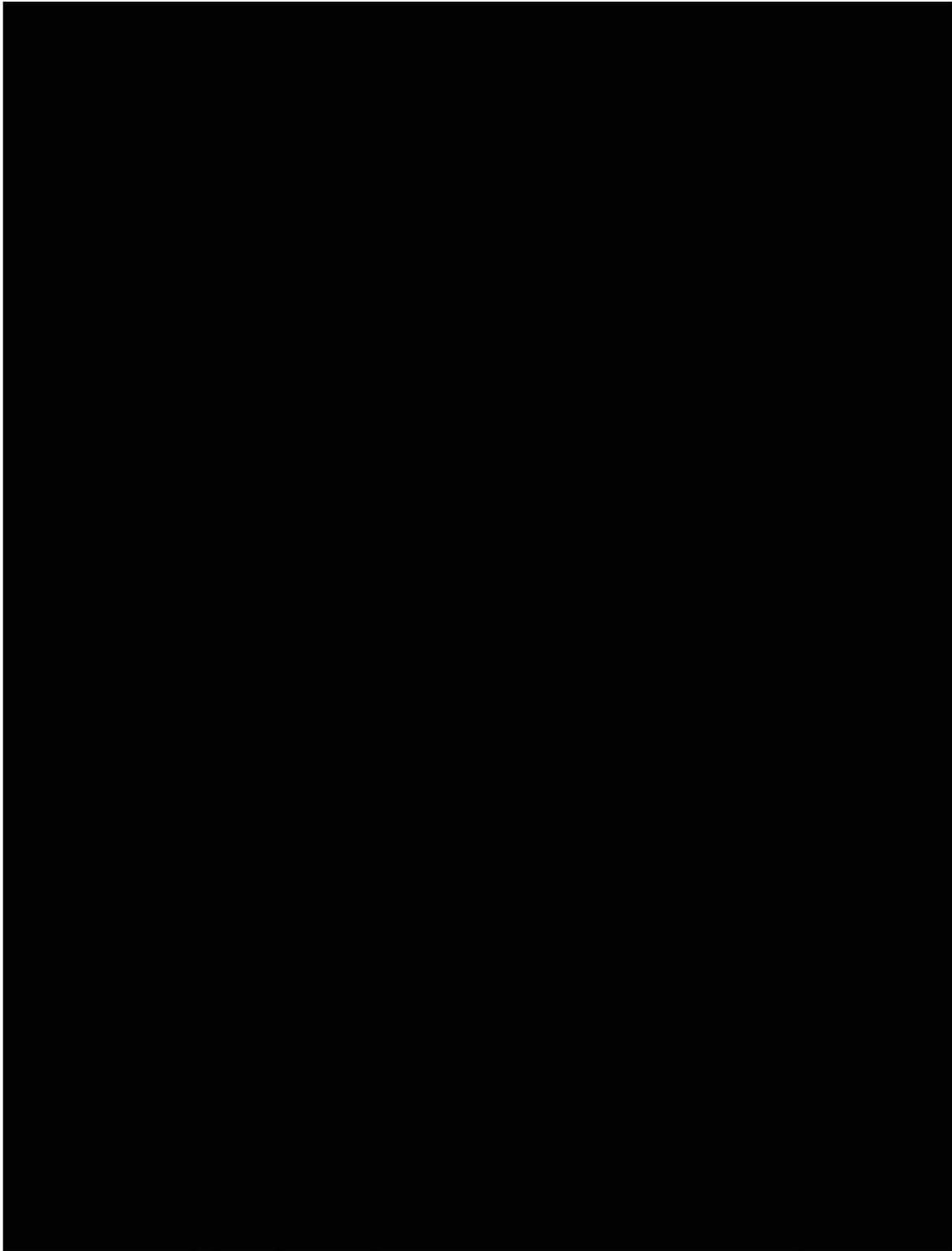
The following data was used to calculate the freight rates provided in this report.

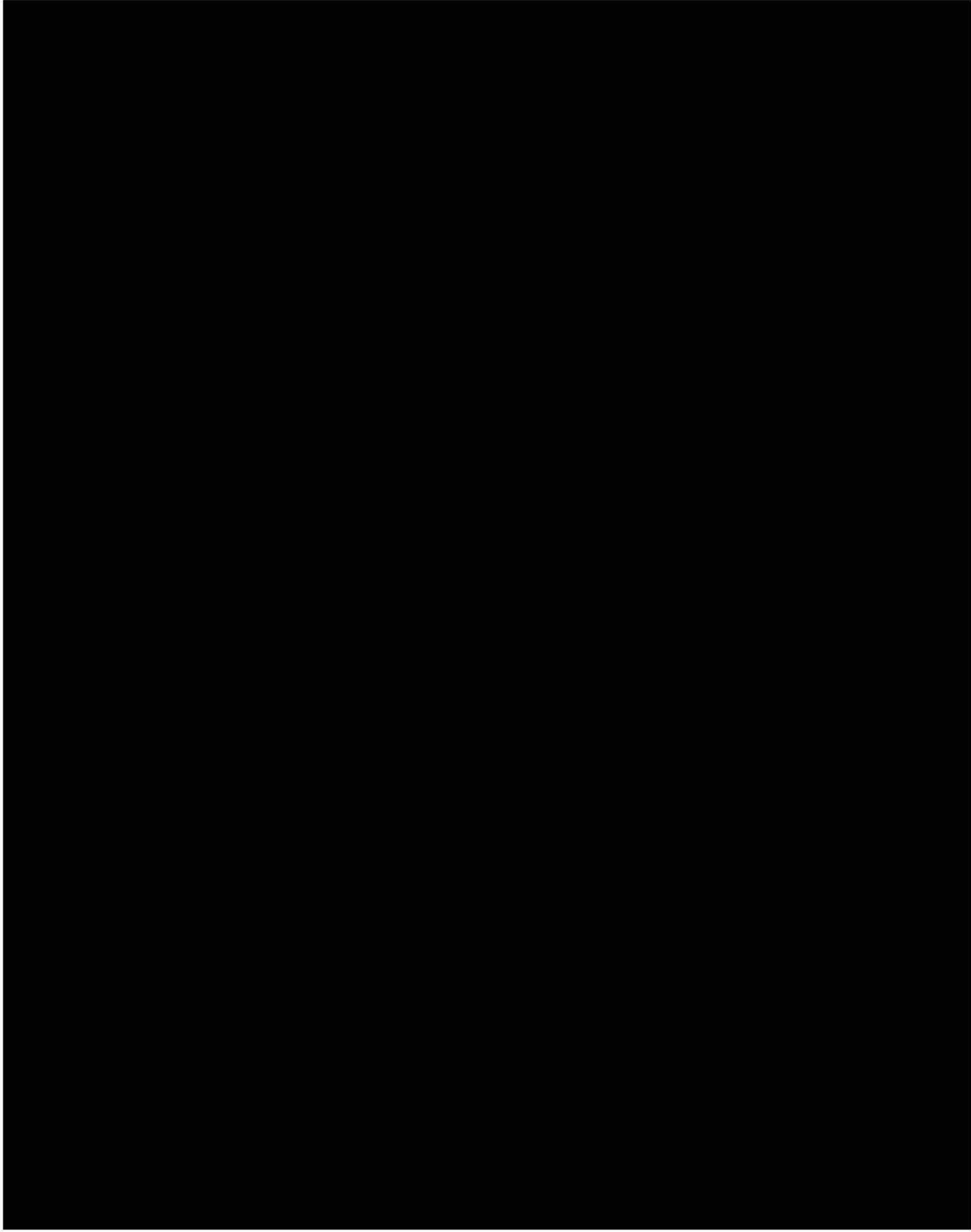


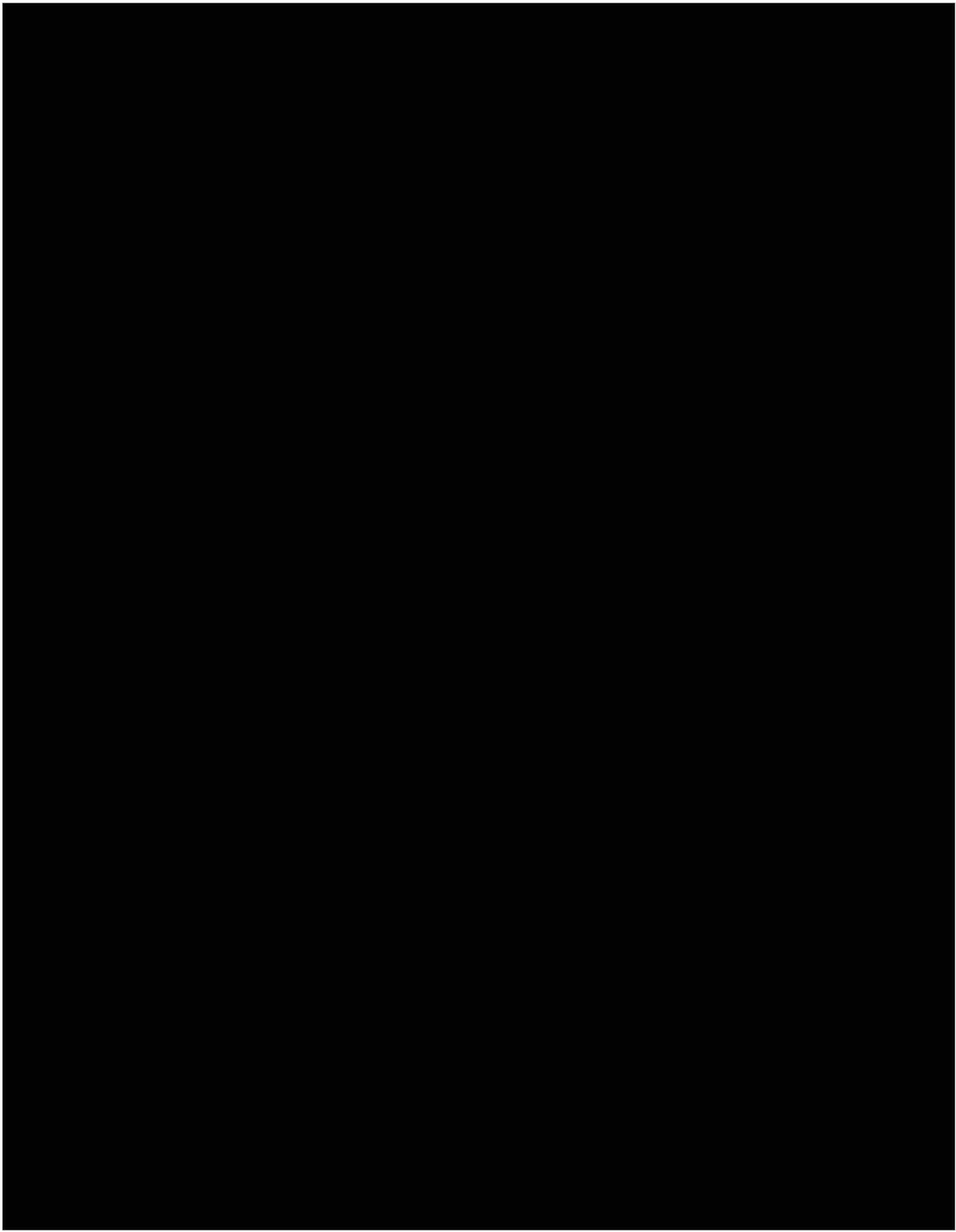


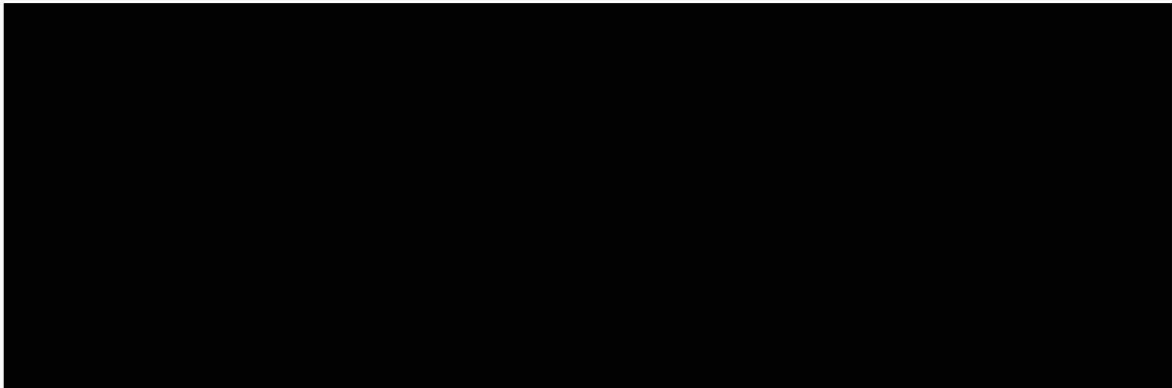






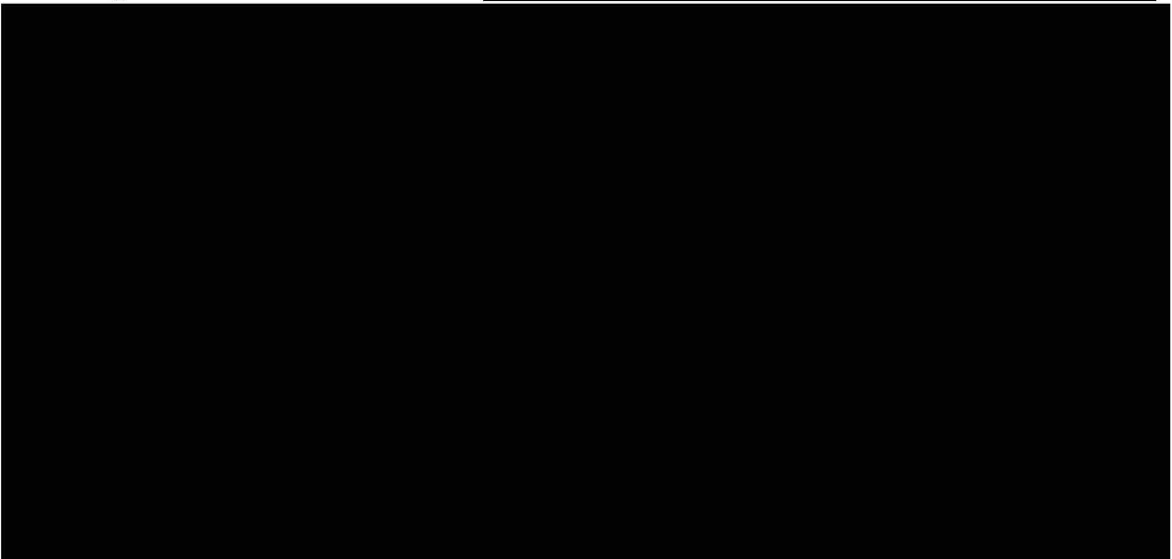




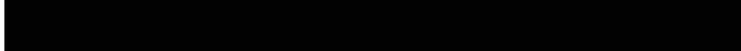
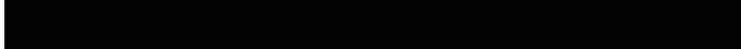


Freight Rates US\$/St.

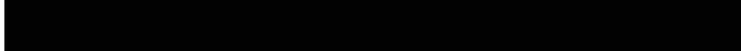
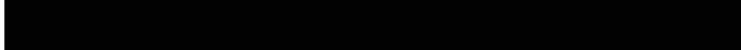
The freight rates below are based on 



One:

2010	Rate	
2010	Rate	
2010	Rate	

Two:

2011	Rate	
2011	Rate	



Tamarack Resources

2011 [redacted] Rate [redacted]

Three:

2012 [redacted] Rate [redacted]

2012 [redacted] Rate [redacted]

2012 [redacted] Rate [redacted]

Four:

2013 [redacted] Rate [redacted]

2013 [redacted] Rate [redacted]

2013 [redacted] Rate [redacted]

Five:

2014 [redacted] Rate [redacted]

2014 [redacted] Rate [redacted]

2014 [redacted] Rate [redacted]

Six:

2015 [redacted] Rate [redacted]

2015 [redacted] Rate [redacted]

2015 [redacted] Rate [redacted]

[redacted]

Seven:

2016 [redacted] Rate [redacted]

2016 [redacted] Rate [redacted]

2016 [redacted] Rate [redacted]

Eight:

2017 [redacted] Rate [redacted]

2017 [redacted] Rate [redacted]

2017 [redacted] Rate [redacted]



Tamarack Resources

Nine:

2018 [redacted] Rate [redacted]

2018 [redacted] Rate [redacted]

2018 [redacted] Rate [redacted]

Ten:

2019 [redacted] Rate [redacted]

2019 [redacted] Rate [redacted]

2019 [redacted] Rate [redacted]

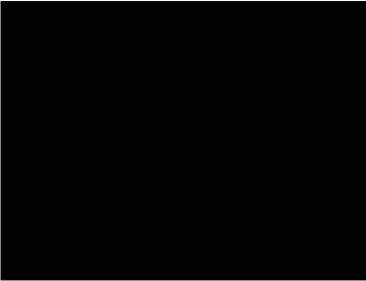
Eleven:

2020 [redacted] Rate [redacted]

2020 [redacted] Rate [redacted]

2020 [redacted] Rate [redacted]

Sources



Curriculum Vitae

My curriculum vitae is attached.


A. Wayne Morrison
President



Tamarack Resources

A. Wayne Morrison

- 4 Adlington Court • Bedford, NS B4A 3Z1 • (902) 497 6855 •
waynemorrison@tamarackresources.com
-

Summary of Qualifications

Successfully operated Tamarack Coal & Resources Inc since 2007, managing and shipping millions of tons of cargo.

Produced successful marketing strategies for North American, European, Oceania, and Asian markets. Innovative and effective experience developing and managing multi-million dollar projects from conception to completion. Well known in marine and related industries, with demonstrated ability to manage and maintain long-term business relationships.

Accomplishments

- ⇒ Marketed Provincial Energy Ventures facility to domestic and international clients
- ⇒ Brokered and managed coal top-offs in Chedabucto Bay
- ⇒ Secured contracts for supply of fly ash as ballast to the Hebron Gravity Based Structure
- ⇒ Provided transportation analysis for Canadian and US clients; including McInnis Cement, Graybec Inc., and Atlantic Coast Minerals
- ⇒ Concluded long term agreements valued at over \$100 million with Fortune 500 companies
- ⇒ Introduced Canada Steamship Lines to offshore oil and gas opportunities
- ⇒ Developed new markets in South East Asia, with multi-ship clients like The Jawa Power Plant - Paiton II
- ⇒ Concluded contacts with multiple coal companies for delivery of coal to Nova Scotia
- ⇒ Key participant in developing and implementing strategic plan for Canada Steamship Lines

Professional Experience

Tamarack Coal and Resources Inc.

2007 – present

President and Owner

Responsible for all aspects of the Company, with clients from Canada, USA, and Europe.

Company has been successful in operating as a commodity trader, vessel broker, and transportation and logistic expert since its inception.



Tamarack Resources

Canada Steamship Lines Inc.

1988 – 2007

Director, Marketing & Customer Service

Responsible for new business development and marketing of CSL vessels, with follow-up customer service in Atlantic Canada and North America, and development of joint venture partners for offshore opportunities.

Director of Marketing – CSL Partnerships Asia

Responsible for developing opportunities throughout Asia, and engaging partners for specific projects in Indonesia, China, and Australia.

Cape Breton Development Corp

1976 to 1988

Marketing Manager

Contract management and marketing of DEVCO metallurgical and steam coals in North American and European markets. Represented DEVCO on the Sydney Harbour Port Development Board for seven years.

Education

MBA - Syracuse University, Syracuse, NY – 1996

BBA - University College of Cape Breton, NS – 1982

Professional Associations

Director – New York Coal Trade Association

Past Chair – Halifax District Committee, Shipping Federation of Canada

Past Executive Council Member – Shipping Federation of Canada

Past Vice Chair – Halifax Shipping Association

Past President – Mining Society of Nova Scotia

Past Council Member – Canadian Institute of Mining, Metallurgy, and Petroleum

Member – Newfoundland Offshore Industry Association

Past Board Member, Halifax Mission to Seafarers