

Potash Leaders

I When there's room for operational improvement, we find it.



The Opportunity

As the world's largest supplier of potash and phosphate, it is key for The Mosaic Company to control and optimize the speed and flow of railcars in and out of the mine sites to move more product. Mosaic needed improved rail service that would create more fluidity at its mines and improve the entire operational cycle of its railcar fleet.

Mosaic wanted rail switching crews to be on hand 24/7 to provide dedicated switching and railcar mechanical service. It also wanted a rail service provider that would work alongside its team, so it would understand Mosaic's operations and could spot opportunities for improvement.

When The Mosaic Company was looking for dedicated rail service to improve fluidity and increase production at its mines, Cando Rail & Terminals did that and more.

Our solution: Integration within Mosaic's supply chain and work closely with the Class 1 railways and Mosaic to streamline operations and improve efficiencies for all.

The Solution

Cando Rail & Terminals took over the switching and mechanical services at all Mosaic potash mines in Saskatchewan (Belle Plaine, Colonsay and Esterhazy). Before start-up, Cando worked closely with Mosaic and both Class 1 railways to develop operating plans and facilitate the efficient movement of full loads and empty cars. Cando has the rail experience, safety systems, and regulatory approvals to be able to operate on Class 1 main line track. CN and CP granted Cando various operating authorities on Class 1 track, including trackage rights along CP's main line Yarbo subdivision between Esterhazy and Bredenburg, approximately 23 miles. These trackage rights allow Cando to deliver trains directly to CP at Bredenburg Yard, and CP can hook and haul.

Across all mines, Cando builds unit trains 75 to 205 cars long for CP and CN to hook and haul. At Mosaic's Esterhazy mines, Cando works with CN and builds 205 car export trains. In preparation for Class 1 departure, Cando's crews perform a regulatory air brake test on each car and provide documentation to the Class 1 partner for expedited movements. All the work is done in advance by Cando, which allows the Class 1s to move the product to Mosaic's customers faster and improve cycle times on the railcars.

As a dedicated long-term partner, Cando continuously looks for ways to make Mosaic's supply chain more efficient, including railcar staging and railcar fleet management and logistics. Cando helped design and build a railcar storage yard adjacent to Mosaic's Belle Plaine mine on-time and on-budget, and now helps Mosaic utilize the yard for regular operations to keep the loadout from shutting down due to congestion. In addition, Cando can store approximately 20% of Mosaic's potash railcar fleet with an anchor tenant agreement at our Winnipeg Terminal. Cando helped Mosaic to implement a new railcar inventory management system at eight railyards across the Saskatchewan rail network. The management system monitors Mosaic's railcars, automates yard functions, and provides numerous analytics to improve operational efficiency.



The Impact

Cando now moves more than 20.5 million tons of potash a year, handling 90 per cent of all potash produced in Canada

Since working with Mosaic, Cando has helped the company reduce costs significantly and move more product. Mosaic has broken numerous production and loading records since Cando has been on site. For example, Cando's crews helped Mosaic achieve a 5.5% increase in production output numbers in 2022 compared to 2021. Other highlights:

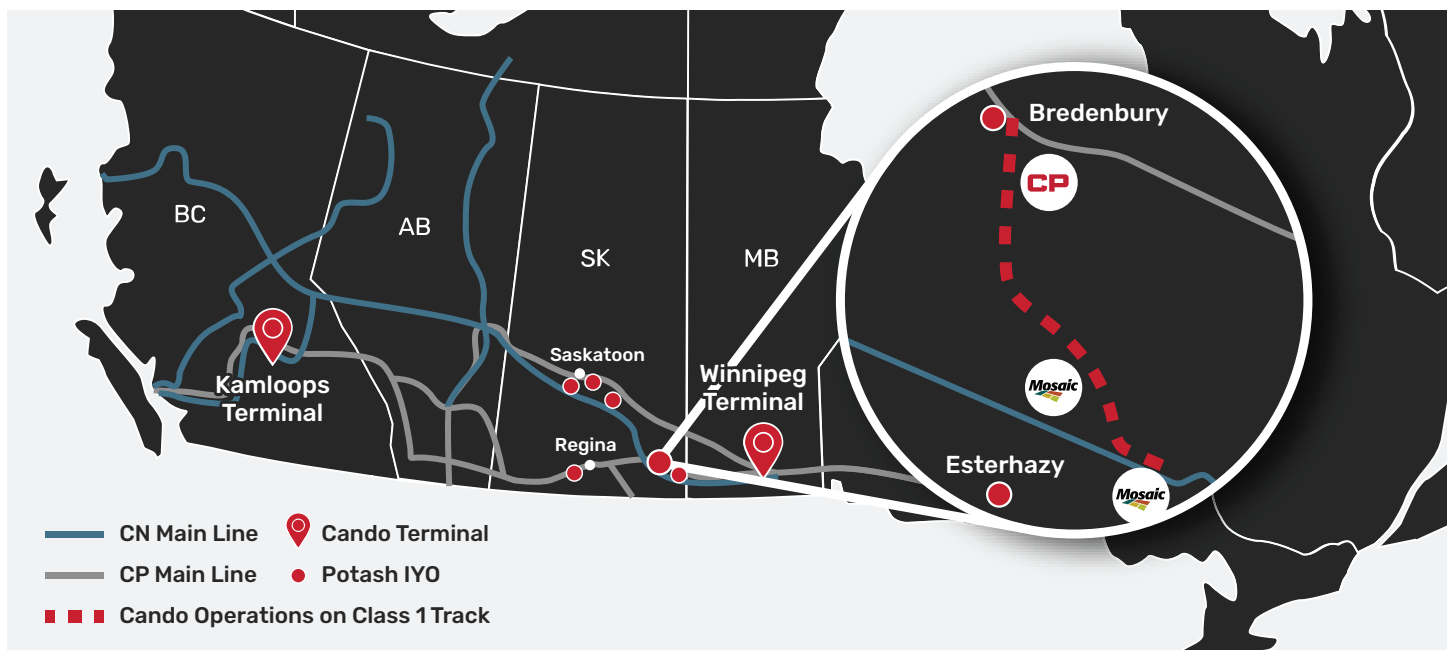
- Helped Mosaic Esterhazy set the monthly record for August loading in 2022, with 475,848 short tons loaded (previous record was 461,126 tons in 2020 which was also a record Cando helped set).
- Helped Mosaic Esterhazy achieve 5,120,816 tons of potash shipped in 2022, this was the second highest throughput for Mosaic next to the record set in 2020.
- Since 2017, have helped Mosaic Esterhazy ship 29,565,907 short tons of potash.

Mosaic has eliminated almost all demurrage costs, and now has the flexibility and capacity to load multiple products at once to keep the mines running, creating numerous cost reductions through Cando's value-added specialized services.

Cando's trackage rights on Class 1 track and ability to deliver trains directly to the Class 1s main line track is a win-win-win for Cando, Mosaic, and the Class 1 –our service improves the velocity of railcar traffic across the network for the Class 1 and in turn results in improved railcar fleet utilization and decreased cycle time for Mosaic.

The sustained collaboration among Cando, Mosaic, and CP reflects the close working relationships that are fundamental to Cando's service. Each company benefits by gaining operational and cost-saving efficiencies, enhanced revenue through increased production, and strengthens the focus on its core business.

Cando Trackage Rights



Journey of a Mosaic Potash Car

We handle the same Mosaic railcar six to eight times as it makes its journey across Western Canada to the Port of Vancouver or as it crosses the border into the US.

This lifecycle results in seamless services for Mosaic and improved efficiencies for the Class 1 railway. **The journey across Western Canada is summarized below:**



WINNIPEG

The journey starts as an empty railcar in Winnipeg enroute to a potash mine in Saskatchewan. While the railcar resides in Winnipeg, Cando provides storage, switching, and railcar repair services.

ESTERHAZY, SK BELLE PLAINE, SK COLONSAY, SK

Empty railcars are hauled from Winnipeg to the mine sites by the Class 1 railroad. Cando switches and loads these railcars, builds trains, performs train ready services, and prepares to deliver them to the Class 1.

BREDBURY, SK

Cando provides haulage services of loaded Mosaic railcars from the mine site to Bredbury yard and delivers the outbound train to CP for main line movements.

KAMLOOPS

Cando's Kamloops facility is a staging and storage facility on the way to the Port of Vancouver. It functions as a "regulator" for unit trains delivering to the Port. The Class 1 railroad hauls the assembled train to the Port for just in-time vessel loading.

PORT OF VANCOUVER

This port on the west coast receives the loaded potash train for export. Cando has no involvement inside the Port.

WINNIPEG

Empty railcars are returned to Winnipeg and the mines by the Class 1 railroad and the journey begins again.

Transforming Rail in the Potash Belt

For the Class 1s

- Partner in the region
- Focus on the long haul
- Improved volumes
- Reduced expenses

For the Customers

- On-site partner with industry expertise and award-winning safety systems
- Integrated operations from origin to destination
- Improved railcar fleet utilization and decreased cycle time
- Increased carload volume