

**Mosaic Potash Esterhazy  
Stage 2 Expansion Project**

**Environmental Impact Statement  
Volume I – Main Document  
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## EXECUTIVE SUMMARY

Mosaic Potash Esterhazy is proposing the installation of new shafts to access ore from an expanding mine footprint. The shafts are expected to raise annual production capacity at the Esterhazy K2 mine to 4.45 million tons (4.04 million tonnes) by 2016. This expansion is called the Esterhazy Stage 2 Expansion Project and consists of the construction of:

- 1) Two underground shafts and supporting infrastructure;
- 2) An industrial haul road to transport ore to the K2 milling operations; and,
- 3) Facilities to receive Stage 2 ore at the K2 mine site.

The proposed site of the two shafts and supporting facilities will be referred to as the K3 site. Recent mill and facility upgrades at the K2 mine site (Stage 1 Expansion) will provide the appropriate infrastructure to process Stage 2 ore. Construction of the Stage 2 Expansion Project is proposed to begin in mid-2011 and be commissioned in 2016.

The expansion will result in an increased output of tailings to the K2 Tailings Management Area (TMA) as no tailings will be stored at the proposed K3 site. The newly constructed Phase IV and proposed Phase V Brine Ponds will provide additional storage for the tailings generated from the K3 site until 2043. An EIS for the Phase V expansion was recently approved and construction is expected to be completed in 2014. Considering the Stage 2 production increase and ore reserves based on 2010 SEC 10-K filings, the entire K2 TMA is expected to reach capacity in 2057 (fourteen years after the expected end of ore reserves).

Mosaic Potash Esterhazy has provided employment and substantial taxation revenue to the Province of Saskatchewan for several decades. While the Stage 2 Expansion will directly employ an additional 100 persons, it is anticipated that many more employment opportunities will be created indirectly in the communities surrounding the mine site, as well as across Saskatchewan.

Mosaic is committed to preventing or reducing adverse environmental effects associated with the project wherever possible. A significant amount of work has been completed by, and on behalf of Mosaic Potash Esterhazy, to identify potential environmental impacts and create associated mitigation plans. General mitigation measures planned for this project include the following:

- Obtaining all required permits and approvals prior to construction;

- Using best practice, environmentally sound construction methods (i.e. minimal clearing, salvaging topsoil, etc.);
- Construction of appropriate containment systems (i.e. berms, perimeter ditches, ditches and ponds with engineered liners, etc.);
- Use of best available technology to reduce water, power, and energy use;
- Use of best available technology to reduce air emissions; and,
- Expansion of Mosaic's on-site environmental monitoring program.

These measures are intended to provide effective long-term containment and mitigation of environmental impact. There are expected to be residual effects following the mitigation measures; however, the majority of these effects have an environmental consequence rating of low to minor.

Residual impacts, with respect to the proposed expansion, are predicted to occur to terrain, air emissions, soils, vegetation, water use, land use and socio-economics. A summary of the predicted environmental effects is provided in the Environmental Impact Statement (EIS).

Mosaic Potash Esterhazy maintains and operates an environmental monitoring program to monitor the impact of the mining operation on the surrounding environment, and to evaluate the performance of its environmental protection systems. The new facilities associated with the expansion will be included in this monitoring program. A Decommissioning and Reclamation Plan was submitted to Saskatchewan Ministry of Environment (MOE) in 2006.

Mosaic acknowledges responsibility for all aspects of its operation. In keeping with this commitment, stakeholder meetings and an open house public meeting were held to discuss the proposed expansion. Overall, the project has been very well received.