

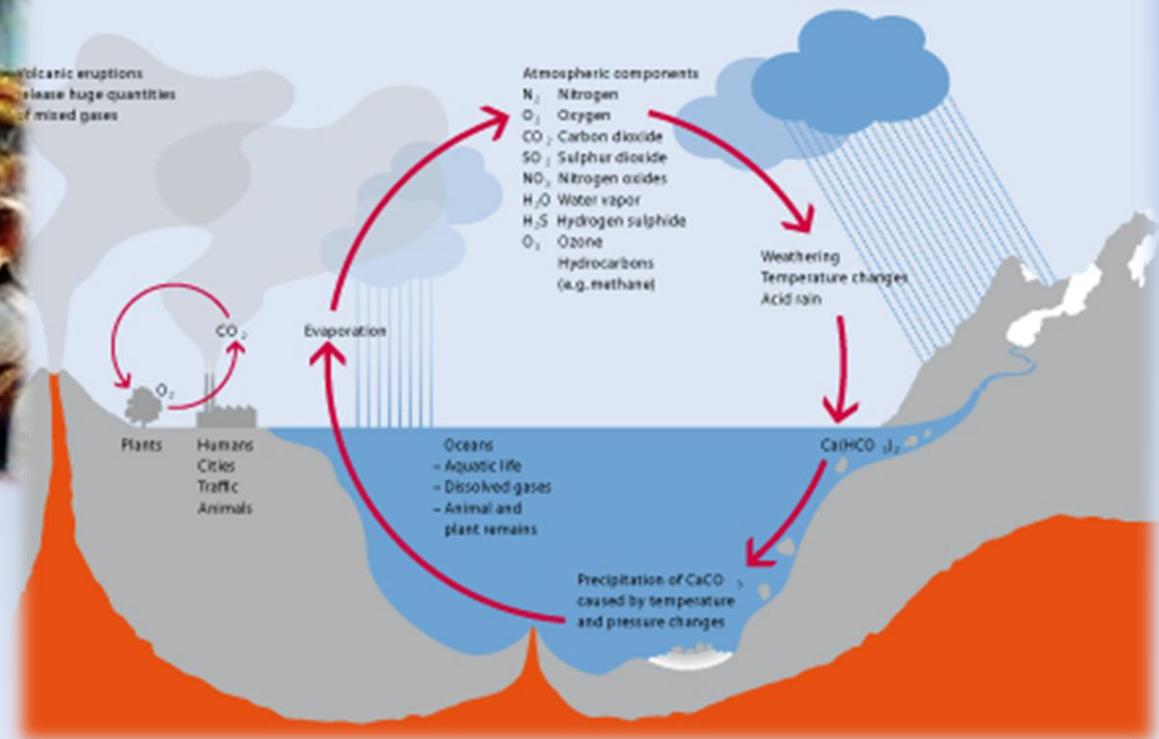
Agenda.....

- ✓ **CaCO₃ – What is it?**
- ✓ **Typical Product Applications...**
- ✓ **Company Introduction**
- ✓ **Raw Material Supply History**
- ✓ **Importance of the Marine Terminal**
 - **To CRC & the Local Community**
- ✓ **Request the School District's Support**

CaCO_3 – Quick Lesson

What is Calcium Carbonate?

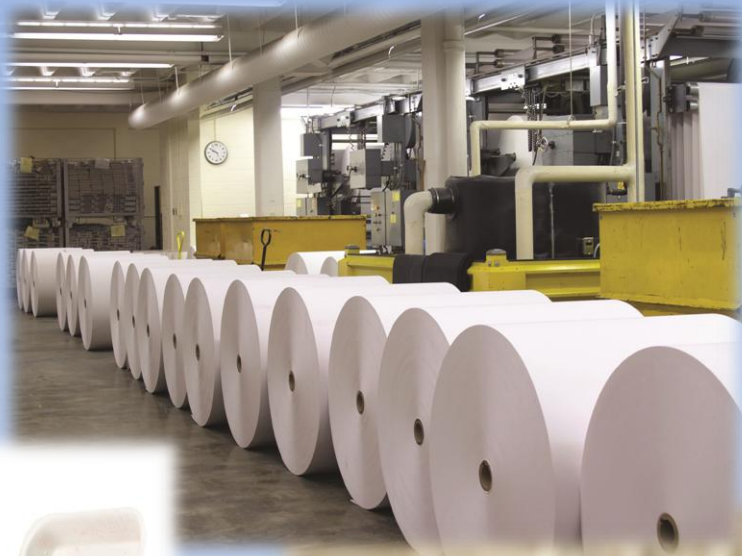
Where Does it Come From?



In Fact the Skeletal Structure is 100% Calcium Carbonate

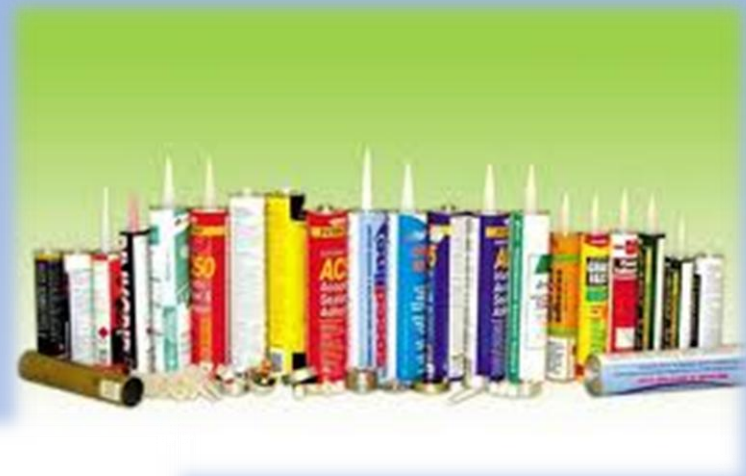


Markets Served











New Focus



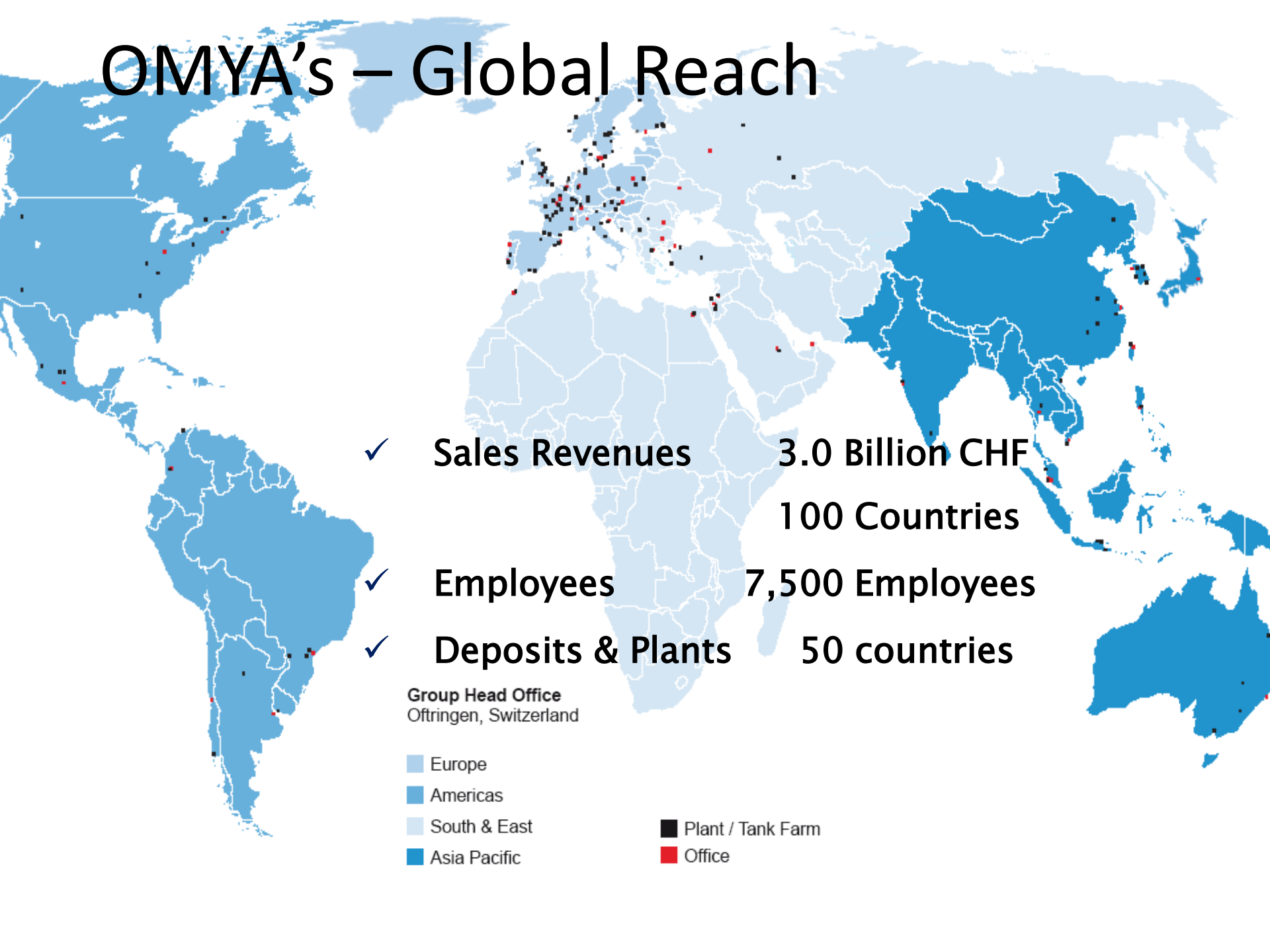


CRC Overview

Bleek Management, Inc.

- ✓ **Founding Partner**
- ✓ **Family in the CaCO₃ Since 1870**
 - Washington – 1985 – Current
- ✓ **Entrepreneur and Vision**
- ✓ **Long – Term Focus/Commitment**
- ✓ **Reinvestment of Profits**

OMYA's – Global Reach



- ✓ Sales Revenues 3.0 Billion CHF
- 100 Countries
- ✓ Employees 7,500 Employees
- ✓ Deposits & Plants 50 countries

Group Head Office
Oftringen, Switzerland

- Europe
- Americas
- South & East
- Asia Pacific
- Plant / Tank Farm
- Office

OMYA – Region Americas



Major World Producer of CaCO₃

✓ CaCO₃ Core Business

Raw Material Sourcing

6 Strategic Locations

Mine Site
Calder Bay, AK



La Farge
Texada Island BC

Quarry, Wauconda,
WA

Rail Site
Janis, WA

Plant
Woodland, WA

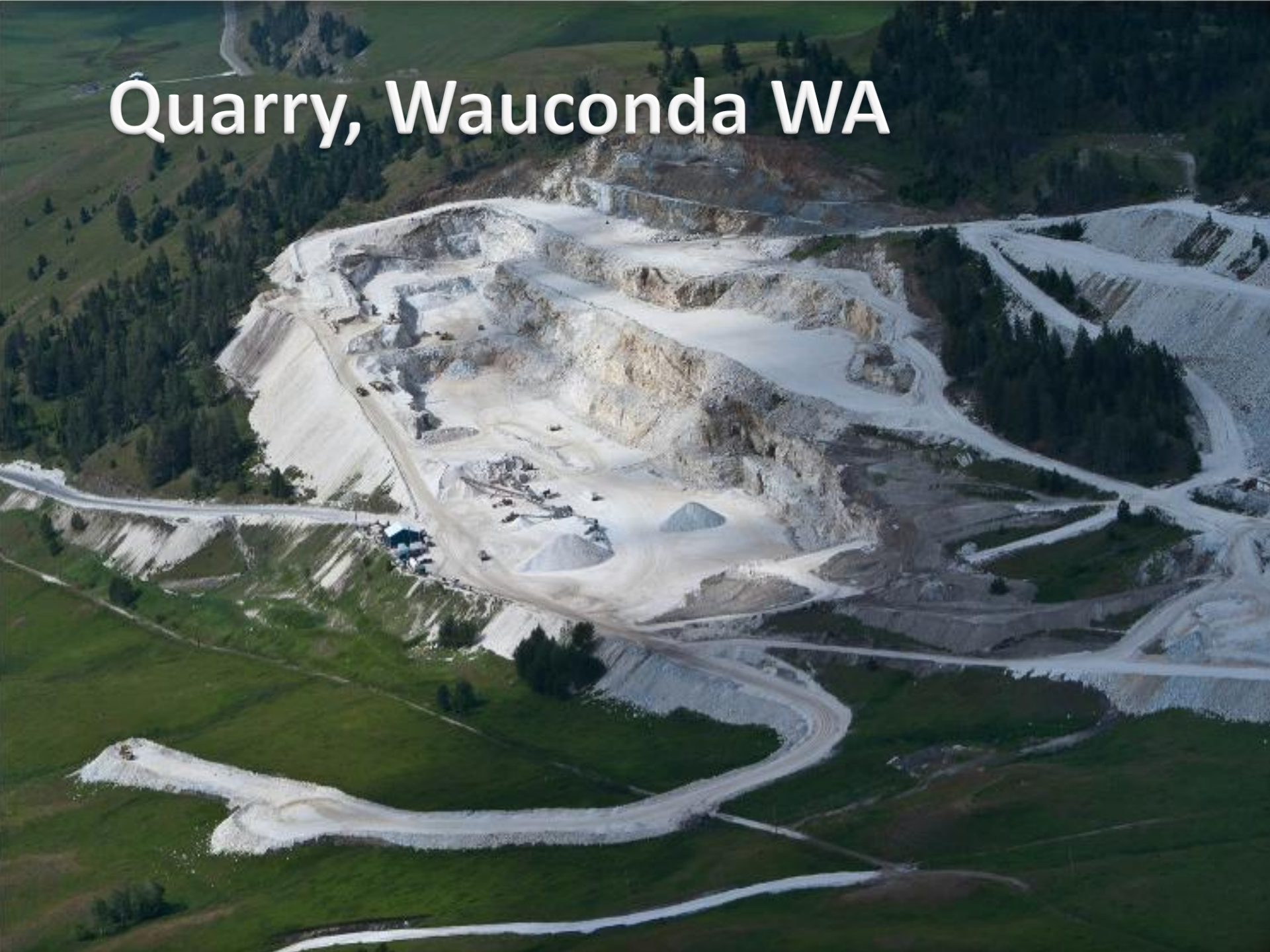
Portland



Wauconda Crushing Operation

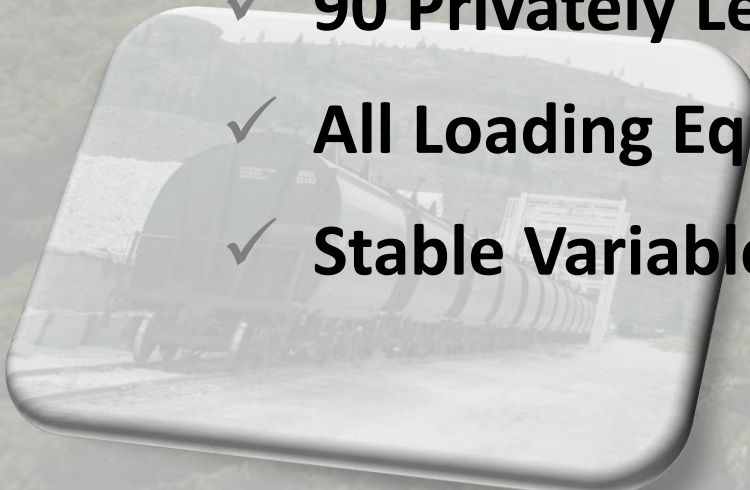
- ✓ **Active Since 1986**
- ✓ **900 Acres of Land Holdings**
- ✓ **Seasonal Operation (Apr-Oct)**
- ✓ **Current Movable Reserves 1-2 Million tons**
- ✓ **Contractor Operated -25 Employees**
- ✓ **Stable Variable Cost Since 2000 (15%)**
- ✓ **Estimate Remaining Life +/- 5 years**
- ✓ **Investments of \$4.5 Million**

Quarry, Wauconda WA



Janis Rail Facility

- ✓ **33 Miles From Wauconda**
- ✓ **Raw Material is Trucked In**
- ✓ **70 Acres of Land Holdings**
- ✓ **Year Round Operation**
- ✓ **Screening and Rail Loading Facility**
- ✓ **90 Privately Leased Covered Rail Cars**
- ✓ **All Loading Equipment is Designed for these Cars**
- ✓ **Stable Variable Cost Since 2000 (15%)**



Rail Site -Reload, Janis WA



Woodland Operation

- ✓ **Operational Since 1985**
- ✓ **365 Days/24 Hours Facility**
- ✓ **65-70 Employees (incl. AK)**
- ✓ **Investments > \$80 Million**
- ✓ **Annual Sales Revenue \$31 Million**
- ✓ **Rail Service/Cost – Increasing Concern**
- ✓ **Limited Raw Material Supply**
 - **NE Washington Raw Material**
- ✓ **Need for Raw Material Alternatives**

Woodland Operation



Operational Limitations w/ Rail

(Raw Material Sourcing)

Year	Sales	BNSF	% of Sales	Lafarge
2002	148,071	150,492	102%	0
2003	139,300	139,066	100%	0
2004	161,665	156,353	97%	0
2005	174,295	171,418	98%	0
2006	182,439	178,967	98%	0
2007	183,317	176,644	96%	0
2008	193,378	205,939	106%	13,000
2009	173,267	165,670	96%	0
2010	183,179	153,605	84%	49,800
2011	205,075	124,595	61%	62,500
2012	205,700	151,104	73%	25,000

Operational Limitations w/ Rail

(Raw Material Sourcing)

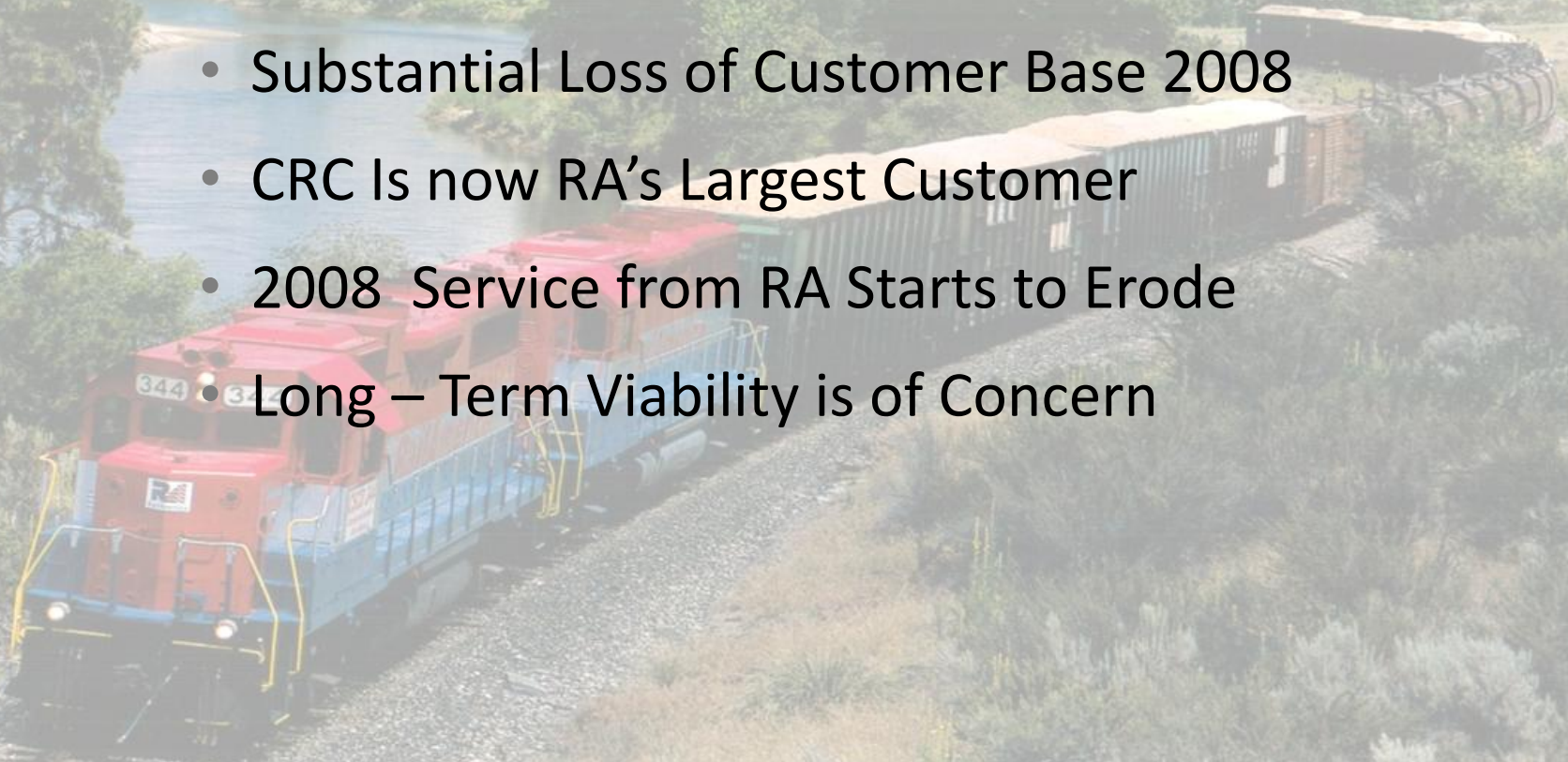


Operational Limitations w/ Rail

(Rail America a Short Line)

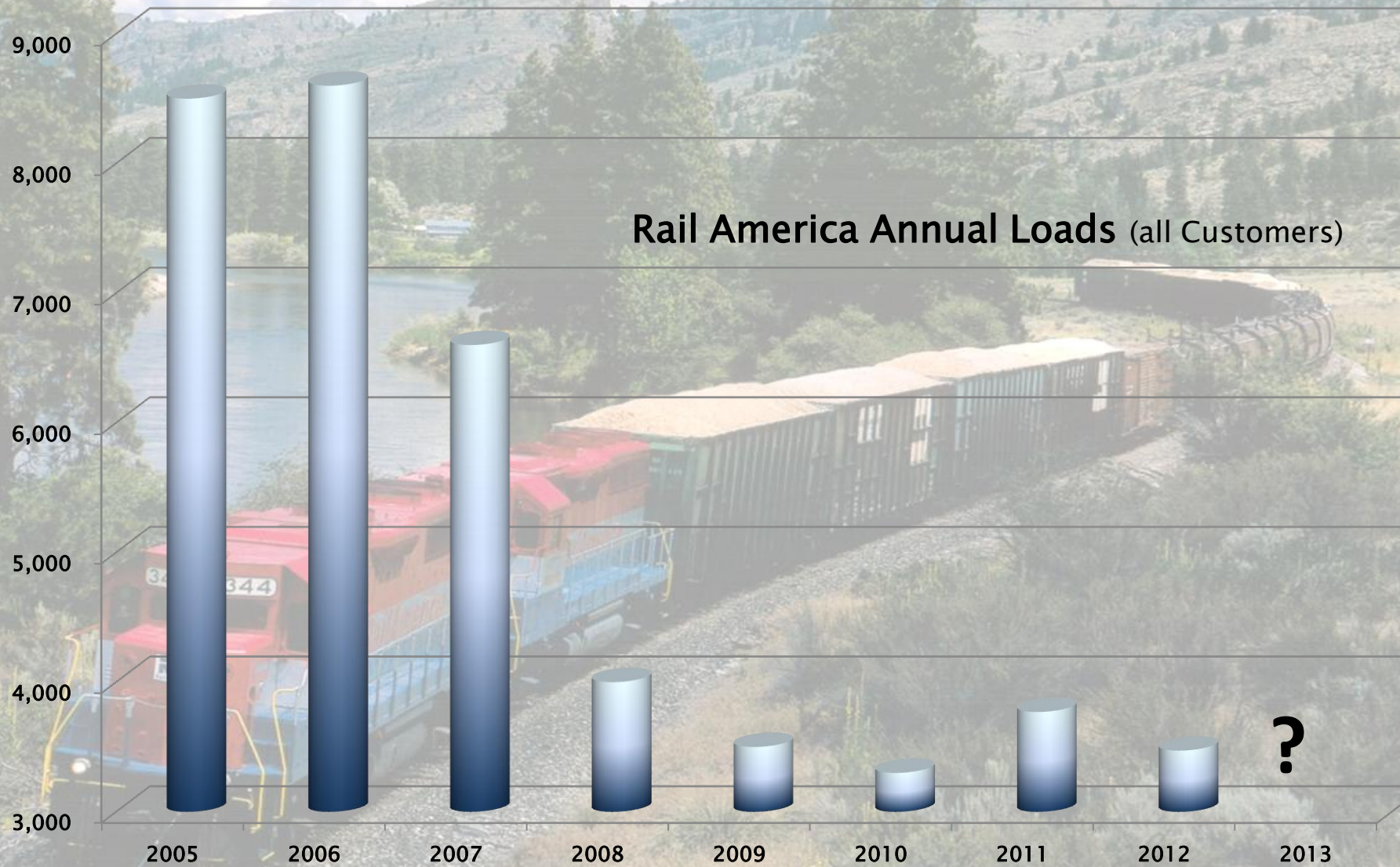
✓ Rail America – Small independent Rail Carrier

- Link between Janis Site and BNSF Wenatchee
- Substantial Loss of Customer Base 2008
- CRC Is now RA's Largest Customer
- 2008 Service from RA Starts to Erode
- Long – Term Viability is of Concern



Operational Limitations w/ Rail

(Rail America Considerations)



Operational Limitations w/ Rail

(BNSF Considerations)

✓ BNSF Routing Changes

- Janis – Cascade Tunnel – Woodland
- Janis - Spokane – Woodland

✓ Issues at Various Switching Yards

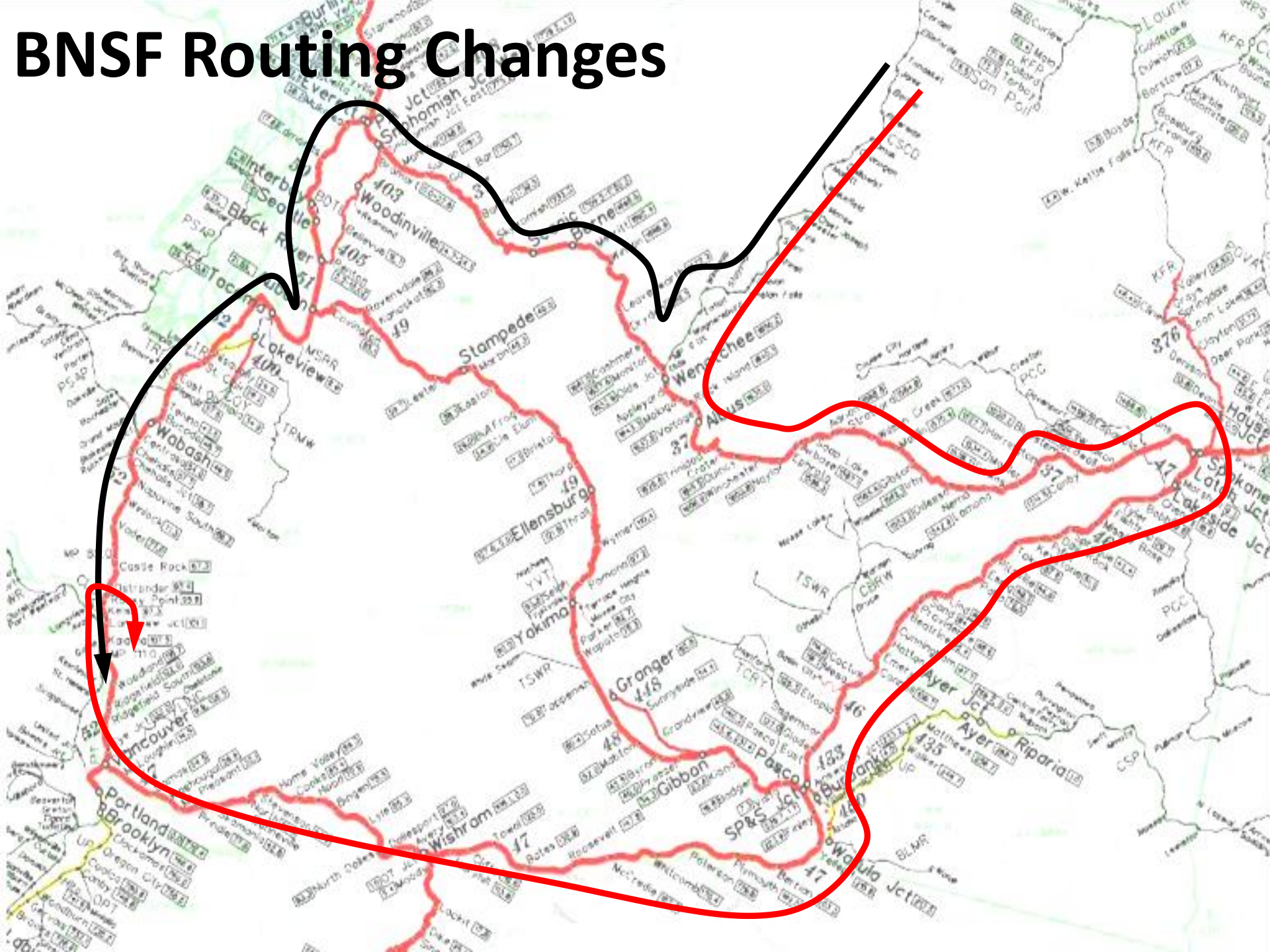
✓ Added an additional 4-6 days/round trip

✓ Average Reduced Fleet Capacity > 25%

✓ Max Reduced Fleet Capacity ~ 40%

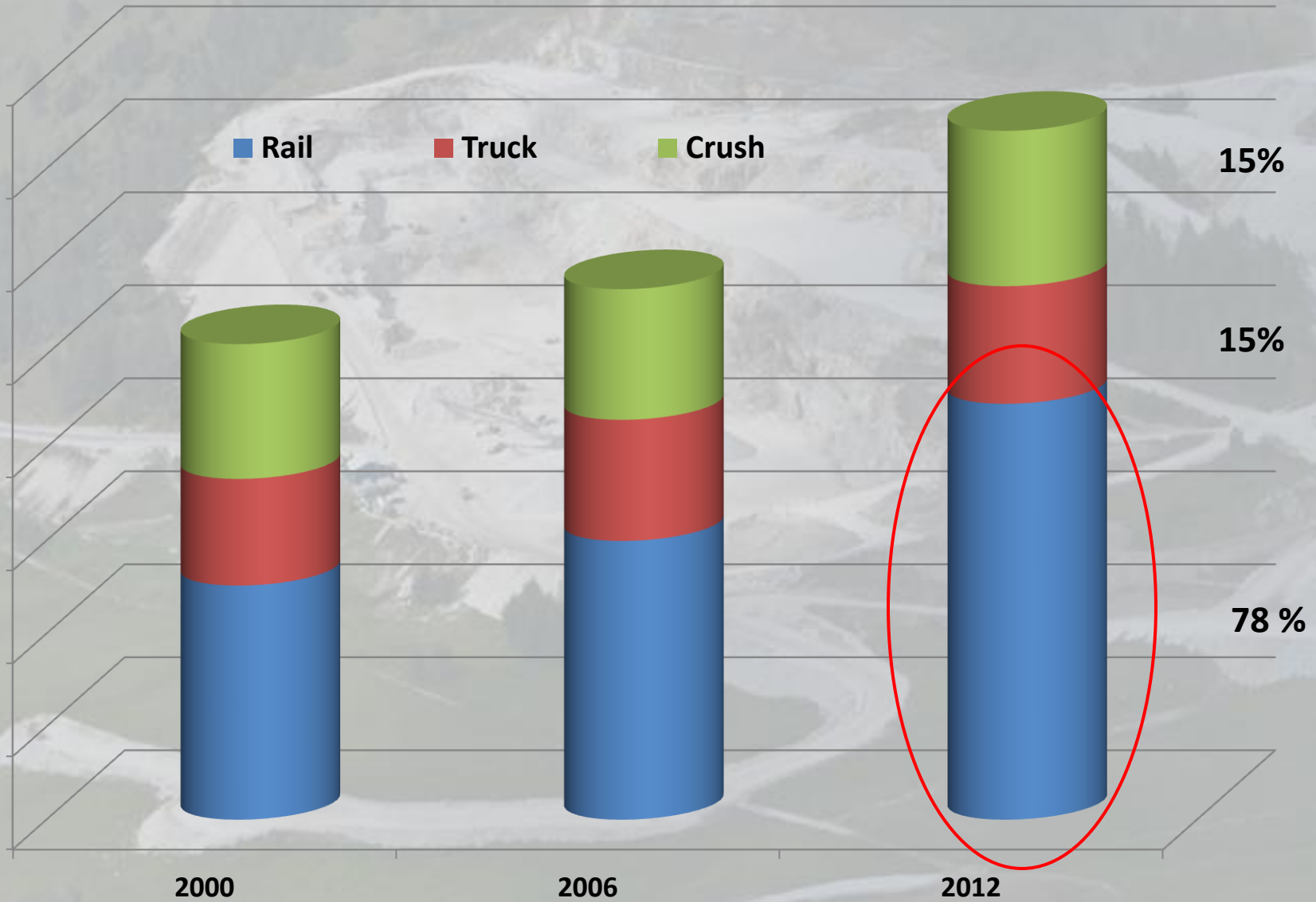
- (2011) 200K tons → 155K tons

BNSF Routing Changes



Variable Cost Trends 2000-2012

(Wauconda Stone)



Impact of Eroding Rail Service - CRC

(Operational Limitations w/ Rail)

✓ Financial Impact of Eroding Service

- \$5.00 \$/t Increase – Fixed Costs
- Capital Spending and Working Capital
 - Additional investments of \$7.0 million (AK)
- Increased Logistical Challenges

✓ Operational Impact of Eroded Service

- Potential Loss of Customers
- Need for New Stone Sources

Raw Material Sourcing

6 Strategic Locations

Mine Site
Calder Bay, AK

British
Columbia

Edmonton

Calgary

Quarry, Wauconda,
WA

Vancouver

Rail Site
Janis, WA

Seattle Washington

Plant
Woodland, WA

Portland



Quarry - Calder Bay, AK



Quarry - Calder Bay, AK



Quarry - Calder Bay, AK



09/09/2011 04:14PM

Quarry - Calder Bay, AK



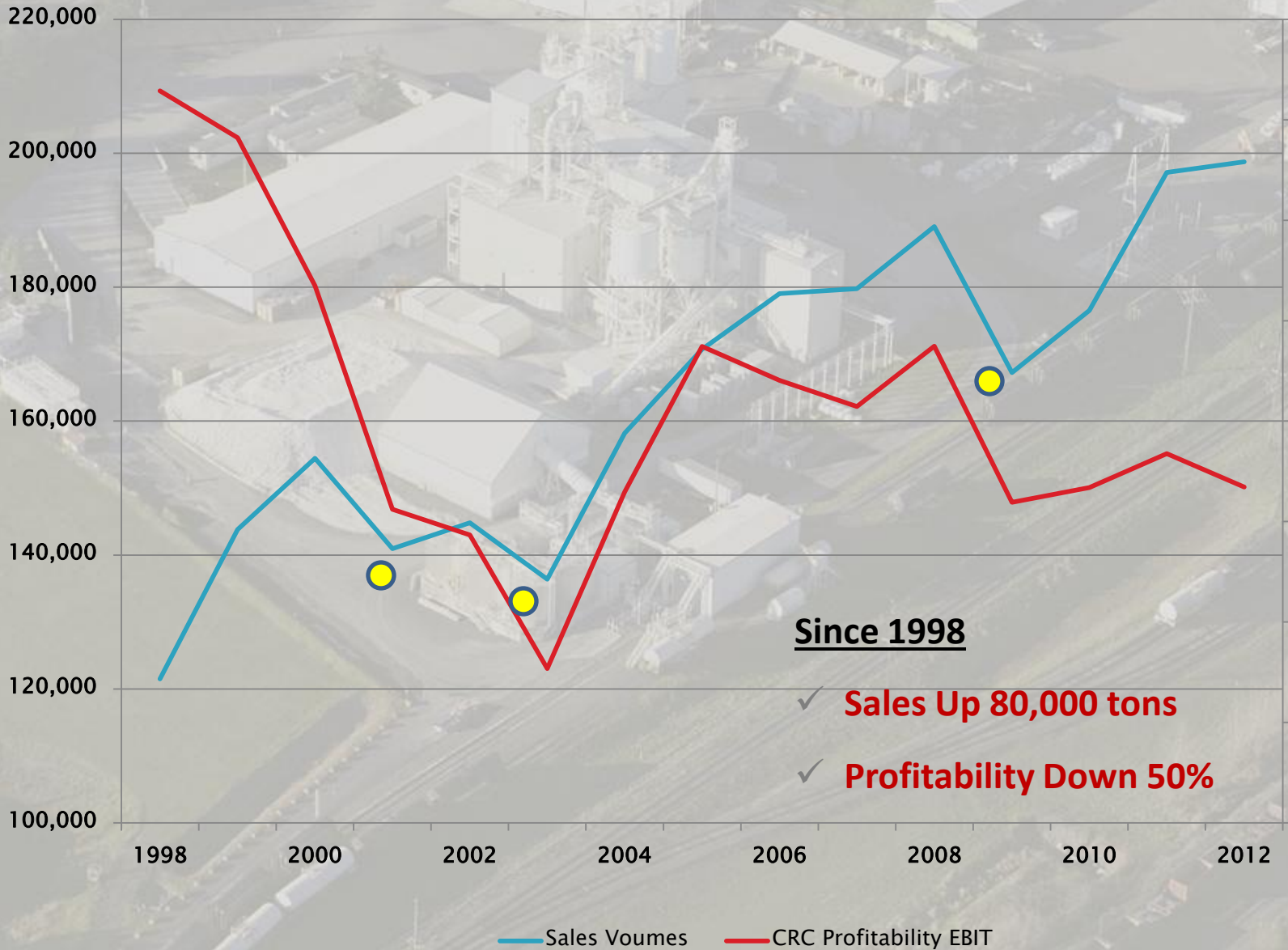


CRC Financial Considerations

Key Financial Considerations

- ✓ **Historically – CRC Sales Concentrated in Paper**
- ✓ **Over the last 10 years**
 - CRC has Lost 4 Paper Accounts
 - Volumes nearly 80 K tons Annually
 - Sales Revenue loss of \$15 million
 - Margins on Slurry Greater than Dry Sales
- ✓ **Diversification of Sales – Business Critical**
 - New Dry Markets Extremely Low Pricing
 - In Several cases < \$55/ton
 - Low Raw Material Costs are business Critical

Sales vs. Profitability



Paper Industry Sales – The Reality

- ✓ **Paper Accounts – Most are Struggling**
- ✓ **Paper Usage Continue a Downward Trend**
- ✓ **Recovery of Cost Increases is Nearly Impossible**
- ✓ **Average Slurry Margins Down 25%**
- ✓ **Continued Risk of Lost Accounts / Margins**
- ✓ **New Paper Business – Difficult to Attain**
- ✓ **New Paper Sales – Greater Risk**

Summary

✓ Rail Rates Have Increased Dramatically

- Over 80% in the last 10 years

✓ Rail Focus has Shifted to Unit Trains of Coal/Grain

- Service Continues to Erode Dramatically
- Resulting in a \$5.00/ton Increase in Fixed Unit Cost
- Annual Impact of Service (\$1,000,000) Annually

✓ CRC Remains Committed to Wauconda

- Available Reserves are Limited – 5 +/- years
- But it has to Make Sense Financially

✓ CRC Has a Viable Raw Material Alternative

- Marine Terminal is Business Critical

CRC – Marine Terminal

- ✓ **2013 – CRC Barged > 80,000 tons**
- ✓ **Currently Material Shipped to Rivergate PDX**
 - Ashgrove – A Competitor
 - CRC Pays a Storage and Transfer fee
 - CRC Trucks the Material 25 miles
 - CRC Incurs Substantial Additional Cost

Marine Terminal Engineering & Permitting

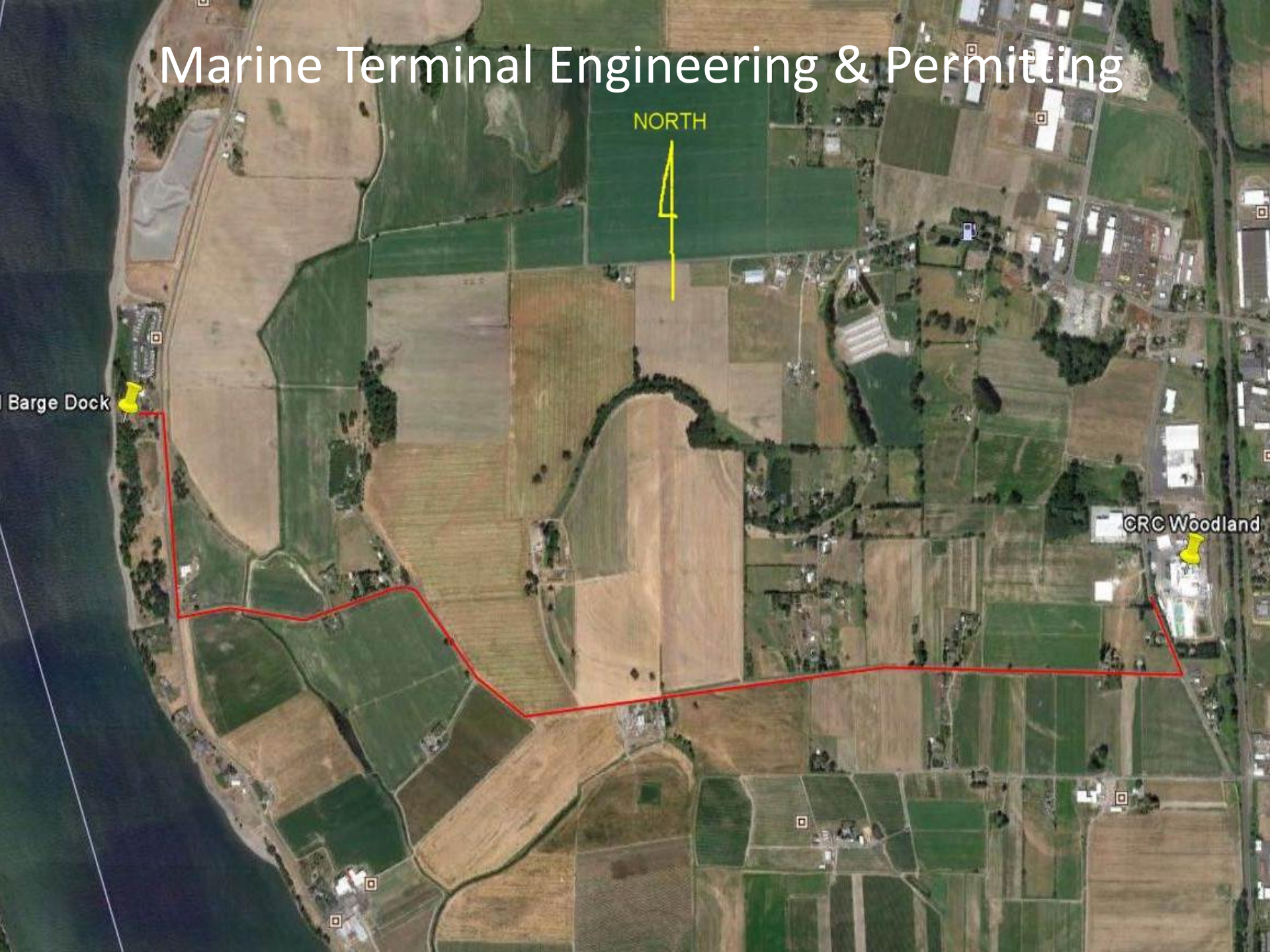
NORTH



Barge Dock



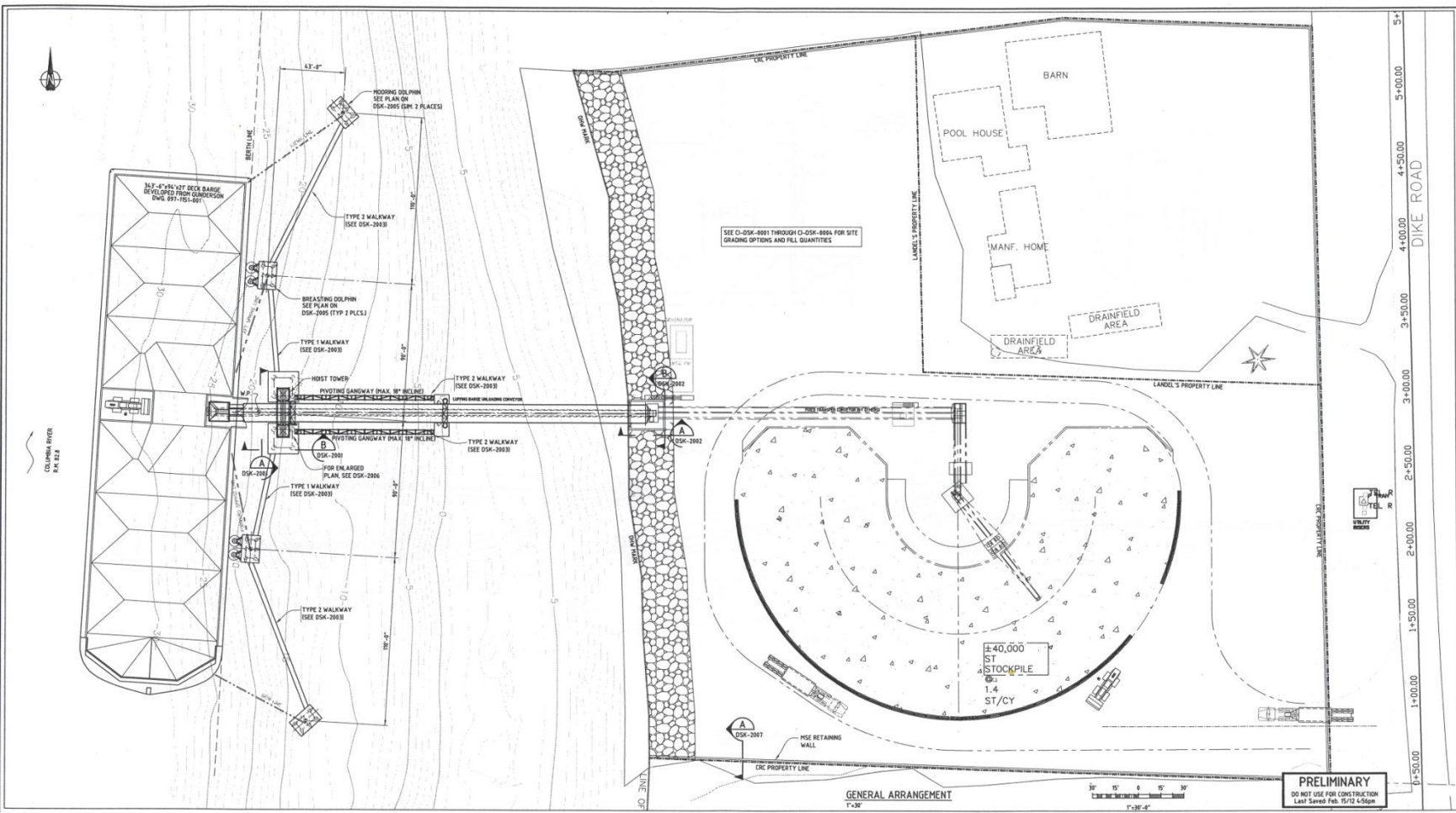
CRC Woodland



Marine Terminal Engineering & Permitting



Marine Terminal Engineering & Permitting



REV	DATE	REVISION DESCRIPTION	DRAWN	DRAFT CHK	DESIGNED	ENG. CHK	APPROVED	CUSTOMER	REF. DRAWING No.	REFERENCE DRAWING TITLE
B	15-FEB-12	ISSUED FOR CLIENT REVIEW	RCHB	-	CAG	-	J.C.	-		
A	28-NOV-11	ISSUED FOR CLIENT REVIEW	JAP	-	JAP	-	J.C.	-		

D SHEET SCALE SHOWN: **Oneway**
 ENGINEERING AND PERMIT STAMPS (As Required)
 WORLEYPARSONS PROJECT No: 80558

PRELIMINARY
 DO NOT USE FOR CONSTRUCTION
 Lead Survey Feb. 15/12 & 5/12
WorleyParsons
 resource & energy
**COLUMBIA RIVER CARBONATES
 BARGE UNLOADING CONVEYOR
 GENERAL ARRANGEMENT
 PLAN**
 DWS No: 80558-00-GE-DGA-0100
 REV: B

USER NAME: chagpagan
 LOCATION: U:\WORK\3118558\DC_TERMINAL\UT_DRAWINGS\PLANS\GENERAL_ARRANGEMENT\00558-00-GE-DGA-0100-DGA.DWG
 PLOT DATE & TIME: 10/27/2015 5:00:27 PM
 SAVE DATE & TIME: 10/27/2015 4:50:27 PM

CRC – Marine Terminal



Marine Terminal – Current Status

- ✓ **Subject Property Designated as Heavy Industrial**
 - Marine Terminal is an Allowed Use
- ✓ **CRC has Submitted Required Permit Applications**
- ✓ **To Date CRC has Invested \$400,000 in 3-years**
 - To Address Environmental Impacts
- ✓ **Primary Permitting Agencies**
 - Cowlitz County
 - US Army Corps of Engineers
- ✓ **Estimated 3 +/- Years in Permitting**

Marine Terminal – Local Impact

- ✓ **At Full Operation (5-10 years out).....**
 - 2-5 days/Month Barge Unloading (Max)
 - 30 Truck Trips/Day (Max)
- ✓ **Investment of > \$10,000,000 in Marine Terminal**
- ✓ **Preservation of 70 +/- Family Wage Jobs**
- ✓ **Preservation of Current Tax Base** (\$345 K Current Tax Revenues)
- ✓ **Creation of new Tax Base** (\$140 K Future Tax Revenues - Terminal)
- ✓ **New Family Wage - +/- 5 jobs (Initially)**
- ✓ **Opportunity for CRC to Expand - Grey Powder**

Grey Powder Markets – AGRO

✓ **Agricultural Opportunities**

- CRC Investment in Prilling Plant (Ag)
- Estimated Capital Investment of \$11,000,000 +/-
- New Family Wage - +/- 10-15 jobs

Marine Terminal – Potential Impact

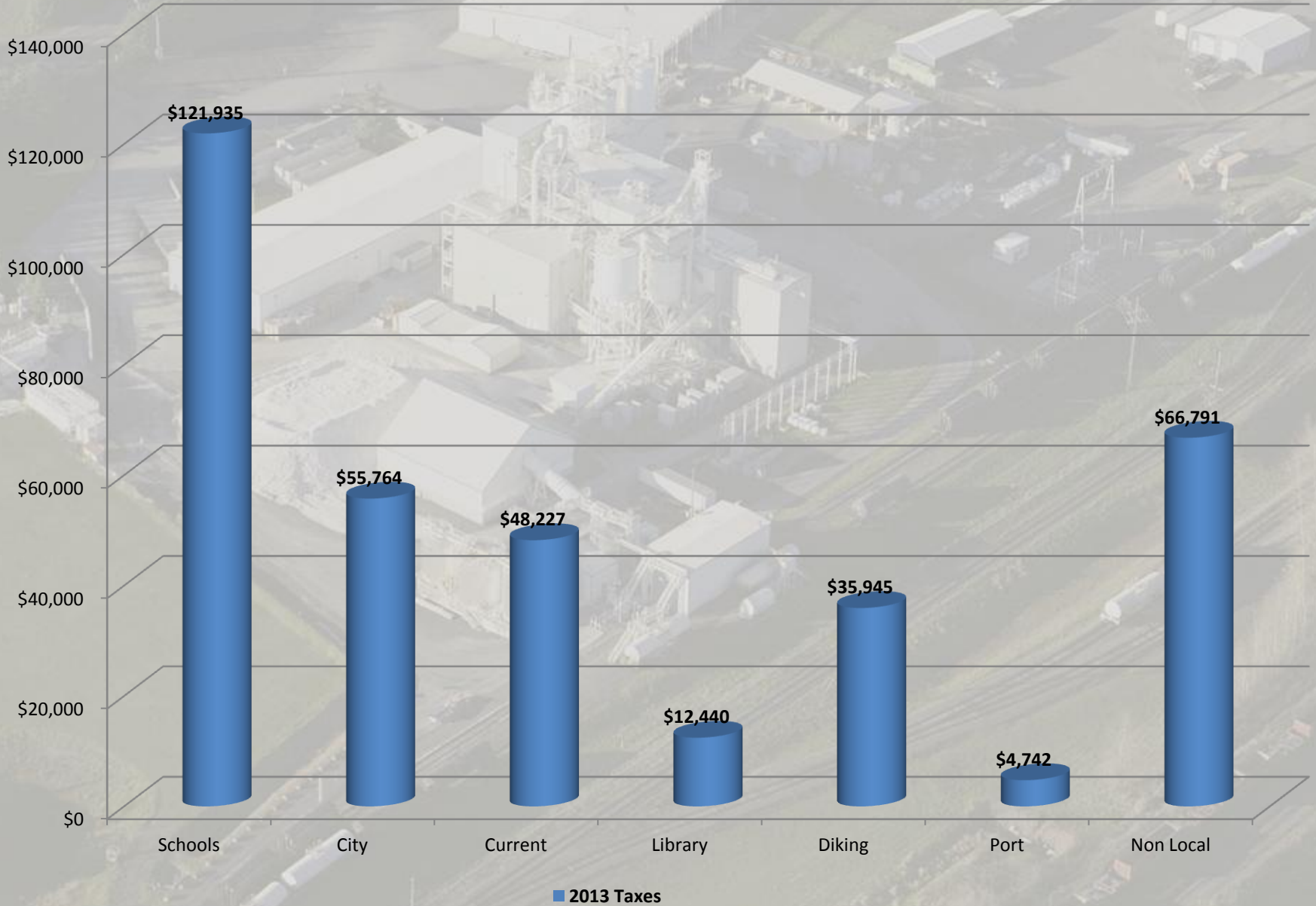
Short-Term

- ✓ Preservation of Local Tax Revenues of ~ \$300K
- ✓ Preservation of Existing Jobs (+/- 70)
- ✓ Preservation of Local Scholarships of \$14,000/year

Long Term

- ✓ New Tax Base in Excess of \$21,000,000
- ✓ New Local Tax Revenues of Potentially \$300K
- ✓ New Family Wage Jobs Approx. 15-20

Allocation of Property Taxes Paid by CRC Annually



Questions

Answers



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