

Jansen Project

Discovery Lodge permit extension

January 2021



Description

The BHP Discovery Lodge (DL) workforce accommodation is temporary facility used to house the construction workforce required for the Jansen Project. The workforce accommodation is located on the S 1/2 10 and W 1/2 11-34-20 W2M in the RM of LeRoy (RM).

Construction of DL began in 2012 and initial operations began in 2013. DL is modular and used as the primary accommodations for the construction workforce that do not reside in the local area.

DL currently accommodates approximately 250 to 350 temporary, non-local workers. With 2586 rooms and once fully operational it will have the ability to accommodate a construction workforce anticipated to be between 2,000 and 3,000 people.

2012 approval

In 2012, the RM provided approval for BHP to construct and operate the DL construction accommodations with the mutual understanding that the accommodations were "temporary" to support the construction workforce. BHP received approval, with the condition that the DL construction accommodations be removed and reclaimed by 31 October 2021.

Discovery Lodge construction timelines

Construction of DL began in June 2012. Dorm modules were delivered in 2013, 2014 and 2015. The core building, gymnasium complex and utilities annex area

arrived in July 2014 and the theatre complex in February 2015. Initial occupation occurred in September 2013 with personnel transferred from the temporary accommodations in Lanigan.

Municipal engagement

BHP has been in regular communication with the RM and neighboring municipalities over the years, indicating in October 2015 at a multi-municipal leadership meeting that BHP was considering a staged approach to Jansen but remained committed to the permanent workforce residing in the local communities.

Since that time, BHP has been providing regular updates to the municipalities on impacts that have resulted in delays to the Jansen Project schedule.

Request for extension

Construction of the Jansen Project remains ongoing and DL continues to be required to support the current and future construction workforce. Current permit approval states that the DL accommodations be removed and reclaimed by 31 October 2021. The information below is provided to support BHP's request for a 10-year extension to 2031, being the maximum allowed under the RM's bylaw.

Rationale

- DL was designed to accommodate a construction workforce of between 2,000 to 3,000 people. Due to Project schedule changes and a shift in the timing of the Final Investment Decision (FID), the DL workforce accommodations have never been fully utilized and much of it remains in care and maintenance.
- FID is expected for Stage 1 (4.3 to 4.5 Mtpa) of the Jansen Project in mid CY 2021. With a positive decision, construction would ramp up and take 4 to 5 years, at this time the accommodations would become fully utilized. Once the Jansen Project starts operation, it is anticipated that a permanent workforce of approximately 500 people would be required, with 350 people living in the local

communities and the remainder living and working in Saskatoon.

- Construction of the Jansen Project will occur in stages. When Stage 1 of the Project is operating, DL will still be required during this initial stage of operation to accommodate a temporary construction workforce for the construction of Stage 2 (over 8 Mtpa). Stage 2 is subject to internal approvals.
- Jansen Stage 1 at 4.3-4.5 Mtpa provides the best balance between capital, risk and value. Jansen is currently approved by the Province of Saskatchewan up to 8.6 Mtpa as outlined in the amendment for the EIS in April 2018.
- BHP anticipates DL will be required throughout the construction phases of Jansen which are dependent on timing of future phases. It is possible that future permit extensions may be requested to accommodate the construction workforce.
- At the time of finalization of construction phases of Jansen and eventual decommissioning of DL, it is currently anticipated that the majority of the accommodation modular units will be decommissioned and removed from site. Between phases of construction these units may be placed into "care and maintenance" and remain on site.
- It is possible that BHP may request that some facilities remain following construction to support operations potentially including:
 - a small portion of accommodation units remain to facilitate very short-term, highly specialized technical people, annual maintenance, emergency shutdown events or people brought in to support an emergency event;
 - core facilities (e.g., medical clinic, kitchen facilities, theatre, gymnasium and recreational areas) to provide support for operational activities and emergency support.

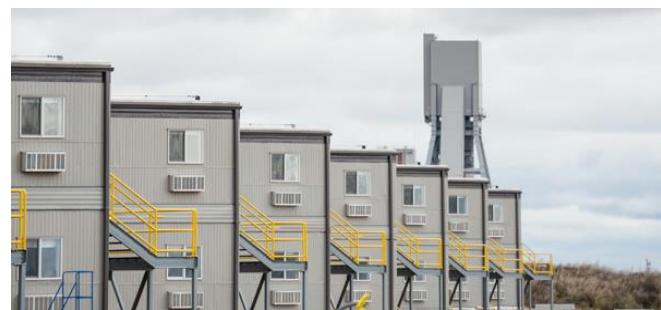
Summary

BHP has invested over US\$4bn to date and the upcoming FID is a US\$5.3-\$5.7bn decision by the BHP Board of Directors. BHP continues to be committed to the communities in which we operate and recognizes that the RM is committed to sharing input on this decision with surrounding municipalities through a public forum. We look forward to participating in those discussions and understanding the concerns of our neighbors and potential conditions impacting the permit extension prior to the FID.

Together we look forward to a positive FID which we believe will be the single most important economic driver for this region and possibly even the province.

Interesting facts

- Complex is 950,000 square feet
- Dorm complexes are named after Saskatchewan emblems including: Sylvite (SK Mineral), Prairie Lily (SK Flower), Walleye (SK Fish), and Paper Birch (SK Tree).
- 2586 private rooms each with own bathroom/shower
- 4 main dining areas, 2 private dining areas for group functions
- Gymnasium, indoor running track, golf simulators, 8 flex rooms
- 16 fireplaces, 250 person theatre, Broncos Lounge
- Medical Clinic staffed by Lanigan and District Ambulance Assoc.
- DL took 35 months to complete with 1.4 million personnel hours
- On site potable water treatment plant and sewage treatment plants.



Questions

Please contact:

Melanie Failler, Superintendent Environment
melanie.failler@bhp.com or 306-203-9795

OR

Ann Paton, Principal Corporate Affairs
ann.paton@bhp.com or 306-286-4411.