

The background of the slide is a circular aerial photograph of a port facility. The facility is filled with large, neat stacks of lumber or logs. A white truck is visible on the right side of the facility. In the background, there are industrial buildings and a body of water under a blue sky. The entire image is overlaid with a semi-transparent blue circle.

THUNDER BAY PORT AUTHORITY 2021 ANNUAL REPORT

MESSAGE FROM CHAIR

During the second year of global supply chain disruption amid the global pandemic, the Port of Thunder Bay's capability and reliability enabled the smooth flow of 8.5 million metric tons of cargo. While Canadian grain shipments were impacted by weather conditions on the Prairies, the Thunder Bay Port Authority (TBPA) experienced unprecedented success in marine cargo operations at Keefer Terminal.

The Port of Thunder Bay is a critical supply chain link for cargo transiting to and from Western Canada via the Great Lakes – St. Lawrence Seaway System. Cargo opportunities are influenced by a variety of factors including global markets and the trade objectives of Canadian importers and exporters.

Canada's western supply chain network faced significant challenges throughout 2021, underlining the importance of Thunder Bay and the Seaway as a gateway for Western Canadian cargo. West Coast routes experienced unprecedented disruption due to fires and floods and continued to deal with congestion caused by pandemic-driven shifts in demand. Thunder Bay remains Western Canada's most efficient grain port, and the Seaway's reliability rating in 2021 was over 99%.

Significant drought and extreme heat led to a 40% reduction in the Prairie crop yield in 2021. Port unloads of grain dropped by 27% compared to the 41% decrease experienced at West Coast ports. Despite the overall decrease in grain shipments,

Thunder Bay's share of Manitoba-grown grain increased. Thunder Bay elevators handled a record 4.7 million tonnes of wheat, canola, and soybeans grown in Manitoba, solidifying the Seaway's position as primary grain exporter for that province.

Marine cargo activity at Keefer was highlighted by imports of bulk phosphate fertilizer for prairie farmers. Among the terminal's general cargo shipments were record volumes of European steel products including steel rail, structural steel, and pipe.

Success in attracting cargo to the Seaway from alternative routes can take considerable time and effort. Both the phosphate and steel cargoes, now repeat businesses for Keefer, are the fruit of our efforts to diversify and increase the marine cargo base in Thunder Bay. TBPA's activities promote regional economic development, and we are proud of the progress we have made in expanding our services.

On behalf of the Board, I would like to express our sincere appreciation and extend our thanks to each member of the staff for their dedication and hard work throughout 2021 and we look forward to working together to chart a successful 2022 for the Port of Thunder Bay.



Bonny Skene

Chair of the Board

“TBPA's activities promote regional economic development, and we are proud of the progress we have made in expanding our services.”

BOARD OF DIRECTORS

The ongoing success of the Port of Thunder Bay benefits Thunder Bay and the region. Industry leaders bring decades of experience to the Thunder Bay Port Authority Board of Directors. Each level of government—federal, provincial and municipal—names a director for a term of three years. The federal Transport Minister, on the recommendation of port users, names the remaining four directors. There is currently one vacancy on the Board.

The Port plays a strategic role as Western Canada's second largest grain port. Thunder Bay Port Authority provides harbour administration and supports economic development through promotion of the Port and its capabilities, advocating for key issues and investing in port infrastructure.

MANAGEMENT

Timothy V. Heney
Chief Executive Officer

Melvin H. Parker
Comptroller & Corporate Secretary

Guy P. Jarvis
Director of Engineering & Harbour Master

Chris Heikkinen
Director of Business Development
& Communications

PORT USER DIRECTORS



Bonny Skene
Chair



Tracy Buckler



Charla Robinson

FEDERAL DIRECTOR



Dianne Miller

PROVINCIAL DIRECTOR



Wade Robertson

MUNICIPAL DIRECTOR



Patrick Bushby

STRATEGY

MISSION STATEMENT

To promote and invest in the efficient integration of marine, rail, and road transportation systems and improve competitiveness of the Thunder Bay marine route, to advance economic growth.

VISION STATEMENT

The Port of Thunder Bay and the Seaway is the preferred gateway for European trade with Western Canada, and Thunder Bay Port Authority is an important facilitator of this commerce.



Situated 3,700km inland, the Port of Thunder Bay is Canada's western terminus on the Great Lakes – St. Lawrence Seaway System.

As Canada's gateway to the western provinces, the Port is ideally positioned to handle cargo destined for Western Canada and for movements from the west into the Seaway system and through to Europe. Thunder Bay Port Authority (TBPA) is an important facilitator of commerce in Northwestern Ontario and administers the only major port in the region.

TBPA has aligned its business plan with its strategic objectives which are broadly defined as follows:

- **Diversify and increase marine cargo;**
- **Invest in strategic infrastructure;**
- **Promote partnerships and public engagement.**

TBPA employs an asset-based strategy, investing all its earnings in capital improvements that add value for shippers. TBPA leverages its core asset, Keefer Terminal, to attract inbound cargo to the Seaway route. This increases the number of vessels available for backhaul of bulk cargo. The 2021 season was the most successful to date for this two-way cargo initiative; TBPA has garnered a strong reputation and customer base.

TBPA promotes its other strategic waterfront property, Intercity Site, and advances initiatives to increase bulk cargo volumes through other port terminals.

Raising the port's profile locally, nationally, and internationally is achieved through public relations and partnership initiatives. A strong marketing budget indicates TBPA's commitment to further enhance stakeholder and customer relationships to achieve overall objectives.



PORT FACTS



PORT COMMODITIES

Grain (Wheat, canola, oats, pulse crops & seed crops)

Dry Bulk

(Coal, potash, phosphate fertilizer, stone, sand, salt)

Liquid Bulk

(Petroleum, liquid chemicals)

General Cargo (Steel, rail, wind turbines, machinery & equipment, electrical infrastructure)

SERVICE OFFERINGS

CN & CP Railways

Trucking Companies

Tug Operators

Vessel Agents

Stevedoring

Grain Inspection

Fabrication

Shipyard: Ship Repair & Shipbuilding

Diving Services

...and more

Largest Industrial Tax Base in Thunder Bay

WESTERN CANADA'S
MOST EFFICIENT
GRAIN PORT



Shortest

Railcar Cycle Time
(to and from the
Prairies)

Fastest

Vessel Turnaround
Time

2021 YEAR IN REVIEW

BY THE NUMBERS

The 2021 shipping season was influenced by national and global circumstances, including drought and heat on the Prairies reducing grain yields to an 18-year low.

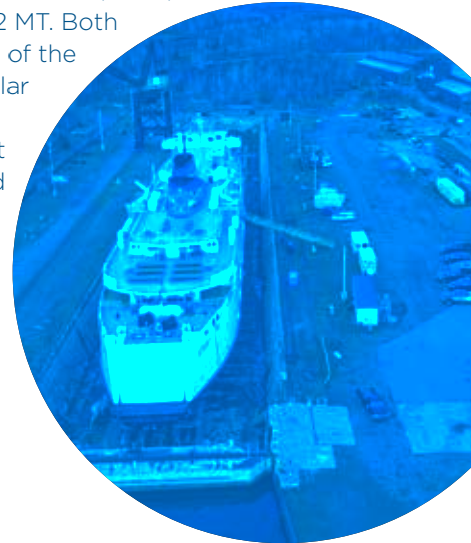
Seasonal cargo volumes were 8.5 million metric tons (MMT), 6% lower than the 5-year average of 9.1 MMT. Despite the decrease in grain shipments, the port experienced growth in most areas, demonstrating success in its diversification initiatives.

Exports of Canadian-mined potash exceeded 600,000 MT for the first time since 2004. The commodity, utilized as fertilizer, ships primarily to Europe by Saltie.

Successes at Keefer Terminal included record volumes of inbound steel from Europe and increased phosphate fertilizer imports from Morocco.

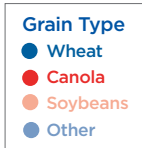
A rare inbound grain cargo was delivered to Richardson's Current River elevator in August. The shipment of 12,000 MT of wheat originated from Richardson's Hamilton terminal and was transported to Manitoba feed lots, providing cattle feed to drought- and heat-stricken farms.

The latest vessel addition to Algoma Central Corporation's fleet, MV Captain Henry Jackman, set a record for cargo size for grain loaded at the Port of Thunder Bay on its inaugural voyage, July 11, 2021. The record of 31,100 MT was subsequently topped by Canada Steamship Lines' CSL Welland on November 5, 2021, taking on 31,362 MT. Both vessels are part of the multi-billion dollar investment by shipowners that has modernized the Canadian Great Lakes-Seaway fleet over the past decade.

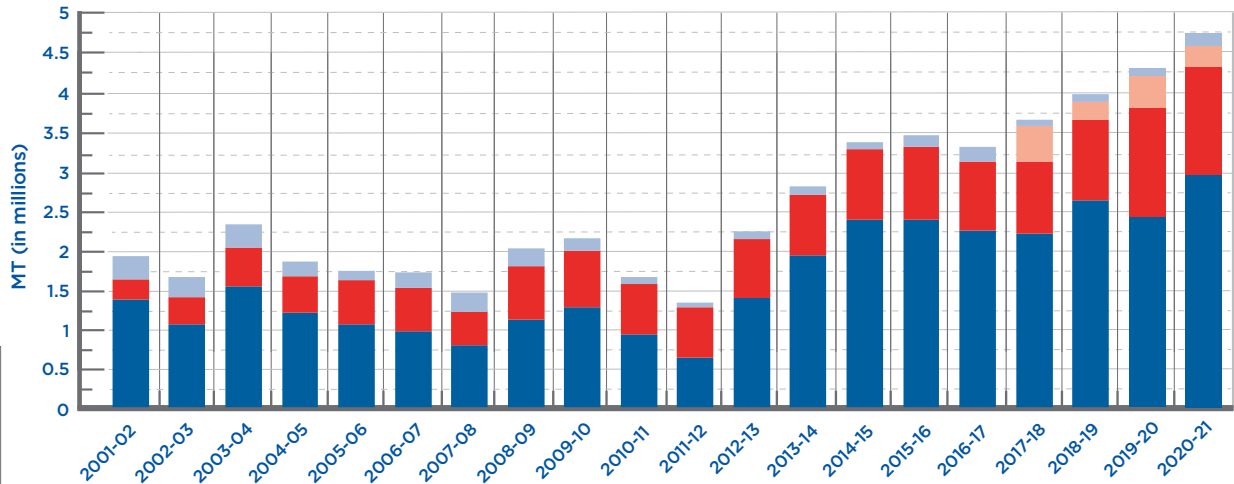


MANITOBA'S GRAIN PORT

Three quarters of Manitoba's marine-exported grain transits the Port of Thunder Bay. Larger output and a diversified crop base have led to greater shipments in recent years.

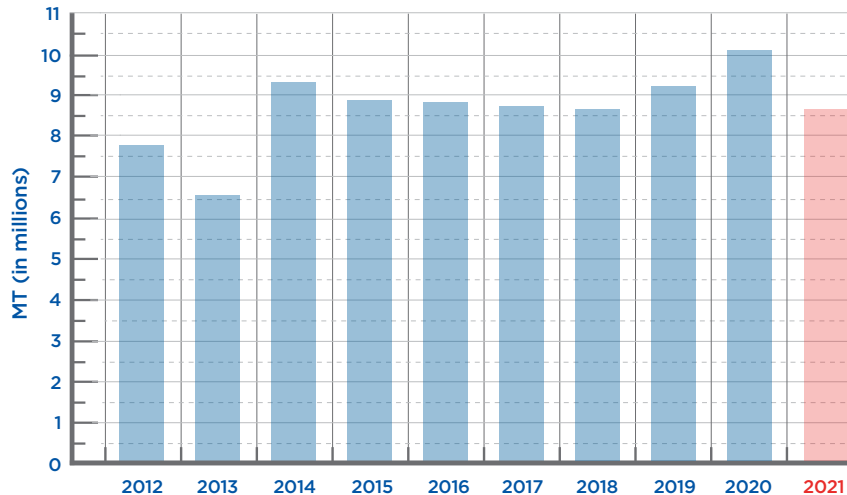


MANITOBA GRAIN VOLUMES SHIPPED VIA THUNDER BAY



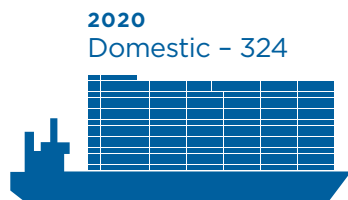
CARGO STATISTICS

THUNDER BAY CARGO SHIPMENTS, 2012-2021



YEAR	METRIC TONS
2012	7,842,625
2013	6,530,204
2014	9,341,250
2015	8,909,499
2016	8,830,414
2017	8,817,884
2018	8,733,330
2019	9,279,373
2020	10,195,605
2021	8,579,347

VESSEL VISITS



CARGO BREAKDOWN

COMMODITY	2020	2021
Grain	9,210,240	7,240,996
Coal	434,021	493,336
Potash	316,499	611,013
Other	234,845	234,002
Total:	10,195,605	8,579,347

CARGO VARIANCES (VS. 5-YEAR AVERAGE):

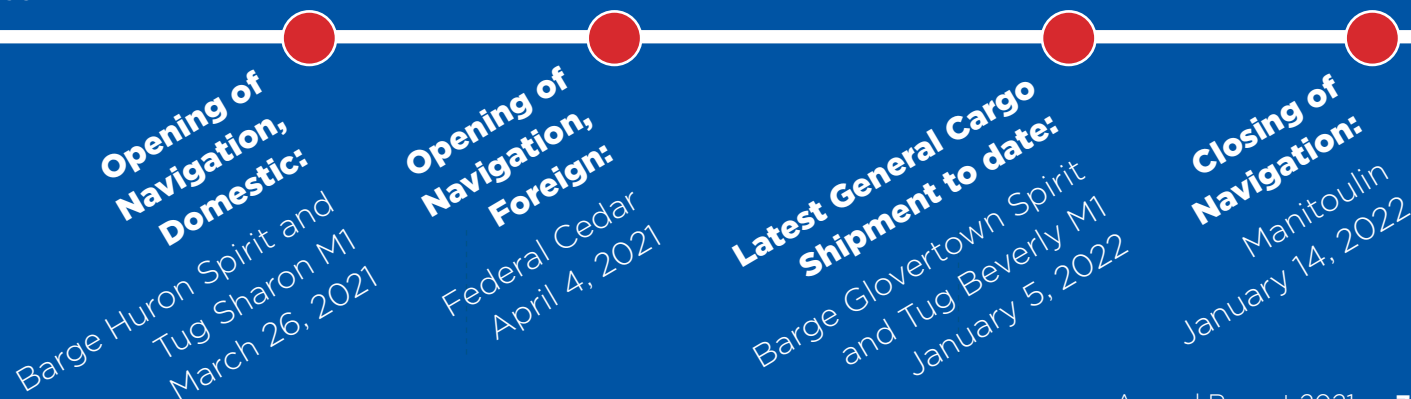
Grain ↓7%

Coal ↓21%

Potash ↑34%

General Cargo ↑79%

SEASON TIMELINE





DIVERSIFY AND INCREASE MARINE CARGO

TBPA's approach to attracting cargo from competing supply chains includes investing in critical infrastructure, fostering logistics relationships, focusing on reliability and competitiveness, and promoting the secure, efficient, and customer-centric Port of Thunder Bay shipping experience.

Growing and diversifying marine cargo handled at Keefer Terminal is TBPA's core objective. Keefer marine cargo volumes doubled in 2021 and the tonnage of cargo handled was the highest in 20 years. TBPA acknowledges its partnership with cargo operations partner Logistec Stevedoring as key to its success in growing marine business at Keefer.

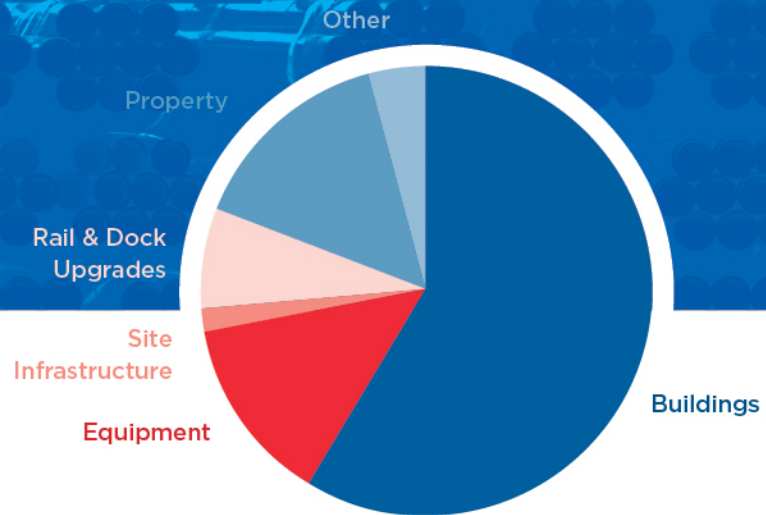
Highlights of the 2021 season included record volumes of steel products (rail, pipe, and structural steel) and growth in inbound phosphate fertilizer shipments for Western Canadian Farmers.

The increase in inbound shipments improves competitiveness of the system, enabling two-way cargo for vessels. Matching inbound cargoes with export grain for saltwater vessels (Salties) reduces the overall cost and environmental impact of shipping, while ensuring a consistent volume of vessels available in Thunder Bay for grain exports.

Success in transporting general cargo, particularly valuable dimensional pieces, depends on safe and secure handling. Reliability of the operation is critical. Thunder Bay has developed a reputation as a trustworthy Port, helping to generate new and repeat business.



2004 TO PRESENT CAPITAL INVESTMENTS:
\$30.3 MILLION DOLLARS



**including partner project funding of \$8.7 million dollars*

INVEST IN STRATEGIC INFRASTRUCTURE

TBPA is committed to investing in the efficient integration of marine, rail, and road transportation systems to function as Western Canada's preferred gateway for cargo transiting the Great Lakes – St. Lawrence Seaway System.

Since 2004, expenditures for capital have totalled \$30.3 million dollars. Included in this figure is capital project funding of \$8.7 million dollars received from Federal and Provincial government grants through the National Trade Corridors Fund and the Northern Ontario Heritage Fund Corporation.

Upgrading and reconfiguring Keefer Terminal has increased the port's capability to handle marine-related opportunities and attract new business to Thunder Bay. Strategic capital investments over the past two decades include the acquisition of a mobile harbour crane, construction of two - 50,000 sq. ft. heated warehouses, major expansion of cargo laydown and staging areas, rail upgrades, and acquisition of an intermodal yard adjacent to the terminal.



PARTNERSHIPS & PUBLIC ENGAGEMENT

Partnerships are critical to effective port operations and supply chain success. TBPA maintains partnerships across borders and industries, from shippers and suppliers to policy makers. Outreach efforts include panel participation and presentations to a wide variety of industry and stakeholder groups.

Highlights of our local engagement initiatives in 2021 included a virtual Opening of Navigation event, promotion

of the Sound the Horns for Seafarers Day, and donation of space for the Chamber of Commerce COVID-19 Rapid Test Kit Distribution Centre.

Our efforts in Western Canada featured participation on Canadian Pacific Railway's Agriculture Roundtable, the Fields on Wheels conference in Manitoba, and a speaking engagement at the WESTAC (Western Transportation Advisory Committee) Fall Forum in Vancouver.





FINANCIAL REPORT 2021

Thunder Bay Port Authority is mandated by the Canada Marine Act to be financially self-sufficient. TBPA's revenues are comprised of Keefer Terminal revenue, Intercity Site revenue, harbour dues and lease revenues from lands under its administration. Keefer Terminal revenues represented 73% of TBPA's operating revenues in 2021. Earnings for the year were \$203,915. These results reflect a continuing commitment to effectively manage operating costs and maximize return on the Authority's assets.

STATEMENT OF FINANCIAL POSITION

As at December 31 (expressed in CAD \$)	2021	2020
ASSETS		
Current		
Cash	\$ 1,276,834	\$ 588,007
Accounts receivable	401,147	759,874
Prepaid expenses	129,197	80,243
	<u>1,807,178</u>	<u>1,428,124</u>
Non-current		
Long term investments	16,139,308	15,829,947
Property, plant and equipment	27,466,499	27,755,245
	<u>\$ 45,412,985</u>	<u>\$ 45,013,316</u>
LIABILITIES AND EQUITY		
Current		
Accounts payable and accrued liabilities	\$ 862,243	\$ 659,866
Deferred rental income	29,753	36,376
	<u>891,996</u>	<u>696,242</u>
Equity		
Contributed surplus	27,711,964	27,711,964
Retained earnings	16,809,025	16,605,110
	<u>44,520,989</u>	<u>44,317,074</u>
	<u>\$ 45,412,985</u>	<u>\$ 45,013,316</u>

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended December 31
(expressed in CAD \$)

	2021	2020
Revenue		
Terminal	\$ 2,497,699	\$ 2,254,190
Harbour and Harbour Park	837,858	946,266
Intercity	80,423	70,989
	3,415,980	3,271,445
Expenses		
Terminal	778,469	721,938
Harbour and Harbour Park	98,122	139,550
Intercity	61,118	50,081
Administrative and Marketing	1,246,213	1,086,592
	2,183,922	1,998,161
Earnings from operations before the following	1,232,058	1,273,284
Gain on sale of equipment	-	19,705
Payments in lieu of municipal taxes	(512,350)	(259,502)
Gross revenue charge	(74,212)	(73,528)
Depreciation	(758,658)	(679,501)
Earnings (loss) from operations	(113,162)	280,458
Investment income	317,077	401,462
Comprehensive Income for the year	\$ 203,915	\$ 681,920



PORT 
OF THUNDER BAY
 THE SUPERIOR WAY WEST

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 AUTHORITY**

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