



## Atlantic Gateway Shipping Terminals Ltd.

*A Great way to Access North America*

May 30<sup>th</sup>, 2012

Mayor John W. Morgan  
Cape Breton Regional Municipality  
Civic Centre – 320 Esplanade  
Nova Scotia B1P-7B9

Your Worship:

### **Re: Atlantic Gateway Shipping Terminals Ltd.'s True Long-Term Development Plans**

The consortium formed to purchase (through Atlantic Gateway Shipping Terminals Ltd. ("Atlantic Gateway")) the Greenfield site adjacent to the Sydport Industrial Park, regrets that erroneous and selective information was conveyed and represented to the Cape Breton Regional Municipality (CBRM) Council and the public regarding the significant long-term development plans the consortium members intended for the site. These actions raise legal and ethical issues which will be dealt with in the appropriate legal forum. For now, Atlantic Gateway wishes to provide the true facts to the residents of Sydney and surrounding region in order that they may better understand the true purpose and intention of Atlantic Gateway and its proposed use of the Greenfield site.

"Atlantic Gateway is a private Company operating within a free market economy and we viewed the commercialization of the Port of Sydney as an exciting opportunity to build on the success of the dredge of the harbour channel", stated R. Bruce Duncan, CEO of Atlantic Gateway Shipping Terminals Ltd. "Working in cooperation with other like-minded investors, we presented an offer to Laurentian Energy Corporation ("LEC") with our objective being the creation of a long-term sustainable port business on the site. We intended to partner with other port operators to add value and create employment opportunities within the region including the possibility of the development of an ocean container terminal."

It is more than disappointing to have our proposed business plan portrayed in such a negative manner without Atlantic Gateway being given an opportunity to have its economic and investment model fairly and appropriately considered. Indeed, Atlantic Gateway offered just over \$6 million to purchase the site with the willingness to create lines of business and employment opportunities that would complement other port related developments underway or currently under consideration. Of greater concern, however, was the apparent use of confidential information and the selective disclosure of our proposal to the constituents of Cape Breton by the Mayor and Councillors. With this information, the Mayor and council members decided, on behalf of CBRM, to out-bid Atlantic Gateway in respect to the site. This strikes us as being reprehensible and actionable conduct as it represents, in our view, commercial interference with Atlantic Gateway's economic interests.

An example of the failure by CBRM to communicate, among other things, all salient facts to the public regarding Atlantic Gateway's business intentions for the site, is the fact that it failed to mention that Atlantic Gateway had Mr. Edward R. Oppel involved on its team. We believe Mr. Oppel has many of the capabilities required to achieve what was, and is, needed for the development of the Port of Sydney. Mr. Oppel is a port commissioner with a long and distinguished career in port project planning and development. Among other things, he was the Head of Construction for the City of Baltimore and is credited with being the driving force behind one of America's most successful port turn around developments. It is our further view that the constituents of Cape Breton would have likely preferred to start the renewal process of the Port of Sydney today rather than waiting another 5 years or so and not receiving any meaningful results from other parties.

"As a private investor with bona fide intentions, it is very disappointing that Atlantic Gateway's extensive efforts to broker a business deal with long-term, incremental and sustainable business activity would not only be defeated, but also high-jacked, by the CBRM", said Duncan. "To bring international investors, port developers and planners to Sydney forging local partnerships seemed to be the correct way of doing business; however, there appears to be a different view of business development by some individuals. Atlantic Gateway communicated directly with the CBRM in good faith following what we considered to be a breach of confidence by some LEC shareholders and directors. The CBRM then used such information for its own financial gain."

For your information, a copy of the actual letter dated May 15<sup>th</sup>, 2012 and sent to the CBRM is attached to this letter.

While Atlantic Gateway is considering their legal rights as a result of the actions of the Mayor, Councillors and others, the Company wishes to affirm their continued belief in our business model and we remain committed to considering opportunities to be part of the commercialization of the Port of Sydney", concluded Duncan.

Sincerely,



R. Bruce Duncan, CEO  
Atlantic Gateway Shipping Terminals Ltd.

cc: CBRM Council Members  
Laurentian Energy Corporation Board of Directors  
Enterprise Cape Breton Corporation  
Sydney and Area Chamber of Commerce