June 24, 2009

City Clerk's Office, Corporate Services
77 James Street North, Suite 220
Hamilton, Ontario

Attn: Alexandra Rawlings, M.Sc., MCIP, AMCT
Coordinator, Economic Development and Planning Committee

Re: St Marys Cement Aggregate License Application
Hamilton City Council Resolution, April 15, 2009

We have received a copy of the resolution which was passed by Hamilton City Council on April 15th, 2009 outlining the City's objection to the St. Marys Cement Flamborough Quarry application.

We are concerned that many of the statements contained in the resolution endorsed by Council are inaccurate and misleading. More specifically, we are concerned that the resolution continues to mischaracterize the work of St. Marys Cement and its consultants with respect to our application. We also suggest that the statement that St. Marys has shown "complete disregard for the community" is damaging to our company.

We offer the following points of clarification with respect to specific items in the City's resolution:

1. Paragraph 6 states that "all parameters listed under 12.1 (of the Aggregate Resources Act) apply to this application and are clearly irresolvable". This statement is prejudicial and premature, particularly since it was made before the Aggregate Resource Application and the related supporting documentation was reviewed by the City staff or any of the peer review consultants who have expertise in assessing the technical merits of the application.

2. Paragraph 7 states that "St. Marys Cement is refusing to redo groundwater testing". At the time the resolution was drafted, St. Marys was having ongoing discussions with the Ministry of the Environment specifically in relation to further groundwater testing on the site. Out of context and only partially complete, this statement inappropriately gives the impression that St. Marys is being obstinate and uncooperative with provincial agencies. This is not the case.
3. Paragraph 18 states that "the company was found negligent in the amount of $30,000 payable to the City of Hamilton for damages to our roads because of unauthorized road core sampling". In fact, in January 2, 3 and 4, 2007 a preliminary roadway investigation was conducted at multiple locations surrounding the proposed quarry site.

Unfortunately these tests occurred before the necessary street cut permits were received from the City of Hamilton. The cause was an apparent miscommunication between the City of Hamilton, the Town of Milton and our consulting engineering firm, Shaheen & Peaker Limited, who conducted the work. Shaheen & Peaker has accepted full responsibility for proceeding without a permit and has apologized.

St Marys took the incident very seriously and proactively volunteered to provide funds to the City to compensate for any costs incurred in refilling the boreholes. No one was "unwillingly forced" to pay for restoration and there was no determination of "negligence".

4. Paragraph 19 states that "St Marys has suddenly shifted the process, abandoning their work with the Municipal Government". Applications for planning approvals were submitted to the City in September 2004, nearly 5 years ago. Early in 2008, St. Marys advised the community and the City that the company was preparing to submit the Aggregate Resource Act (ARA) application. The application was then submitted in January 2009.

In most cases, the Planning Act and Aggregate Resources Act applications are submitted concurrently. In this case, by submitting the planning applications separately and in advance of the ARA application, the municipality has had additional time, outside of the ARA 45-day review period, to review the project.

There has been no shift in the process and the work with the municipal government has not been abandoned. St Marys continues to work cooperatively with City staff as they review the planning applications, and the separate but related application under the Aggregate Resources Act. St Marys decision to move forward with the Aggregate Application was based on community concern that they were not being given an opportunity to review all of the information at one time.

5. Paragraph 21 states that "St. Marys Cement have yet to make any successful inroads towards their application to establish what would be the 8th largest quarry in Canada". In fact, St Marys has worked diligently and patiently with all of the agencies who are involved in the review of this complex project. We have made information widely available to the public through a project website and have always made ourselves available to meet with interested citizens. We have held a number of open houses and public meetings and have tried to keep the community informed through newsletters and other forms of communication. We take the concerns that have been raised very seriously and have treated the community with consideration and respect in all of our communications.
The erroneous comments made in the City's resolution are unhelpful and damaging, and create the false impression that St. Marys is not cooperating fully with the City of Hamilton and with the Provincial agencies which are reviewing this application. St. Marys Cement has worked closely with the City of Hamilton and its peer review consultants to develop a work plan and terms of reference for relevant studies that will provide the City and the community with the background information that they need to evaluate our planning application.

The company understands that a project such as this may generate differences of opinion and debate. However, it does not serve the public interest to have this debate founded on misleading statements and false information.

St. Marys has worked hard to establish and maintain its reputation, which has been founded on many years of hard work, and a commitment to being a good neighbour and a responsible member of many communities. We are committed to a process that is fair and transparent, and are genuinely interested in understanding the concerns of the community. We have made a substantial investment in what we believe to be an important project, and we are committed working with the community and the agencies to resolve concerns.

We would ask that this letter be received by Council, and that it form part of the public record with respect to this application.

If you have any questions about this project or about St. Marys Cement, please don't hesitate to call our offices.

Sincerely,

[Signature]

John Moroz, P.Eng., MBA
Vice President and General Manager
St. Marys Cement, CBM Aggregate Division

c.c. Premier Dalton McGuinty
The Honorable Donna Cansfield, Minister of Natural Resources
Conservation Halton
Mayor Gordon Krantz, Town of Milton
Mayor Cam Jackson, City of Burlington
Regional Chair Gary Carr, Regional Municipality of Halton
MNR Guelph District Office