



July 6, 2011

Mr. Fred R. von Veh, Q.C.
3400 One First Canadian Place
100 King Street West
Toronto, ON
M5X 1A4

Dear Mr. von Veh:

On behalf of Jomini Environmental Inc. ("Jomini"), I am pleased to provide this cursory review of the greenhouse gas ("GHG") and other potential harmful emissions that may result from the proposed Melancthon Quarry, in the Township of Melancthon, Dufferin County, Ontario. As you are aware, we at Jomini have been at the forefront of GHG strategies for significant international and Canadian business entities who are attempting to address regulatory and legislative measures to reduce harmful emissions; in this instance, we are quantifying a net-new situation that will initiate a significant release of these emissions into the local atmosphere. In the execution of our business practice, we make use of the relevant environmental standards that allow for the quantification of the GHG emissions in that particular jurisdiction. We have completed Projects throughout North America, Asia, Africa, and with European businesses to either mitigate the risks associated with environmental requirements, or to allow for the generation of financial benefits resulting from the generation of carbon equivalent offsets.

For this particular review we have had to make use of representational data that has been sourced by referenced bodies as it relates to GHG emissions resulting from transportation services in general, as the total number of vehicles operating at the proposed site is unknown, as is their specific engine type, age, fuel efficiency and usage, fuel type deployed, loads (content and weight) and hours of service at the location. As a result, we have had to use proxy numbers to create an understanding of the potential GHG emissions, and their effect, from the proposed facility. It should be noted that the document(s) received to which reviewed the dust and air quality assessment to existing laws for operation failed to recognize nor measure the impact on the release of harmful GHGs into the environment. In fact, it paid little attention to this growing issue as it affects local development.

This review includes the emission resulting from the vehicles that will be used in the transport of the product created at the facility, and a measure will also be provided for vehicle idling. Specific assessments for the off-road vehicles on the ground, including but not limited to cranes, shunt vehicles, the transport of explosives and the detonation of explosives are not included, as the number and their specific function are unknown at this time. Also not reviewed, but that would demonstrate the severity of the emission factor, are the process steps that would be followed for all areas of operation of the facility. With the cement industry responsible for over five (5) percent of the world's GHG emissions, having a local production capability in that location will significantly increase the GHG emissions from the facility.

Vehicles emit air pollutants including nitrogen oxides, sulphur dioxide, volatile organic compounds, carbon monoxide, carbon dioxide and other particulate matter. These pollutants are responsible for a wide range of environmental and health problems, including but not limited to global warming potential, smog and respiratory illnesses. Beyond the movement of the vehicle, idling is a major contributor to particulate matter emissions, and the United States Environmental Protection Agency ("EPA") has identified the risks through numerous publications and forums. In fact, the 2002 EPA National Scale Air Toxins Assessment results showed that mobile emissions account for 30 percent of the overall average cancer risk due to air emissions levels; in addition, it claimed that pollutants in diesel emissions cause cancer. The California Air Resources Board ("CARB") estimates that about 70 percent of the cancer risk that the average Californian faces from breathing toxic air pollutants stem from diesel exhaust particles.

As it relates to the proposed facility and the release of GHG emissions, there has been no indication of a strategy for the project to mitigate the release of these harmful gasses, even though the Provincial Government, through the Western Climate Initiative (“WCI”), is attempting to regulate and decrease GHG releases. The following table provides a proxy value to the potential GHG intensity:

Assumptions:

1. Fuel efficiency of vehicles (extremely conservative):
 - a. 6 mpg or 2.55 km/L for an empty truck (cat 7); and
 - b. 5 mpg or 2.13 km/L for a full truck.

2. Fuel Intensity average for GHG calculation: 0.00269 Tonnes of Carbon Equivalence (“t CO₂e”).

3. Distance travelled:
 - a. 10 km to the facility, 10 km on return trip;
 - b. 25 km to the facility, 25 km on return; and
 - c. 50 km to the facility, 50 km on return.

4. Using collated data, assume 150 inbound and 150 outbound trucks per hour.

5. In operation 20 hours/day and 360 days per year.

6. This does not include service vehicles, off-road or staff vehicles.

Total KMs Round Trip	GHG Emissions/Annum t CO₂e
20 km	50,040
50 km	125,280
100 km	250,344

The initially provided documents from RWDI refer to “ready mix trucks”, and “on-site traffic of ready mix, cement trucks and cement supplement truck...” that are not part of the above calculation. Also, stand-by fossil fuel driven power generators and the noted off-road vehicles will all massively contribute to the GHG emission problem that this facility will promote.

Also not considered is the impact of idling vehicles. However, using Transport Canada statements, a parked idling vehicle emits as many GHG emissions into the air in five (5) minutes, as if it actually travelled for forty (40) km or more. We at Jomini can measure directly the impact from the proposed vehicles, but by using this as a proxy, we see yet another significant increase in the GHG emissions that would result from this type of traffic alone.

With the pending implementation of the WCI, facilities in the Province must report when their GHG emissions exceed 50,000 t CO₂e, which this facility most likely will produce. The result is that, as a reporting facility, it will be subject to new rules pertaining to its operation, and the costs associated with it, that must be recovered on an annual basis. With the advent of the WCI, comes penalties for reporting facilities that do not meet specific targets. This, to our understanding, has not been considered in the Business Plan of the proposed facility. In order to have a fully assessed Business Plan that meets with third party scrutiny, a GHG plan should be undertaken and the risks associated with the transportation services alone must be addressed, in addition to the complete operation. A full study of all activities that are to be part of the ‘process’ must be measured, and mitigated to ensure that the emissions resulting can be properly understood.

We at Jomini would be prepared to measure the complete footprint and supply-chain process that will add to the GHG position of the operation, and its intensity. A facility of this size and scope will certainly be a major contributor to GHG emissions in the Province and must be quantified and understood prior to any action being

taken. As a major consideration, it must be assessed from a health point of view, as well as the risks from an on-going operational point of view as it relates to cost of carbon emissions and abatement. With a full quantified view of the proposed operation, this facility could easily become a major environmental black-eye due to the GHG emission factors.

We would be pleased to address any questions, or complete a more formal review as necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Ian P. MacKinnon". The signature is fluid and cursive, with a large initial "I" and "M".

Ian P. MacKinnon
President
Jomini Environnemental Inc.