

Acton Extension Update

Community Benefit

April 27, 2009

Community Liaison Committee

Summary

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Importance of Aggregates in the Community

- Public demand for aggregate is in the form of roads, schools, hospitals, houses, offices, and public open spaces. The Amabel we extract is used for these purposes.
 - Other aggregate resources are also used by the manufacturing sector to produce steel, vinyl, glass, paint, paper, pharmaceuticals, fertilizers, cement, insulation and landscaping products.
- Aggregates also helps to address environmental issues such as filtration in sewage plants, scrubbers to filter emissions, stream rehabilitation, shoreline protection and reducing green house gas emissions via the construction of public transit routes.
- Aggregates are vital to building Ontario's emerging infrastructure but also renewing the infrastructure of the past. It is estimated that hundreds of km's of deteriorating sewers and watermains must be replaced in the GTA alone.



Future Aggregate Requirements

Places to Grow Plan



- Over the next 25 years the Greater Toronto Area is projected to grow by another 2.5 million people and 1.2 million jobs. Given the current consumption rate of 13 t/pp, that is a demand for 32.5 million additional tonnes by 2031.
- During this timeframe the Region of Halton's population will double. This growth and the current infrastructure deficit will require a substantial amount of aggregate.
- It is projected the Greater Toronto Area will consume on average 62 million tonnes of aggregate per year by 2031 to build and maintain the infrastructure for the Greater Toronto Area's existing and projected population.

Importance of Halton Region Aggregate

The Region of Halton is an integral source of aggregate in the GTA based on the quality, quantity and proximity to market:



- The GTA consumes one-third of Ontario's total aggregate production. The Region of Halton averages over 12 million tonnes of aggregate production per annum (1989-2005) which represents over 40% of the GTA's total production and 25% of the GTA's total consumption.
- The Region of Halton's existing licensed reserves are at a critical low. New supply is not being replaced in the Region of Halton / GTA at sustainable rates. Since the enactment of the Pits and Quarries Control Act in 1972 only two crushed stone licenses and three sand and gravel licenses have been issued in the Region of Halton. In the GTA more than two-thirds of aggregate operations are over 35 years old.

Metrolinx – An Example of Demand



- Metrolinx was created by the Government of Ontario to develop and implement an integrated multi-modal transportation plan for the *Greater Toronto and Hamilton Area (GTHA)*.
- Its mandate includes providing seamless, coordinated transportation throughout this region, which is Canada's largest and among North America's most rapidly growing.
- Metrolinx represents a 25 year plan of over 50 separate projects and a Provincial Government financial commitment of \$11.5 billion to begin the implementation.
 - ▶ Almost every project requires aggregate or concrete products
- The Acton Quarry Extension represents a key close to market resource for many of the Metrolinx projects.

Economic Benefit of Close to Market Aggregate

The Provincial Policy Statement requires *“as much of the mineral aggregate resource as is realistically possible shall be made available as close to market as possible.”* for economic, social and environmental reasons.

The Ministry of Natural Resources States on their website the ‘Economic Importance of Aggregate’:

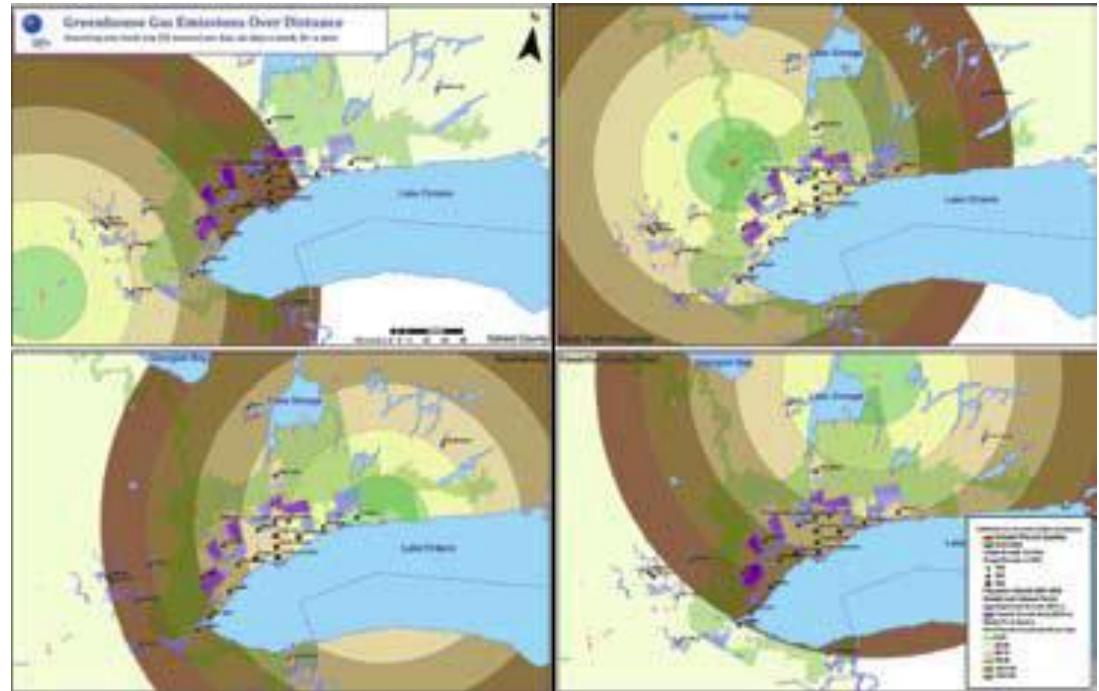
- *“Extracting aggregate resources close to where they are being utilized can also be considered the most environmentally sensitive alternative. Trucking resources long distances increases greenhouse gas emissions, which is one of the top environmental concerns in the world today.”*
- *“The cost of transportation is estimated to be approximately 60% of the total cost of aggregate. Therefore, the economic value of an aggregate deposit is based not only on the quantity and quality of the deposit, but also how close the deposit is to its final destination.”*
- *“Aggregates provide the critical resources for the \$37 billion construction industry that employs 292,000 people in Ontario. The aggregate industry is estimated to directly employ 7,000 people. In addition, more than 34,000 people are indirectly employed in sectors such as transportation and equipment.”*

Environmental Benefit of Close to Market Aggregate

Moving this quarry 50km further away from market would:

- add over \$700 million in haulage costs.
- consume over 113 million litres of diesel fuel.

- Generate more than 313,000 tonnes of additional greenhouse emissions. This would be equivalent to the combined annual Greenhouse Gas emissions from 25,260 homes.



Public Land Benefit



- Land fragmentation in GTA makes large contiguous parcels very difficult to secure
- Cost of land in GTA makes acquisition for public use prohibitive
- Public agencies have a mandate to increase connectivity, forest cover, habitat preservation/creation, recreation – all very challenging mandates in an area under significant development pressure
- Most people in Ontario want a destination within 1 to 2 hours drive from home

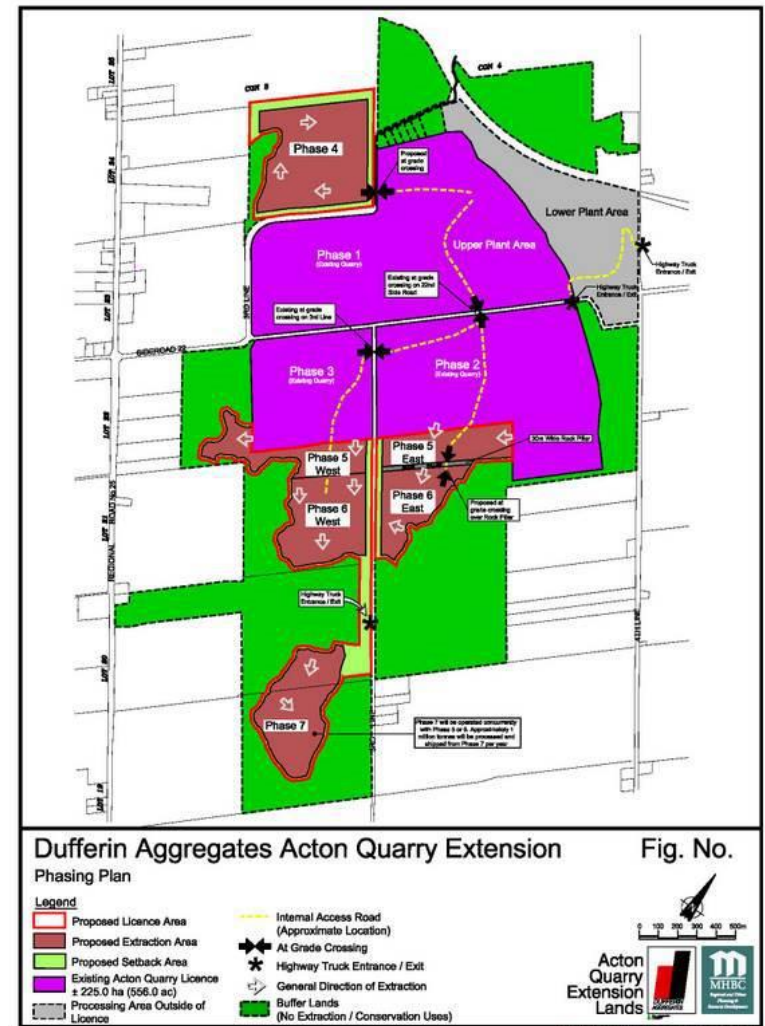
Acton Quarry Extension Benefits - Vision

High Quality Rock

- ▶ 71 million tonnes as close to market as you can get
- ▶ the strongest and most durable aggregate in Southern Ontario.

Economics

- 60 full time employees and 150 people indirectly through various contractors and suppliers working on-site.
- Expenditure of over \$12 million annually on services, municipal taxes and levies.
- \$700 million less in transportation costs per tonne of aggregate assuming the next closest quarry is only 50 km away.



Acton Quarry Extension Benefits - Vision

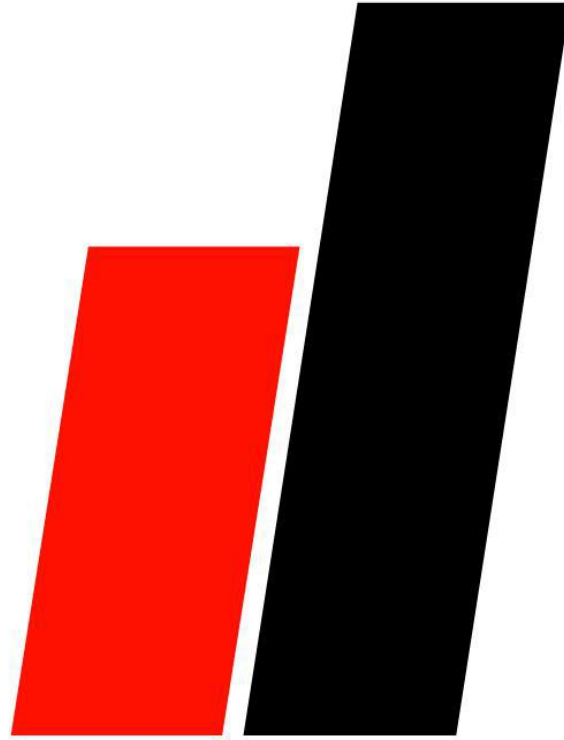


Environmental

- Green house gas
- Fuel
- Wetlands, Woodland, Habitat

Land

- 600 ha strategically located for significant Regional greenlands connection and NE Park connections
- Diverse existing landform
- Opportunities for active and passive recreation, conservation, water...etc.
- Value of \$20 million
- 2/3 of the land will never be extracted



Dufferin Aggregates

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