



IMPORTANT UPDATE



Same Package, Different Wrapper

On June 20, 2006, St. Marys Cement Group announced that, effective June 15 it had purchased Lowndes Holding Corp, which owns the site of the proposed quarry on the 11th Concession, near Carlisle. St. Marys has confirmed that, "over the next several months", it intends to "develop detailed plans for this site" as an operating aggregate quarry.

Our first battle is won, but the struggle continues. Lowndes Holdings Corp. has given up its fight to establish a giant quarry in our Community. Despite over two years of effort, and the employment of well known and reputable technical consultants, they were unable to convince the City of Hamilton's third party peer review team that their technical plans for the operation of the proposed quarry were complete or convincing enough to present to the City's decision makers. Their hydrogeological, transportation, noise, and natural environment reports were all deemed inadequate, and sent back for extensive revision.

This defeat came from three sources. The first and most important was their case: their own evidence showed that the plans for the proposed quarry could not be implemented without unacceptable consequences to ground water and the natural environment. Second was the improving regulatory environment in Ontario. The new Greenbelt Legislation and the upcoming Clean Water Act make the obstacles in the way of establishing a new greenfield quarry much higher than in the recent past. The final reason was the professional, reasoned, and unrelenting opposition from our Community, which was instrumental in exposing and showcasing the weakness of the Proponent's case.

Now a new adversary has stepped into the struggle, one that is better known and better financed. The new Proponent, St. Marys Cement, was originally a home-grown business in the aggregate industry, with its beginnings in nearby St. Marys, Ontario. No longer! In May of 2001, St. Marys Cement was purchased by Votorantim, and is wholly owned by that corporation. Votorantim, although not a household name here in Canada, is a multinational corporation that is one of Brazil's largest private economic conglomerates. Votorantim was founded in 1905 by Ignacio Votorantim in Brazil, and is still controlled by the third and fourth generations of his family. Companies controlled by the Votorantim group are prominent in the world markets of aggregate and cement, mining and metals (including zinc, aluminium, nickel and steel), energy, pulp and paper, and banking and finance. They operate in 10 countries, and export to about 200. Votorantim's main international offices are in Sao Paulo in Brazil, Hamburg in Germany, near Antwerp in Belgium, Delaware and Florida in the USA, Toronto in Canada, and in Singapore in Asia. When Votorantim purchased their Canadian aggregate and cement operation, St. Marys Cement, they planned to export some 500,000 tonnes annually to the USA, and eventually serve markets in Angola and Nigeria on the west coast of Africa (*Ministry of Mines and Energy (Brazil), National Department of Mineral Production – 2002 Mineral Summary*).

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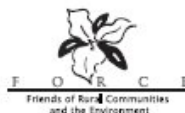
So what does this new Proponent mean for us, as a Community, and our struggle to prevent the establishment of a monstrous quarry? Very little!

We were expecting a prolonged and expensive struggle, and we still have one. St. Marys will have to revise and attempt to improve all the inadequate technical reports that Lowndes Holdings Corp. was being required to redo, so that will not have changed. They will, without doubt, employ well known and reputable technical experts. That will not have changed. They will be dealing with the same facts on the ground—the same case—that caused so much trouble for Lowndes Holdings Corp. That will not change. They will be operating under the same increasingly difficult regulatory regime that faced Lowndes Holdings Corp. That will continue to improve in our favour with the passage of new legislation later this year. And they will still face the resolve of a large and united Community determined to fight for its right to live in a safe, sound and peaceful environment. We must not allow that to change.

This new Proponent will undoubtedly try to convince our Community that they can operate the proposed quarry with few unacceptable consequences to our environment, our water, our roads and our lifestyle. Their financial resources are great, and we can expect a much more professional, skilled and conciliatory public relations effort than what we experienced from Lowndes Holdings Corp. But a gigantic open pit mine is a gigantic open pit mine, no matter whose name is on the front gate or how it is presented. We must meet their proposals with the same scepticism, the same professionalism, the same reasoned objections, and the same unity with which we met the representatives of Lowndes Holdings Corp.

St. Marys Cement is a large corporation, and is owned by an even larger one, but that does not mean that they are unbeatable. They must still operate by the facts and under the law, and these two major factors are on our side. We can succeed, provided that we maintain our will and persevere as a Community.

Together We will Succeed!



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