

PRESENTATION TO

The Honourable Ron Chisholm
Minister of Fisheries and Aquaculture

The Honourable Chris A. d'Entremont
Minister of Health
Minister of Acadian Affairs

The Honourable Richard Hurlburt
Minister of Economic Development

The Honourable David M. Morse
Minister of Natural Resources

by

Bilcon of Nova Scotia Corporation

10 January 2007



INFORMATION PROFILE

Bilcon of Nova Scotia Corporation



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1. PROJECT DESCRIPTION

The Whites Point quarry is a basalt rock quarry with a marine terminal for shipping processed aggregate products. Major components include the quarry, a physical plant area for processing, screening, washing, and stockpiling aggregate products and a ship loading facility consisting of mooring dolphins, radial arm ship loader, and conveyors.

Land based infrastructure and activities will include the quarrying of approximately 120 hectares of the 152 hectare site over 50 years. Annual production of aggregate products is planned to be 2 million tonnes. Rock would be extracted by drilling and blasting, then loaded, transported, crushed, screened, washed, and stockpiled at the processing plant area. The plant area comprises approximately 12 hectares and is located 30 m above sea level. Other land based infrastructure includes quarry roads, a compound area comprising approximately 2 hectares, and dyked organic and sediment disposal areas comprising approximately 11.2 hectares. Surface area of the sediment/wash water ponds is approximately 10.6 hectares. All land development and activities will take place within the 152 hectare site.

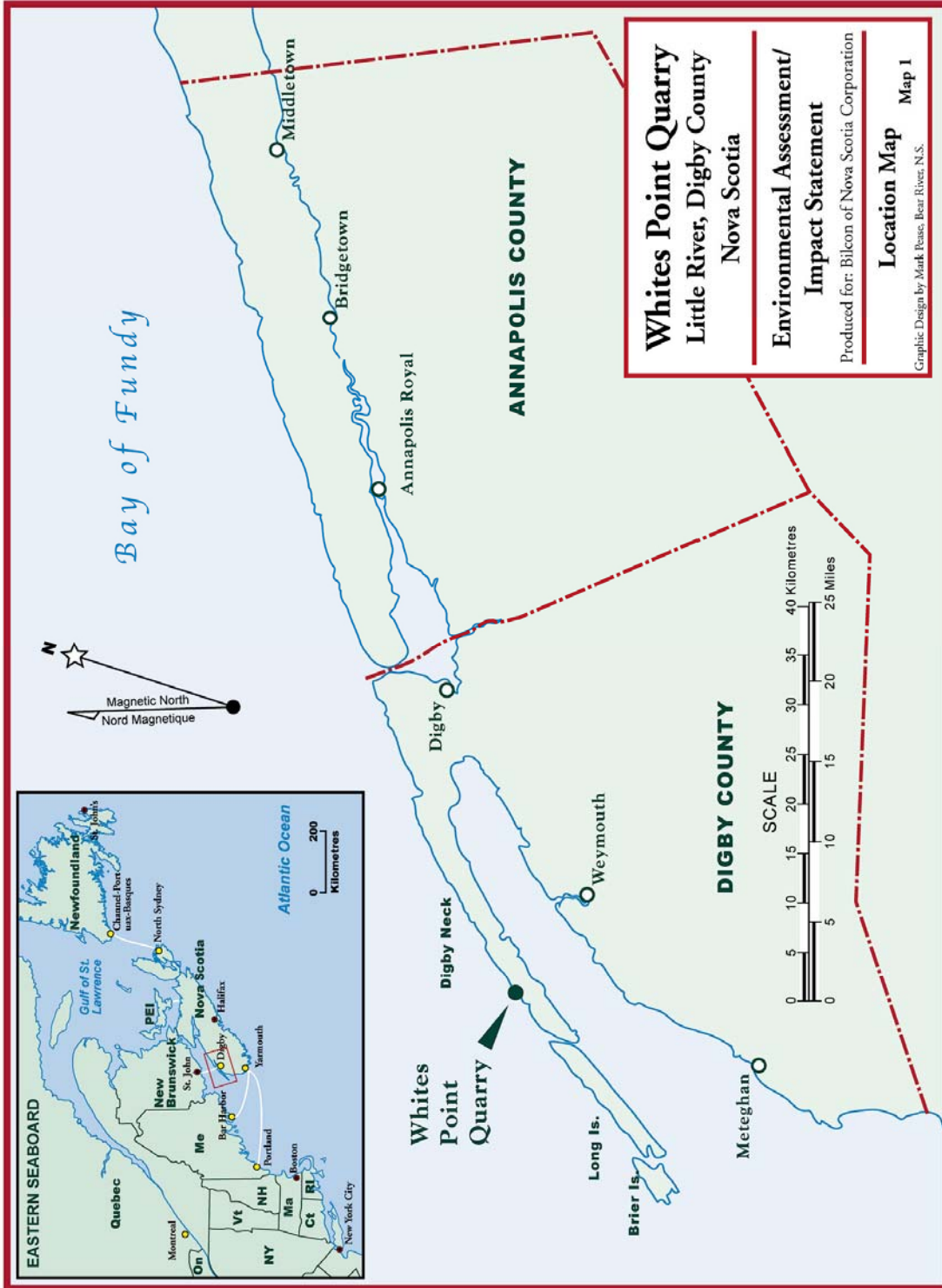
An integral aspect of the land based development is an environmental preservation zone, approximately 30 m wide which will separate the quarry area from adjacent properties. Landward from the environmental preservation zone along the coast, environmental control structures will be developed. These environmental control structures will consist of drainage channels, sediment retention ponds, and constructed wetlands. Also, on the uplands, dyked disposal areas for organic and sediment storage will be constructed. Incremental reclamation of disturbed areas is proposed approximately every five years.

Water based infrastructure and activities will include the ship loading of approximately 40,000 tons of aggregate weekly. Aggregate would be loaded onto bulk carriers for shipment to New Jersey, U.S.A. Marine infrastructure including conveyors, radial arm ship loader, and mooring dolphins would be constructed over the water and supported by pipe piles anchored to the bedrock in the intertidal and nearshore waters. The ship loading facilities will require a 4 hectare water lot lease and extend approximately 200 m into the Bay of Fundy. Water depth at the mooring dolphins would be approximately 16 m below chart datum.

The pipe pile construction technique used to support the marine facilities minimizes alteration to fish habitat. Minimal effects on bottom habitat and tidal movements will result from this construction method. Total disturbed area is estimated to be 300 sq m. No dredging or dredge disposal, or fill will be placed in the intertidal or nearshore marine waters.

Electricity would be the primary energy used for operating the land and marine facilities such as the radial arm ship loader, conveyors, and processing equipment. Diesel fuel will be used for mobile equipment such as loaders and trucks and stored in a double walled tank in the compound area. Ammonium nitrate-fuel oil based explosives will be used for rock fragmentation. Make-up water for aggregate washing will be obtained from storage of surface water runoff. After the aggregate is washed, the wash water will be recycled through the high rate thickener tank. A flocculent will be used in the tank to settle-out sediments that would then be pumped to the dyked, sediment disposal area.

2. LOCATION MAP



Buxton & Kern

3. CONCEPT DRAWING



4. BILCON BACKGROUND

The Proponent for this project is Bilcon of Nova Scotia Corporation, a Nova Scotia registered corporation. Bilcon is a subsidiary of Bilcon of Delaware which is owned by Bill Clayton, Sr., Bill Clayton Jr., Douglas Clayton, and Daniel Clayton, the principals of Clayton Concrete Block and Sand of New Jersey. Bilcon of Delaware is a non-operating holding company for the Clayton quarrying interests.

The Clayton group of companies has been operating in New Jersey for over fifty years and has been widely recognized for the excellence of its products and its outstanding community contributions. Clayton has received over two hundred citations for excellence of design and manufacturing and has made literally thousands of contributions to health, education, and other community causes. Clayton has been recognized in both Houses of the New Jersey Legislature as an outstanding corporate citizen and in 2004, was recognized by both Houses as the outstanding corporate citizen of the year in New Jersey.

Clayton employs over 850 staff at its various operations in New Jersey and has an enviable record with respect to employee relations, benefits, and occupational health and safety.

Clayton has the internal financial resources to construct and operate the Whites Point facility without government assistance for any aspect of the project. Bilcon has not and will not make application for government assistance.

For more information, please see:

- Clayton, Website www.claytonco.com
- Bilcon of Nova Scotia, Website www.bilcon.ca

Address:

Mr. Paul G. Buxton, P.Eng., Project Manager

Mr. John T. Wall, Operations Manager

305 Highway #303, Suite 3

P.O. Box 2113

Digby, Nova Scotia BOV 1AO

Telephone: (902) 245-2567

Fax: (902) 245-5614

5. SUMMARY OF PUBLIC CONSULTATION

NEWSLETTERS

- January 2003
- February 2003
- April 2003
- October 2003
- November 2004
- April 2005
- April 2006
- June 2006
- July 2006
- October 2006
- December 2006

FACT SHEETS

- January 2003
- April 2003
- October 2003

COMMUNITY LIAISON COMMITTEE MEETINGS

- July 18, 2002 – November 24, 2004 (16 meetings)

OPEN HOUSES

- December 2003
- December 7 & 8, 2004

PUBLIC INFORMATION/EMPLOYMENT SESSIONS

- November 1, 2005
- October 2, 2006
- November 15, 2006

SURVEYS

- Attitude Survey (598 surveyed by AMEC) October-November, 2005
- Quality of Life Survey (150 Surveyed by AMEC) October, 2005
- Exit Surveys (taken at November 1, 2005 Public Information Session by AMEC)
- Attitude Survey (by AMEC late November, 2006)
- Data Comparison of 2005 and 2006 Attitude Survey (by AMEC December, 2006)

PRESS RELEASES (Periodical)

- Daily News
- Digby Courier
- Halifax Herald

EMPLOYMENT APPLICATIONS

- 250 individuals have dropped in / submitted applications for work at the Quarry

OFFICE MEETINGS (ON-GOING for last four years)

- Individuals and groups drop in for information on progress and details of proposed Quarry

SPONSORSHIPS/DONATIONS

Bilcon has been supporting community programs for the past 4 years and will continue to do so in the future. Community grants have been made primarily in the areas of school programs, heritage conservation and health, but contributions have also been made to promote women in the workplace, alternate transportation, seniors' safety programs and business promotion in the Digby area. Examples of contributions are as follows:

- Digby Alternate Transportation Society (DATS)
- South West Nova Transition House Association
- Digby and Area Board of Trade - Donation for Scottish Trade Mission
- Digby "Business Discovery Expo"
- Digby Water Commission - Summer Concert Series
- Shoppers Drug Mart Tree of Life
- Seniors' Safety Program
- All Saints Church

- Digby and Area Board of Trade - Travel Fund for Atlantic Provinces
- Chamber of Commerce Annual Meeting in Saint John
- RONA MS Bike Tour
- Digby Scallop Days
- Heritage Building - Digby Neck
- Digby High School Sports Program
- Islands Consolidated School Sports Program
- Youth Travel Program
- Local Christmas Daddies

PUBLIC SUPPORT

From the 2005 and 2006 Attitude Surveys

- The number of respondents who support the project has increased to 42.5% compared to just 28.9% in 2005. The number of respondents who do not support the project has declined from 50.3% to 31.8%.
- Over 62% of respondents believe the project will create jobs which is up 8 points over 2005. Job creation is also the primary reason for project support.
- Over 70% of people thought that the project would affect the area's economy with job creation being the top reason given compared to 65% in 2005.

6. PROJECT TIMETABLE

ACTION	2002
• Applied for 4 hectare Permit - NSDEL	March
• Received 4 hectare Permit - NSDEL	April
• Commenced Environmental Assessment for Large Quarry and Marine Terminal	May
• Filed Application under Navigable Waters Protection Agency for Marine Terminal	December
	2003
• Commenced Federal/Provincial Comprehensive Study – Environmental Assessment	January
• Put into Joint Panel Review Process	June
	2004
• Received Draft Guidelines for EIS	November
	2005
• Public Meetings on Draft Guidelines	January
• Received Final Guidelines for EIS	March
	2006
• Submitted EIS	April
• Received Panel / Regulatory Authorities / Public Comments	August
• Submitted Response to Comments	December
	2007
• Public Hearings on EIS	?
• Panel Recommendations to Ministers	?
• Ministers' Decision	?

7. SUMMARY OF FINANCIAL INFORMATION

Annual Operating Expenditures	\$ 19.6 million
Construction Tax Revenue	
- Federal	\$ 1.94 million
- Provincial	\$ 1.58 million
Annual Operations Tax Revenue	
- Federal	\$ 1.0 million
- Provincial	\$ 0.83 million
GDP Impact	
- 50 year life	\$315.5 million
Employment	
- 50 year life	4,500 person/years
Population Decline 1991-2001	
- Digby Neck / Islands	-15.6%
- Digby County	- 8.0%
Unemployment Rate 2001	
- Digby Neck / Islands	14.4%
- Digby County	13.0%

8. POLICY AND PROCESS

1. Nova Scotia has “Guidelines” not Regulations for Pits and Quarries. This can lead to an uneven playing field. Industry in Nova Scotia is currently pressing for Regulations.
2. The Federal Minister, The Honourable Gary Lunn, noted very recently that the permitting process in Canada is encumbered by red tape. He noted that there are currently 30 projects in Canada worth \$18 Billion apparently being held up.
3. It is difficult for a proponent to determine who is in charge of Pits and Quarries, i.e., who makes the rules, particularly when the proponent is in a Comprehensive Study or Panel Review Process. In Bilcon’s Joint Panel Review Process, Health Canada, Natural Resources Canada, Environment Canada, Fisheries and Oceans Canada, and Transport Canada all commented on the “quarry” aspect of the Whites Point Project, as opposed to the Marine Terminal aspect. Who’s Guidelines or Regulations does the proponent follow, federal or provincial?
4. A project can be subjected to at least three different types of process, but typically the process is a Screening, a Comprehensive Study, or a Panel Review. If the project involves federal triggers, the process is likely to be a Joint Federal/Provincial process.
5. It is difficult for a proponent to know on what basis the decision is made, as to the type of process. There is a sense among proponents that the decision is based on the level of public opposition, and not because the project is complex or could have serious environmental implications. For example, Bilcon’s project, a small simple basalt quarry and marine terminal, is under going a Joint Panel Review, whereas contemporary projects, such as the two LNG terminals, Deep Panuke and the 6 Million ton-per-year quarry on Vancouver Island, are undergoing Comprehensive Studies.
6. There is certainly confusion in the public’s mind as to the purpose of an Environmental Assessment Process. Is it to determine whether a project can proceed or is it to determine the terms and conditions under which it can proceed?

The opponents of all mine, quarry, and oil field developments, for example, the Sierra Club and the Ecology Action Centre, certainly take the first position, i.e., that the process is to determine whether a project can proceed; whereas the federal and provincial Environmental Assessment Acts are clearly in place to determine the specific terms and conditions which must be adhered to by a proponent for the project to receive permitting.

7. A proponent is left with only a vague appreciation of the factors which the federal and provincial ministers will take into account in making a decision on a project. What is the primary factor? Is it the Panel recommendation, public opinion, or science?

TIMELINE FOR APPROVALS

Timelines for Approval are uncertain, notwithstanding the timelines under the Canadian Environmental Assessment Act. Bilcon is now well into its fifth year with approvals probably nine months away.

SUPPORT INFORMATION

PROJECT FINANCIAL PROJECTION

Construction Federal and Provincial Tax Returns

The construction activity attributable to the development of the quarry will also generate tax revenue for the federal and provincial governments. Table 21 sets out the estimate of tax revenue by impacts occurring in Digby County and for the province of Nova Scotia as a whole. Total federal tax revenue for both direct and spin-off will be almost \$2 million. Provincial tax revenue will be \$1.6 million.

Table 21			
Estimate of Federal and Provincial Tax Revenue			
(\$ millions)			
	Digby	Rest of Nova Scotia	Nova Scotia
Federal Government			
Direct	\$0.22	\$0.079	\$1.01
Spin-off	.09	.84	.93
Total	\$0.31	\$1.63	\$1.94
Provincial Government			
Direct	\$0.18	\$0.56	\$0.74
Spin-off	.09	.75	.84
Total	\$0.27	\$1.31	\$1.58

Quarry Operation Impacts

In this analysis, all impacts associated with operating the new quarry are considered incremental to the economy. It is assumed that these annual operating impacts will be very similar for each of the 50 years of the quarry's operating life.

The quarry is assumed to operate with two shifts.

Total Operating Direct Expenditures

On an annual basis Bilcon will spend approximately \$20 million to operate the quarry facility. The detailed direct expenditures used in the input output model on an annual basis are set out below.

- Wages and salary – \$1.13 million
- Shipping – \$13.0 million
- Electricity – \$1.6 million
- Blasting – \$1.5 million
- Fuel – \$.74 million
- Municipal taxes – \$.40 million
- Repair and maintenance – \$.98 million
- Environmental monitoring – \$.20 million
- Total – \$19.6 million

Operations GDP Impact

The GDP impact associated with operations is estimated to be \$6.3 million in Nova Scotia (Table 23). The direct GDP accruing due to the operation of the quarry amounts to \$2.2 million. Spin-off GDP adds a further \$4.0 million to the provincial economy. Over 50-year life of the project, total GDP impact will be \$315.50 million.

Table 23						
Quarry Operations GDP Impact Annual and 50-year Life						
Direct, Spin-off and Total GDP						
(\$ millions)						
	Digby		Rest of Nova Scotia		Nova Scotia	
	Annual	50 Years	Annual	50 Years	Annual	50 Years
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Direct	1.99	99.6	.25	12.50	2.24	112.00
Spin-off	.65	32.5	3.42	171.00	4.07	203.50
Total	2.64	132.1	3.67	183.50	6.31	315.50

Operations Federal and Provincial Tax Revenue

The operation of the quarry will also generate tax revenue for the municipal, provincial and federal governments. Annual municipal taxes payable in Digby County will be \$400,000 as noted above. This would be a significant increase in the Digby municipality commercial tax revenue. Table 24 shows the breakdown by direct and spin-off for the other two levels of government. Total federal taxes attributable to the quarry on an annual basis will be about \$1.0 million and provincial taxes about \$.8 million. Over the 50-year life of the project, federal taxes will be about \$50 million and provincial taxes will be about \$40 million.

Table 24			
Estimate of Annual Federal and Provincial Tax Revenue			
(\$ millions)			
	Digby	Rest of Nova Scotia	Nova Scotia
Federal Government			
Direct	\$0.40	\$0.03	\$0.43
Spin-off	.15	.42	.57
Total	\$0.55	\$0.45	\$1.00
Provincial Government			
Direct	\$0.34	\$0.02	\$0.36
Spin-off	.14	.33	.47
Total	\$0.48	\$0.35	\$0.83

Operations Employment Impact

The total employment impact on an annual basis, including direct and spin-off, is 51.8 person-years of employment in Digby County and for Nova Scotia as a whole it will be 91.0 person-years of impact. Direct employment is estimated at 43 person-years in Digby County with spin-off employment at 8.8 person-years. Over the 50-year life of the project, total employment in Nova Scotia including direct and spin-off will be 4,550 person-years

Table 22						
Quarry Operations Annual and 50-year Life						
Direct, Spin-off and Total Employment						
(Person-Years)						
	Digby		Rest of Nova Scotia		Nova Scotia	
	Annual	50 Years	Annual	50 Years	Annual	50 Years
Direct	43.0	2,150	4.0	200	47.0	2,350
Spin-off	8.8	440	35.2	1,760	44.0	2,200
Total	51.8	2,590	39.2	1,960	91.0	4,550

POPULATION (DIGBY NECK / ISLANDS)

The Digby Neck/Islands includes a 30 km long narrow peninsula jutting into the Bay of Fundy in Southwestern Nova Scotia and two islands (Long Island and Brier Island) that are connected by vehicle ferries adjacent to the Neck.

The Neck never exceeds 5 km in width and is bounded on the north by the Bay of Fundy and south by St. Mary's Bay. The Digby Neck/Islands are a sub-area of Digby County. This part of the county is highly dependent on the fishing industry as a source of economic activity. General population and labour force indicators for Digby Neck/Islands and Digby County are summarized in Table 1.

Table 1		
Selected Demographic Characteristics Digby Neck/Islands and Digby County		
1991-2001		
	Digby Neck/Islands	Digby County
Population 1991	2,240	21,250
Population 1996	2,075	20,500
Population 2001	1,890	19,545
Population % Change 1991-2001	-15.6%	-8.0%
Unemployment Rate 1996	18.7%	18.0%
Participation Rate 1996	54.7%	57.0%
Unemployment Rate 2001	14.4%	13.0%
Participation Rate 2001	56.5%	58.0%

Source: Community Counts¹.

This table shows that the population in Digby Neck/Islands has declined over the 10-year period 1991 to 2001 by 15.6% - a rate almost two times that of Digby County as a whole. The unemployment rate is a relatively high 14.4% in 2001. This is an improvement over 1996 when the rate was almost 19%. The 14.4% rate in 2001 was about 30% higher than the overall provincial rate of 10.9% for the same year.

¹ All data sourced in this section comes from Nova Scotia Community Counts webpage maintained by the Nova Scotia Department of Finance. Data is modeled from Statistics Canada Census of Population 1992, 1996 and 2001. Some data presented are derived from the census short form (100% of the population) and other data is derived from the long form (20% of the population).

To provide additional context, Table 2 shows changes in population for seven most western counties in Nova Scotia. As can be seen, Digby County has experienced the second greatest decline in over-all population during the ten-year period 1991-2001. Only Queens County had a higher rate at 9.3% versus the Digby County rate of -8.0%.

Table 2			
Population of the Seven Western Counties			
1991-2001			
	1991	2001	% Change
Digby	21,250	19,545	-8.0
Yarmouth	27,890	26,840	-3.8
Shelburne	17,340	16,230	-6.4
Annapolis	23,635	21,775	-7.9
Queens	12,925	11,725	-9.3
Lunenburg	47,635	47,595	-.1
Kings	56,315	58,870	4.5

Digby Neck/Islands, not unlike other coastal regions of Nova Scotia, has an aging population and a net-out migration. Table 3 shows that overall; the area is losing population, particularly in the prime working ages of 15-39 (a 37.7% decline over 10 years).

Table 3				
Digby Neck/Islands Population Change by Age Groups, 1991-2001				
	1991 Census Total	1996 Census Total	2001 Census Total	% Change 1991-2001
Total Reporting	2,240	2,075	1,890	-15.6
Males	1,135	1,060	965	-15.0
Females	1,115	1,105	930	-16.0
0-4 yrs	185	115	100	-45.9
5-9 yrs	145	150	120	-17.2
10-14 yrs	145	130	140	-3.4
0-14 Subtotal	475	395	360	-24.3
15-19 yrs	155	150	110	-29.0
20-24 yrs	175	110	65	-62.9
25-29	155	140	90	-41.9
30-34	190	140	125	-34.2
35-39	175	165	140	-20.0
15-39 Subtotal	850	705	530	-37.7
40-44 yrs	165	170	160	-3.0
45-49 yrs	105	150	155	47.6
50-54 yrs	85	100	155	82.4
55-59	95	85	110	15.8
40-59 Subtotal	450	505	580	28.8
60-64 yrs	110	95	80	-27.3
65-69 yrs	100	110	80	-20.0
70-74 yrs	135	80	90	-33.3
75+ yrs	145	185	200	37.9
60+ Subtotal	490	470	450	-8.2

The table also shows that the number of children under 15 years of age has dropped 24%. There has actually been significant growth in the 40-59 (+28.8%) year bracket as those who have been gainfully employed have moved to the higher age cohorts. The rate of population decline for those over 60 has been 8.2%. Out migration by younger people obviously accounts for the drop in population on the Digby Neck/Islands. These younger people who are the prime age for starting families simply have not had sufficient employment opportunities and have moved away from the area to seek better opportunities elsewhere.

The population decline of youth and young adults has to be of particular concern as this latter group is the prime working age and is generally viewed as the driving force in an economy. These trends are not expected to change without a fundamental change in economic opportunities for the area.

LABOUR FORCE

Labour force trends observed on Digby Neck/Islands reflect shifts in the overall economic circumstances of the area. Overall, the number of people employed who live on Digby Neck/Islands dropped by almost 10% between 1991 and 2001. Over the same period, the unemployment rate jumped from 12.0% in 1991 to 18.7% in 1996 and then down to 14.4% in 2001. The decline of the ground fishery likely explains the change in 1996 with some rebound occurring due to improved shellfish landings by 2001.

The number employed at the county level from 1991-2001 dropped 3.8%, compared to almost 10% noted above for Digby Neck/Islands. Unemployment for Digby County was 13% in 2001, down from 18% in 1996.

Table 4								
Key Labour Force Statistics								
Digby Neck/Islands and Digby County, 1991-2001								
	Digby Neck/Islands				Digby County			
	1991	1996	2001	% Change	1991	1996	2001	%Change
Total in the labour force	920	910	870	-5.4	10,215	9,540	9,335	-8.6
Employed	825	750	745	-9.7	8,435	7,815	8,115	-3.8
Unemployed	110	170	125	13.6	1,780	1,720	1,215	-31.7
Participation rate	51.1	54.7	56.5	10.6	59.4	57.0	58.0	-2.4
Unemployment rate	12.0	18.7	14.4	20.0	17.4	18.0	13.0	-25.3
Males:								
Total in the labour force	555	525	490	-11.7	5,855	5,425	5,030	-13.8
Employed	500	470	425	-15.0	4,935	4,570	4,420	-10.4
Unemployed	45	55	65	44.4	900	850	605	-32.8
Participation rate	60.3	63.3	62.8	4.1	68.5	66.5	64.2	-6.3
Unemployment rate	8.1	10.5	13.3	64.2	15.4	15.7	12.0	-22.1
Females:								
Total in the labour force	365	380	365	0	4,380	4,115	4,300	-1.8
Employed	320	270	310	-3.1	3,500	3,245	3,695	5.6
Unemployed	75	105	50	-33.3	875	865	610	-30.3
Participation rate	41.0	45.5	48.3	17.8	50.5	48.0	52.0	3.0
Unemployment rate	20.5	27.6	13.7	-33.2	20.0	21.0	14.2	-29.0

Source: Community Counts.