

March 9, 2007

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CEAR: 07-03-26740
RDIMS: 2269714
DFO: 05-HPAC-PA1-000-000029

Cal Mark, Project Manager
Pan Pacific Aggregates Ltd.
1580 – 1100 Melville St.
Vancouver BC V6E 4A6

Dear Mr. Mark:

Subject: CEAA Notification for the Sechelt Carbonate Mine Project

This letter is to inform you that the project Pan Pacific Aggregates Ltd. Has submitted to the BC Environmental Assessment Office has been circulated for review under the *Canadian Environmental Assessment Act*. The project is understood to consist of the following:

The Pan Pacific Aggregates Sechelt Carbonate Project represent the potential development of a large carbonate rock resource to produce high quality chemical (calcium and magnesium) rock for export to the coastal city markets of the west coast of North America. PPA anticipates products for aggregates, Portland cement, fillers and chemical rock.

A production capacity of approximately 4,000,000 – 6,000,000 tonnes per annum (approx. 16,000 – 24,000 tonnes per day) is envisaged with all products leaving the site in barges of up to 17,000 tonnes capacity and ships of up to 75,000 dead weight tonnage (DWT) that will be loaded at a dedicated facility to be constructed on the foreshore along the west side of the Sechelt Peninsula. At the proposed production rate the Project will have a minimum operational life of 25 years. PPA expects that up to 7 stockpiles each of up to 100,000 tonnes capacity will be maintained in inventory.

Transport Canada (TC) and Fisheries and Oceans Canada (DFO) have initiated the federal environmental assessment (EA) process pursuant to the *Canadian Environmental Assessment Act* (CEAA) in relation to the Project. The likely CEAA triggers and the associated responsible authorities include a subsection 5(1) approval pursuant to the *Navigable Waters Protection Act* from TC and a subsection 35(2) authorization pursuant to the *Fisheries Act* from DFO. TC and DFO have determined that a comprehensive study level environmental assessment will be required.

The comprehensive study process requires public consultation with respect to the proposed scope of project for the purpose of the EA, the factors proposed to be considered, the proposed scope of those factors, and the ability of the comprehensive study process to address the issues relating to the project. To accomplish this, the responsible authorities prepare a "project scoping document" that is made available to the public for review and comment. Following public consultation, responsible authorities prepare a report and recommendation, which is submitted to the federal Minister of the Environment. The Minister then determines whether the assessment will continue as a comprehensive study or whether the project will be referred to a mediator or a review panel.

If, as a result of this review, we are satisfied that the project, after taking into account the implementation of any mitigation measures, is not likely to cause significant adverse environmental effects, Transport Canada and Fisheries and Oceans Canada will be in the position to exercise one of

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the powers or performs one of the duties or functions in respect to this project as listed in Section 5 of CEAA.

IMPORTANT NOTE: Information provided by you related to the Environmental Assessment for this project will be part of the Canadian Environment Assessment Registry and will be made available to members of the public, if requested. A package with additional information about these requirements is attached. Please ensure that you review and understand these requirements. Please be aware that release of documents to the public may be part of the CEAA process. Should you provide any documents that contain confidential or sensitive information that you believe could be protected from release to the public, please contact the undersigned to obtain an Exclusion Form. This Form can be used to identify the information to be considered for exclusion from the Canadian Environment Assessment Registry and the rationale for the exclusion.

Transport Canada has developed a Guide for Proponents to assist you with the environmental assessment requirements specific to Transport Canada projects. The Guide can be viewed online at www.tc.gc.ca/programs/environment/environmentalassessment/guide/menu.htm, or hardcopies are available upon request.

Should you have any questions or comments, please contact Karen Hall of TC at 604.666.6764 or Mike Engelsjord of DFO at 604-666-2365.

Sincerely,



Robert Sisler
Regional Manager
Environmental Services
Transport Canada

Attachment(s):

c.c.: Jim Shellenberg (TC-NWPD)
Mike Engelsjord (DFO)
Mandy Sarfi (CEAA)
Derek Griffin (BC EAO)