

Advice and Recommendation to the Minister

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**Report and Recommendations
to the
Minister of Environment and Labour
on Environmental Assessment**

Miller's Creek Mine Extension,

CGC Inc.

***Miller's Creek,
Hants County, Nova Scotia***

March 12, 2008

Executive Summary

On February 21, 2008, CGC Inc. (formerly Fundy Gypsum Company) registered the Miller's Creek Mine Extension Project for environmental assessment, in accordance with Part IV of the Environment Act. CGC Inc. is a subsidiary of USG Corporation. The purpose of the proposed Miller's Creek Mine extension is to continue existing operations in the area beyond the next five to seven years when gypsum resources will be depleted in the Bailey Quarry. There are currently 140 to 150 full-time persons employed by CGC Inc. and there are an additional 15 to 20 persons associated with CGC Inc.-related rail operations. The proposed project would allow CGC Inc. to maintain current production and employment levels. CGC Inc. produces gypsum and anhydrite used in the manufacture of portland cement, gypsum wallboard, plaster products, soil conditioners and agricultural gypsum.

The land area for the fully developed surface mine will be about 180 ha and an additional 240 ha for stockpiles, conservation area and roads. CGC Inc. currently owns 486 ha of land in the proposed project area. The existing infrastructure at Miller's Creek, including the storeroom, mobile equipment, maintenance garages, crushers, screens and rail loading facilities, will not be relocated to the extension site. Access between the existing mine site to the proposed extension area will be provided through a controlled level crossing at Ferry Road and transportation corridor through the existing mine operation. Rock excavated for production will be transported from the extension area by off-highway haulage trucks to the existing crushing and screening facilities at the Miller's Creek site. Off-site transport of gypsum to markets will be via existing infrastructure. The rock is transported from Miller Creek approximately 15 km by rail, which is operated by the Windsor Hantsport Railway Company, and shipped out of its ocean terminal in Hantsport.

In 1956, land and gypsum rights were purchased at the Miller's Creek site and the construction of a new crushing, screening, storage shed and railcar loading facility took place. In 1959, the Fundy Gypsum was incorporated as a subsidiary of the USG.

FG, with its mines in Wentworth and Miller's Creek, has produced close to one quarter of the gypsum produced in Nova Scotia and a fifth of the gypsum mined in Canada. The existing Miller's Creek Surface mine operation occupies approximately 477 hectares.

Production is scheduled to begin in 2012. The operating schedule for the Miller's Creek Mine Extension will be consistent with the approved operating schedule of the existing mine. The mine schedule will be in operation 5 days per week, with 2 shifts per day. Production and development demands may dictate an occasional 24 hour per day, 5 day per week schedule and possibly some Saturday shifts. The mill department will continue to operate on a three shift rotation, 5 to 6 days per week.