November 18, 2016





Westhaven Drive

Burlington, Ont.

L7P 5B3

RE: FORTERRA'S ALDERSHOT EAST QUARRY

We are pleased to provide a brief update to our September 26th letter, with respect to endangered species.

We indicated, on September 26th, that there was no indication of amphibians or their habitat on our property. We became aware of some photos, reportedly of local salamanders, in October. It took some time to consult our ecologists and obtain the necessary permits from the Ministry of Natural Resources and Forestry.

We arranged for a team of biologists, with recognised expertise in salamander studies, to survey our East Quarry and the City's adjacent open space on November 1st. Numerous Redbacked salamanders were found, within the City's property. No endangered species were reported. Further investigation will be carried out next year. We will report on the investigation once complete.

Forterra Brick continues to encourage open communication with the Province, the City and Westhaven Drive residents. The Company will arrange another meeting, once an operating schedule is finalized. This second open house will probably occur during the spring of 2017.

Yours sincerely,

Forterra Brick, Ltd.

Patrick Kelly, P.Eng., LEED AP

Director, Quality Systems

September 26, 2016

Re: FORTERRA'S ALDERSHOT EAST QUARRY

Dear

We are pleased to provide an update on the current status of our Aldershot East Quarry. Some recent information has been circulated. We want to ensure it is complete and factual.

Statement: Aggregate licences from a half-century ago carried much less stringent criteria for environmental protection.

Fact: The Licence is a one page document that simply states the location and area in hectares (ha) of a site and includes the name of the licensee. Our Aldershot Licence has been amended to change the name of the licensee from NSP Inc. to Canada Brick, then Hanson Brick Ltd. and recently to Forterra Brick, Ltd. In 2008 the licence area was reduced from 72.5 ha to 62.4 ha to remove the area required for the development of a brick plant in the West Quarry.

The key document that specifies how a quarry is to be operated is the Site Plan. Our Company updated the Site Plan in 1992, in accordance with the new Aggregate Resources Act policies and in 2008, in accordance with the 1997 Ontario Provincial Standards, the 2005 Greenbelt Plan and the 2007 Species At Risk Act. The 2008 plan was approved by the Ministry of Natural Resources in August 2010. It was presented during our Open House, last September. So although the licence is 44 years old, the requirements under which the quarry is managed are current and meet existing legislation, Provincial Plans and Standards.

Statement: The only 30 metre buffer between backyards and future quarry operations poses a potential health issue, despite the dust study.

Fact: The 1995 – 1998 dust studies were approved by the Ministry of Environment and Energy. The proposed dust controls will enable compliance with the regulation requirements under the Environmental Protection Act. Dust emissions will be continuously monitored. The Company operates numerous quarries in Canada and the USA, in close proximity to residential properties, with no reported health incidents related to shale dust. Our sites in Ontario include, or have included, three in Burlington, two in Streetsville and one in Cooksville.

The 30 metre buffer is a theoretical minimum. The berm height, specified as 4 metres (m) in the 1990s approvals, is actually from 5 to 6 m in height. Shale excavation, at the north end of the East Quarry, where the Open Space buffer is 15 m wide, will be approximately 50 m (165 feet) from the closest residential lot. The Open Space width increases, to the south, to up to 145 m.

Statement: Buying up land and licensing it but holding off on extraction until suburban sprawl stretches closer to the site, yields lower transport costs for the company

Fact: Canada Brick purchased the three part, licensed Aldershot Quarry in 1990, to replace its Milton and Streetsville Quarries, which were approaching depletion. It relied on the substantial Aldershot reserves to invest in a \$50 million brick plant. This plant is expected to operate for several more decades, employing more than 70 persons and paying significant local, Provincial and Federal taxes. The company supplies brick throughout Ontario and Quebec and part of USA. The proximity of the adjacent, already built subdivision, comprising primarily brick houses of substantial size, will not influence brick transport costs. However, the close proximity of the shale deposit to the brick plant is a significant production cost factor.

Statement: Endangered species such as the Jefferson salamander and the American Colombo exist in the area and probably inside the woodlot.

Fact: Forterra is required to identify and protect any species at risk, in accordance with Ontario Regulation 242/08 under the Endangered Species Act. Several species, primarily plants, have been identified. There is no habitat and no indication of amphibians, including salamanders, The Company has retained qualified ecologists to prepare a Mitigation Plan. Some plants may be transplanted and at least one species, the American Colombo, will be protected, by reducing the extent of the proposed excavation.

The Company plans to remove the trees in stages. The first stage will be the creation of an access corridor, in the southwest part of the site. This corridor will be located at least 200 m from the east boundary of the site. It will enable access for ecological studies, transplanting and tree removal equipment. Tree removal, east of the corridor, will not occur until the winter of 2017 – 2018.

Statement: In 1998 the Ontario Municipal Board required a warning clause about the presence of a fully approved shale quarry, adjacent to the proposed subdivision.

Fact: The City of Burlington solicitor advises that all requirements of the 1998 OMB approval regarding dust and noise controls were implemented by our Company. Furthermore, the specified warning clause was registered on title and included in purchase agreements.

Forterra Brick continues to encourage open communication with the Province, the City and Westhaven Drive residents. The Company will arrange another meeting, once an operating schedule is finalized. This second open house will probably occur during the spring of 2017.

Yours sincerely, Forterra Brick, Ltd.

Patrick Kelly, P.Eng., LEED AP Director, Quality Systems