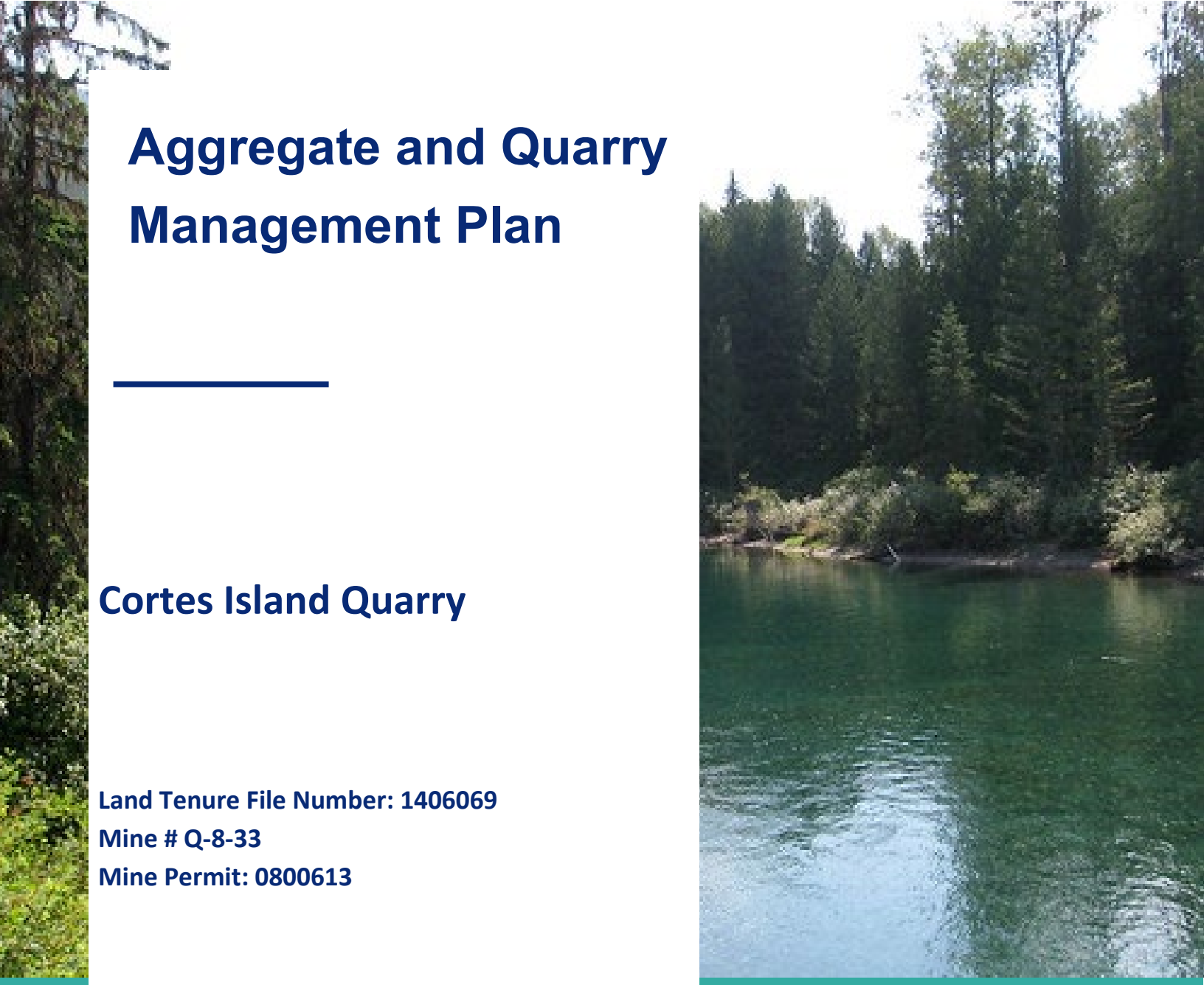

Aggregate and Quarry Management Plan

Cortes Island Quarry

Land Tenure File Number: 1406069
Mine # Q-8-33
Mine Permit: 0800613

June 27, 2025

2385425 Alberta Ltd.
28001 RPO Highland Green
Red Deer, Alberta
T4N 7C2

Table of Contents

This Management Plan has been compiled and submitted based on guidance from the Ministry found in the Management and Investigative Plans Application Guidance Document, 2019 with additional specific requirements for Aggregates and Quarry Materials.

1.0 Background

1.1 Project Overview

Technical:

Cortes Island Quarry is an existing quarry operation located on Cortes Island, B.C. The project, which has been in production for over 20 years under Mine Permit Q-8-33,

Mine No: 0800613, operates on Crown Land whose License of Occupation (LoO) runs through December 2031. The proponent, 2385425 Alberta Ltd., recently acquired the pit and License of Occupation (LoO) and are looking to align the Mines Permit and LoO to allow for continued aggregate extraction. This Cortes Island Quarry Management Plan is being submitted to satisfy the Ministry of Forest's requirement to submit key land use details as part of the License of Occupation process. 2385425 Alberta Ltd. is applying to update the tenure holder on the file, increase the size of the tenure from 1.25ha to 5.16ha and notify the Ministry of Forests of the application to the Ministry of Mining and Critical Minerals to approve washing as a permitted activity, introduce a concrete plant onsite and increase the annual extraction rate to 39,999 tonnes a year.

The Mining Development Plan (Appendix: Figure 2) outlines both the planned mining activities within the next 5-year period (Current Phase Mining Area) as well as mining activities beyond the Current Phase and over the life-of-mine (Future Phases of Mining Area). The intent is to continue mining in the Current Mining Phase Area (1.68ha orange polygon) located in central portion of the tenure creating a large terrace at 47mASL. A Processing and Stockpile Area (0.61ha yellow polygon) has been established at 40mASL within the already disturbed area (1.31ha hatched area) in the south of Site. When the Current Mining Phase is complete five years from now (or shortly thereafter), the Processing and Stockpile Area will be moved to create the space to mine the land to a final base elevation of 38mASL. Creating the final elevation will include expanding the Current Phase of Mining to the Mine Area Boundaries in the Future Phases of Mining (2.23ha purple polygon). Once an adequate area has been mined to 38mASL (roughly the next five years), the Processing and Stockpile Area will be reestablished in the south portion of site and remain there till the quarry is exhausted. An Access Road (0.07ha grey polygon) currently exists running from the site access/egress to the northern portion of the Processing and Stockpile Area. Topsoil and Overburden (0.10ha brown polygon) is stored adjacent to the Processing and Stockpile Area between the Access Road and the western Mine Area Boundary. It will be moved as required to create space for mining. After each move, stockpiles will be stabilized by spreading a minimum 40% native seed mix within 2 weeks of final positioning.

A concrete plant and washing of aggregate is being contemplated by the proponent and as such, authorization for both activities is being sought. The proposed location of the concrete plant is in the north of the tenure on the yet to be established 47m terrace (grey square on the Mining Development Plan). Washing of aggregate is proposed in the south of the tenure within the Current Phase of Mining Area. Washing will occur in a specialized above ground tanks and no discharge of water to the environment will occur. Wash water will be sourced from an offsite license and trucked to site when required. Explosives will be brought to Site on the day of the blast and blasting operations will be conducted by a third-party contractor who holds a valid blasting certificate as required by Part 8.2.1 (1) of the HSRC. The quarry will continue to be developed with 10m benches to the 5-meter property boundary as described in the Final Reclamation Plan. Final reclamation of the pit will be undertaken progressively as final grades, setbacks and slopes are achieved followed by planting of native seedlings to enable future forestry land uses. Historical ARD-ML testing onsite classified bedrock as non-potentially acid generating with limited potential for metal leaching. As rock is considered to be similar throughout the quarry, ARD-ML is not expected to be an issue on site. Additional testing is in the process of being completed to confirm these assumptions.

The pit is accessed from Robinson Road via an existing private (road use agreement in place) and site driveway. Operations will be year-round to supply aggregate to local construction projects. This is a small-scale operation with reserves of approximately 337,400m3. At an average annual production of 14,545m3 per year, the lifespan-of-mine is 23 years. As maximum annual extraction limits may not occur every year, a 30 year mines permit authorization is being sought with a matching length of the Crown Land Tenure.

Social:

Cortes Island is a small community with about 1000 residents year-round. The population on the Island swells to about 3500 in the summer and the number of visitors is growing every year as it is considered an ideal location for recreation with individuals building and visiting summer homes and enjoying growing tourism options.

The Cortes Island Community Foundation authored a document called “Cortes Island’s Vital Signs – 2024 Report” where the Foundation discusses the lack of year-round jobs on the Island, how construction is a critical employer and how building is integral to the development of the Island. The Foundation proposes that construction is vital to creating the jobs and infrastructure on the Island and that construction provides the basis for adjacent and diversified industries, particularly in sectors such as tourism, aquaculture and hospitality. It is suggested that construction will be one of the supporting pillars that will take a community which struggles economically to become more prosperous.

Every construction project, from maintaining roads to pouring a foundation, requires a load of gravel and Cortes Island Quarry is the only construction aggregate source on Cortes Island. Without the Quarry, all construction aggregate would need to be barged to Cortes. This would significantly increase costs of projects a while creating resource insecurity. The Cortes Island Quarry has been operating for many years and typically custom crushed rock based on a specific order/ need. However, demand for aggregate has increased in recent years (many new buildings being constructed) to the point where stockpiles are required to store aggregate to meet community demand for the resource. The current tenure does not allow for space to stockpile and as a result, this amended tenure application is being submitted.

1.1.1 Annual Estimate of Production

Annual estimates of production are based on local demand for product. Authorization to extract a maximum of 39,999 tonnes per year has been sought in a Notice of Work amendment application to the Ministry of Mining and Critical Minerals (Tracking Number: 100468283).

1.1.2 Processing needs

The pit supplies mostly road and infrastructure building materials and therefore requires screening and crushing to produce the aggregate fractions required for this application. Larger sized material will be used as riprap mainly for streamside

protection. Drilling, blasting and excavation of blasted rock is followed by screening, crushing and stockpiling of the material. Washing of aggregate and a concrete plant have been proposed. Having on on-island concrete plant would increase the availability and reduce the cost of concrete on Cortes Island.

1.1.3 Height of Working Face

The height of the working face is determined by the size the equipment doing the excavation. In this case, large sized wheel loaders and excavators will be used meaning the face height will be limited to a maximum of 10m as prescribed in the Health, Safety and Reclamation Code for Mines in BC (HSRC).

1.2 Investigative Work

The site has been a quarry for over 20 years and as such, the quality of rock is well known. Undisturbed areas are expected to be consistent with previously mined material. Investigative work in undisturbed lands has consisted of walking the site and visually inspecting lands and slopes of the exposed soils/ rock. Rock in surrounding sites is considered high quality with no risk of acid rock drainage or metal leaching and it is used extensively in road building and other construction activities. An up-to-date ARD-ML report is being completed and results will be shared with the Ministry of Mines and Critical Minerals for evaluation.

1.3 First Nations

The lands lie in the consultative area of Homalco First Nation, Tla’amin Nation and Klahoose First Nation, as identified using the Province of BC Contacts for First Nation Consultation Areas Tool.

2.0 Location

2.1 General Description

The lands lie on Cortes Island, a large island between eastern Vancouver Island and the mainland. Part of the Discovery Islands, Cortes Island is separated from Vancouver

Island by the Georgia Strait. It is about 13 km wide and 25 km long with the southern half of Cortes situated within the rain shadow of Vancouver Island, creating a drier climate than the northern half of the island. Most of the island's population of about 950 people live on the southern half where there is drier climate than normal created by a rain shadow from Vancouver Island. The Cortes Island Quarry is located on the northern half of the island, surrounded by forest in all directions. The closest residence is about 650m away with the quarry being accessed by a roadway agreement with this landowner. The next closest residence is about 950m with rocky knolls, dense trees and brush found between the Site and homes. There are two main communities on Cortes Island – Whaletown and Manson's Landing. Whaletown is located 3km west of Site while Manson's Landing is about 8km south of Site. Historically, forestry, fishing and mining were the main industries and economy on Cortes Island. Today, the economy is more diverse with shellfish aquaculture, tourism, farming and community forestry initiatives being present. The Quarry and the Community Forest Committee have worked together during tree cutting on the tenure in the past and have been in discussion to do the same if this expansion is approved.

The main access Cortes Island is by BC Ferries which runs a small boat from Quadra Island to Cortes Island twice a day. From the Whaletown Ferry Terminal, Cortes Island, BC, the Quarry is accessed by driving northwest on Harbour Road for 1.4km before turning right onto Carrington Bay Road. Follow Carrington Bay Road for 1.1km and turn left onto Whaletown Road. After 1.7km turn left onto Robinson Road and continue 1.8km. At the T, turn right. Follow the road for 1km and the pit will be straight ahead. The site is located at:

Latitude: 50.112895
Longitude: -125.001766

Access to Cortes Island can also be made by plane, either through a non-profit private airstrip, Cortes Island Aerodrome on the south end of the island, or by seaplane to many of the island's protected harbors.

2.1.1 Topography

Cortes Island Quarry is situated on a rocky knoll, which has a peak elevation of 55mASL in the center of the tenure. From the top of the knoll, the lands slope down in all directions culminating at 38mASL at the southern Mine Area Boundary. The proposed Processing and Stockpiling Area will be established at 38mASL and the rest of the quarry will be mined flat to that base elevation. As such, Mining Areas are between 55mASL and 38mASL, however the quarry will only be mined from 55mASL to 47mASL during the Current Mining Phase (roughly the next 5 years depending on actual extraction rates). Once the current mining phase is complete mining will take place in the Future Phases of Mining Area adjacent to the northern Mine Area Boundary to being a top-down mining approach, as is typical with quarries. The project area is bounded by forested Crown Land in all directions and the pit is not visible to any adjacent lands due to the thick vegetation. There are no wetlands, permanent or ephemeral creeks or streams in the Mine footprint with run-off generally distributed around within the established vegetated areas.

2.1.2 Watercourses

There are no permanent or ephemeral watercourses or wetlands located within the tenure. No water will be discharged to the environment during or post-operation. An unnamed creek runs 15m to the east of site. After a rainfall, the watercourse is about 1m wide as it follows the contours of the land outside of the mine area. The watercourse is shallow in gradient with a muddy/ organic substrate. The area between the quarry and creek are vegetated. Washing will occur in a specialized above ground tanks and no discharge of water to the environment will occur. Wash water will be sourced from an offsite license and trucked to site when required.

Figure 1: Unnamed watercourse south of Site.

Figure 2: Unnamed watercourse south of Site.

2.1.3 Depth to Water Table

The depth of the water table is not known, as it was not encountered during testing of the aggregate resources. The unnamed creek which runs adjacent to the quarry flows at about 35mASL, 3m below the final quarry floor of 38mASL. The HSRC dictates that excavations must be no closer than 2m to the high groundwater (HGW) level.

To help protect groundwater quantity and quality from potential impacts of the mining activity, no fuel storage will occur on-site during normal mining activities. As well, there will be adequate training for on-site personnel with the emergency response equipment and supplies (spill kits) available for use when and if required during fueling and handling hydrocarbon-based liquids. Any worker who is aware of any potential or

actual release of a pollutant to the environment must first attempt to prevent the release, then immediately contact their supervisor. Approved containers shall be used for the transport and storage of potential pollutants. All such containers shall be labeled as to the contents and the potential hazard.

2.2 Location Justification

The area of the Cortes Island Quarry was selected due to its extensive supply of aggregate materials, mineable terrain at the development site and existing access infrastructure that allows for an acceptable mining development plan.

Aggregate is required for every construction project in the world and deposits must be situated close to where the material is needed as transportation costs for material are extremely high. In addition, seldom do communities, even though the material is needed for every construction project, wish to locate gravel pits and quarries near residential areas. For this reason, aggregate operations are usually situated out of urban areas and along well-established transportation corridors where the materials can be moved efficiently and cost effectively. This is the case at the Cortes Island Quarry as it is situated off a main road away from neighbours. This operation is also the only private rock supplier on Cortes Island and as such, all construction on the island requires aggregate from this quarry.

Another consideration is compatibility with surrounding land uses. In this case, the lands are surrounded by forest in all directions, much of which has been previously logged. Aside from seldom used forest service roads, there is no public access to the area. Where a commercially viable deposit exists, it makes sense to place like operations nearby to limit disturbance to other neighborhoods. There are several construction projects on the island which require deposits of aggregate to support them including the maintenance of roads and building of homes.

2.3 Seasonal Expectations of Use

The quarry will be open for operation year-round with blasting for extraction of pit run occurring intermittently as required for production. Large diameter rock will be stockpiled for riprap, with crushing and screening conducted for development of stockpiled product. Hours of operation will be Monday through Friday during daylight hours with occasional work on Saturdays.

2.4 ALR

The development area does not fall inside ALR zoning boundaries.

2.5 Provincial Forest

Based on the provincial database the tenure does not lie within an active cut block. An Occupant Licence to Cut will be obtained prior to logging operations. Logging will take place to clear the Mine Footprint.

3.0 Infrastructure

3.1 New Facilities or Infrastructure

No permanent facilities will be constructed on the lands. Mobile equipment including rolling stock and processing machinery will be located on site as required. Excavation and final grading will take place in accordance with the approved Mine Development Plan (Site Plan) and Final Reclamation Plan. Any explosives and detonators stored on site will be done so in accordance with regulations in the HSRC and Natural Resources Canada Explosives Regulatory Division (ERD) requirements regarding explosives. At this time explosives are not proposed to be kept onsite rather they will be brough to site by a certified third-party contractor on the day of the blast. Equipment onsite includes the following: Two 30t excavators, one 7m3 loader, one 30t rock truck, two screeners, two crushers and conveyers. As part of the proposed concrete plant there will be two silos, a mixer and a water container. The concrete pad for the concrete plant will be about 30 feet by 50 feet. The wash plant will consist of two free standing wash tanks also on

concrete pads. The pads will be approximately 20 feet by 20 feet. All infrastructure and equipment will be removed as part of the reclamation of the quarry.

3.2 Access

Access to the site is via Robinson Road, a private road, and site access roads within adjacent tenures. Necessary agreements and permissions are in place. Public access is limited to the area outside of the mine permit due to regulations in the HSRC. Gates and signage are placed around the excavation area to prevent access and ensure public safety.

3.3 Utilities Requirements and Sources

Power for operations would be via a diesel engine to produce electricity from a generator. Rolling stock will be diesel powered. No connection to any nearby utility infrastructure is anticipated at this time.

3.4 Water Supply

The water for dust control and washing will be sourced from a licence off-site and delivered to the Project as needed.

3.5 Waste Collection, Treatment and Disposal

Waste collection will be temporarily in place during operational periods and managed by third party contractors who will remove waste to approved disposal locations off-site.

3.6 FireSmart BC

2385425 Alberta Ltd. will comply with all regulations in place pertaining to wildfires and ensure there are no activities on site that would lead to unwanted wildfire related risks in the area.

4.0 Environmental

4.1 Land Impacts

4.1.1 Vegetation Removal

Merchantable timber will be logged by a third-party team of professional foresters with an approved Occupant Licence To Cut (OLTC). Any remaining vegetation will be removed mechanically with an excavator and the material piled on site and burned when appropriate to do so. The Community Forest Committee will be consulted prior to any logging with their representatives most likely completing the logging.

4.1.2 Soil Disturbance

Soil disturbance will be monitored using the company's Archeological Chance Find Procedure (ACFP) attached to this Management Plan. Topsoil and overburden materials will be stripped and stockpiled on site for later use during reclamation. Stockpiled topsoil and overburden will be seeded to grass to prevent erosion and noxious weeds. No topsoil or overburden shall be removed from site.

4.1.3 Riparian Encroachment

An unnamed, ephemeral creek runs adjacent to the eastern Mine Area Boundary. To protect this watercourse, a 10m vegetated buffer will be maintained between the creek and the quarry throughout the life of mine.

4.1.4 Pesticides and Herbicides

Herbicides may be used to control the spread of invasive plant species and will be managed according to the company's Invasive Plant Species Management Plan. According to the Plan, herbicide spraying will be contracted to a holder of an appropriate licence as required. The holder of this Licence will be responsible for annual reporting to the Ministry of Environment where governed and this information

will also be provided to 2385425 Alberta Ltd. for its records and reporting. The use of pesticides is not anticipated.

4.1.5 Visual Impacts

The pit is remote, set away from any residences and surrounded by forest in all directions. As such, visual impacts are minimal. Despite this, visual impacts from the operation will minimized by ensuring the plant and equipment are placed behind visual screens where possible including topsoil and overburden berms, vegetation barriers and stockpiles.

4.1.6 Archaeological Sites

No archaeological sites have been identified based on searches of available provincial databases. A chance find procedure (ACFP) has been developed for 2385425 Alberta Ltd. and all activities onsite will be conducted in accordance with the ACFP. Procedures for identifying and reporting archeological and heritage resources are detailed in the ACFP Plan.

4.1.7 Construction Methods/Materials

There are no anticipated construction activities on site that will require the importation of materials or produce deleterious material. Reclamation activities are outlined in the reclamation plan.

4.1.7.1 Proposed Land Use After Reclamation

The end land use is forestry and therefore on completion of mining, the land will be reclaimed in to a working forest.

4.1.7.2 Description of Reclamation Procedures

The pit will be developed in 5-year phases with updates to the Mining Development and Reclamation Plans completed every five years in accordance with the *Mines Act*

and HSRC. The mine will be developed according to the mine plan with final reclamation occurring progressively and at the completion of mining. Progressive reclamation will occur when final elevations, setbacks and benches are achieved in accordance with the Final Reclamation Plan. Each 5-year phase will be developed with an anticipated extraction of 199,999 tonnes or 72,725 m3, or as the market demands.

The reclamation and closure of the Cortes Island Quarry will follow the general guidelines recommended by Part 10.9.1 to 10.9.10 of the HSRC. It will be the intent of 2385425 Alberta Ltd. to prevent long-term environmental impacts at the site. It is expected that the end land use for this site will be forestry, and that the reclamation plan will be consistent with adjacent land uses in the area. The objectives of the reclamation plan will be to create a physically stable environment, and to ensure that there are no impacts to aquatic and/or terrestrial resources from the mining activities. These objectives would be consistent with the requirements of the HSRC. After closure, the site will be left in a safe and secure manner for the long-term with no projected maintenance. The final site reclamation will meet the end land use objectives.

The reclamation will be undertaken progressively and in a timely manner to limit potentially negative site values. However, given the location and water protection measures that will be in place, any potential negative site values to the environment can be avoided.

It will always be the intent of the company to achieve the following goals:

- Minimize or eliminate public safety hazards;
- Respect and comply with cultural and heritage resources and protocols identified by local Indigenous Nations;
- Minimize potential effects to the environment, particularly water resources;
- Provide long-term stable landform configurations;
- Reclaim surface disturbances for beneficial use; and
- Minimize the requirements for post-closure monitoring and maintenance.

Reclamation will consist of the following:

- During operations, stripping of topsoil/mineral soil to just below the rooting depth will be undertaken, and the soil(s) will be stockpiled within the Topsoil and Overburden Areas (brown polygons). Any remaining material such as overburden, dirty sand, etc. that might be encountered, will be placed in an adjoining stockpile. The developed soil stockpiles within this zone will have an application of erosion control grass seeding, to reduce erosion and noxious weed invasion. Noxious weeds will be controlled by spraying with approved weed control products that are acceptable for this area; and

- On quarry completion, the lands will be a flat terrace at 38mASL. The area will have topsoil and overburden placed evenly over and planted with native shrubs and tree species (Western Hemlock, Western Red Cedar and Douglas Fir) after mining, as per the direction of a Qualified Environmental Professional. Beneath the spread topsoil the quarry floor will be in crushed rock allowing the water to drain from the surface in a controlled manner.

After closure work has been completed, the lands will be left in a safe and secure manner for the long-term with no projected maintenance.

4.2 Atmospheric Impacts

4.2.1 Sound, Odor, Gas or Fuel Emissions

The project has ability for noise related disturbance from equipment activity. A number of mitigation measures will be used to limit disturbance including:

- Newer, well-maintained equipment with appropriate mufflers;
- Using berms, stockpiles and landforms to limit fugitive noise emission;
- Limiting truck traffic speed while entering and leaving the pit; and
- Allowing vegetation to remain as long as possible to buffer noise propagation.

A Noise and Dust Control Plan has been submitted as part of the Mines Permit application and has been attached for reference.

4.4 Fish and Wildlife Habitat

4.4.1 Disturbance to Wildlife or Wildlife Habitat

There are no aquatic disturbances that will result in any fish habitat being affected by the development.

The Peregrine Falcon is a species at risk identified to potentially be in the area of the Pipe Yard. Best Management Practices (BMP's) for the monitoring and mitigation of effects to Peregrine Falcon will be followed according to those BMP's. It is understood that any tree removal will occur outside of the Peregrine Falcon's nesting window and trees will be surveyed prior to logging taking place. If removal is to occur during the nesting window, a qualified professional will be retained to survey the area and guide logging activities.

5.0 Socio Community

5.1 Land Use

5.1.1 Land Management Plans and Regional Growth Strategies

The Project is within the Strathcona Regional District (SRD), Electoral Area B, Cortes Island and the surrounding archipelago. There is no Official Community Plan for Cortes Island. The Electoral Area "I" (Cortes Island) Zoning Bylaw, 2002 governs the area and designates the lands as Forestry One (F-1). Quarrying is considered a compatible use within Forestry One zoned lands. Cortes Island's Vital Signs – 2024 Report dictates the need for year round jobs and new construction to feed sustainable employers. As such, the Cortes Island Quarry is integral to the economic growth of the Island.

5.2 Socio Community Conditions

The area is remote and there are few neighbours. Forests surround the licence area in all directions. There are no uses deemed incompatible with the current use. The Cortes Island Quarry is integral to construction on the Island and as such, is considered a valuable member of the community. See Section 1.1 for additional details.

5.2.1 Adjacent Users or Communities

There are no adjacent communities and the adjacent users are forestry. The closest residence is about 650m away with the quarry being accessed by a roadway agreement with this landowner. As such, the closest resident is supportive of the project. The next closest residence is about 950m with rocky knolls, dense trees and brush found between the Site and homes. There are two main communities on Cortes Island – Whaletown and Manson's Landing. Whaletown is located 3km west of Site while Manson's Landing is about 8km south of Site.

5.2.2 Existing Services

There are no existing services and none required for the use or operations.

6.0 Closure

We trust that the information contained in this report meets your requirements. Should you have any questions, or require further information, please do not hesitate to contact the undersigned.

Holmes Mining Consultants Ltd.

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7.0 Figures

Figure 1: Orthophoto Plan

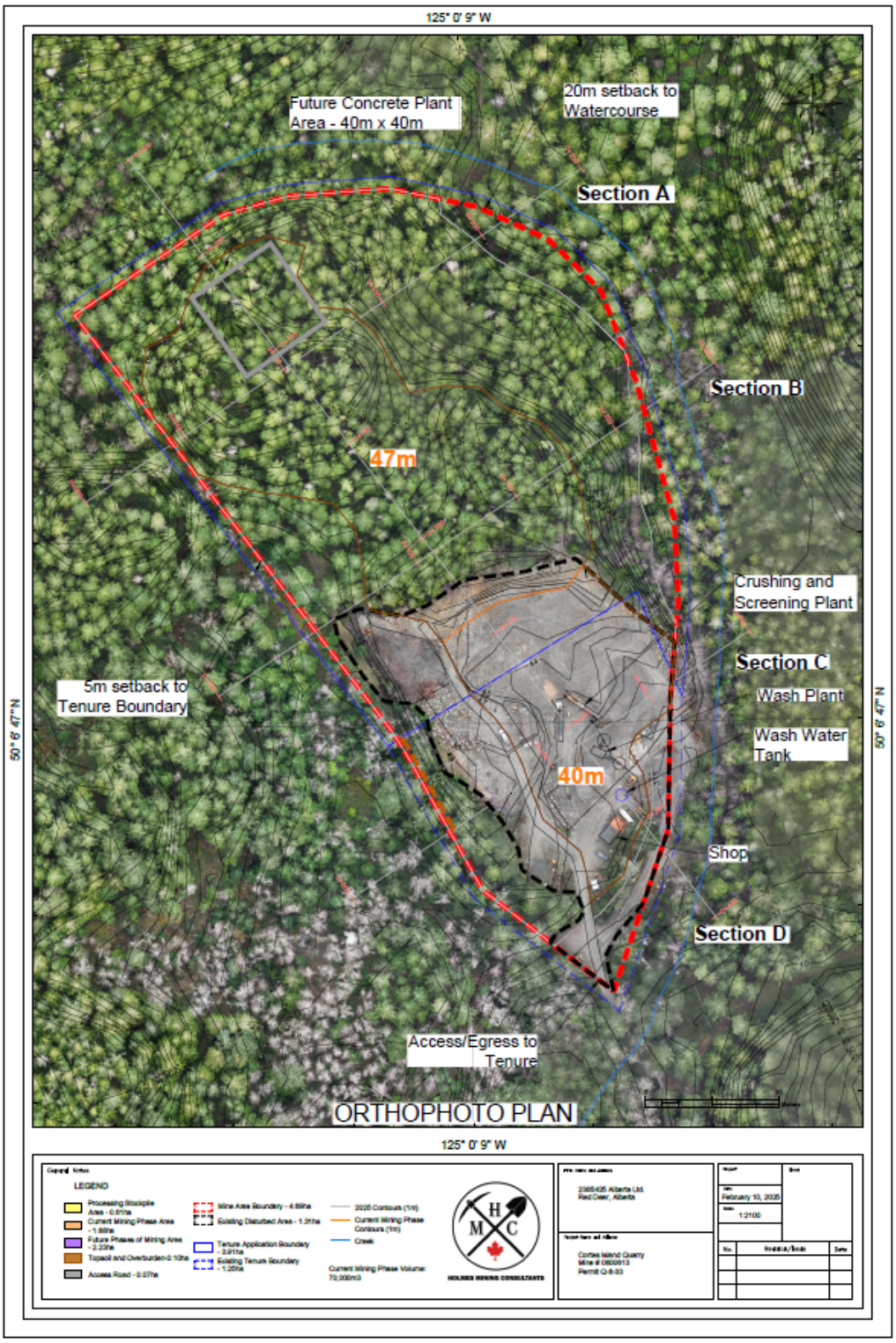

Figure 2: Mining Development Plan

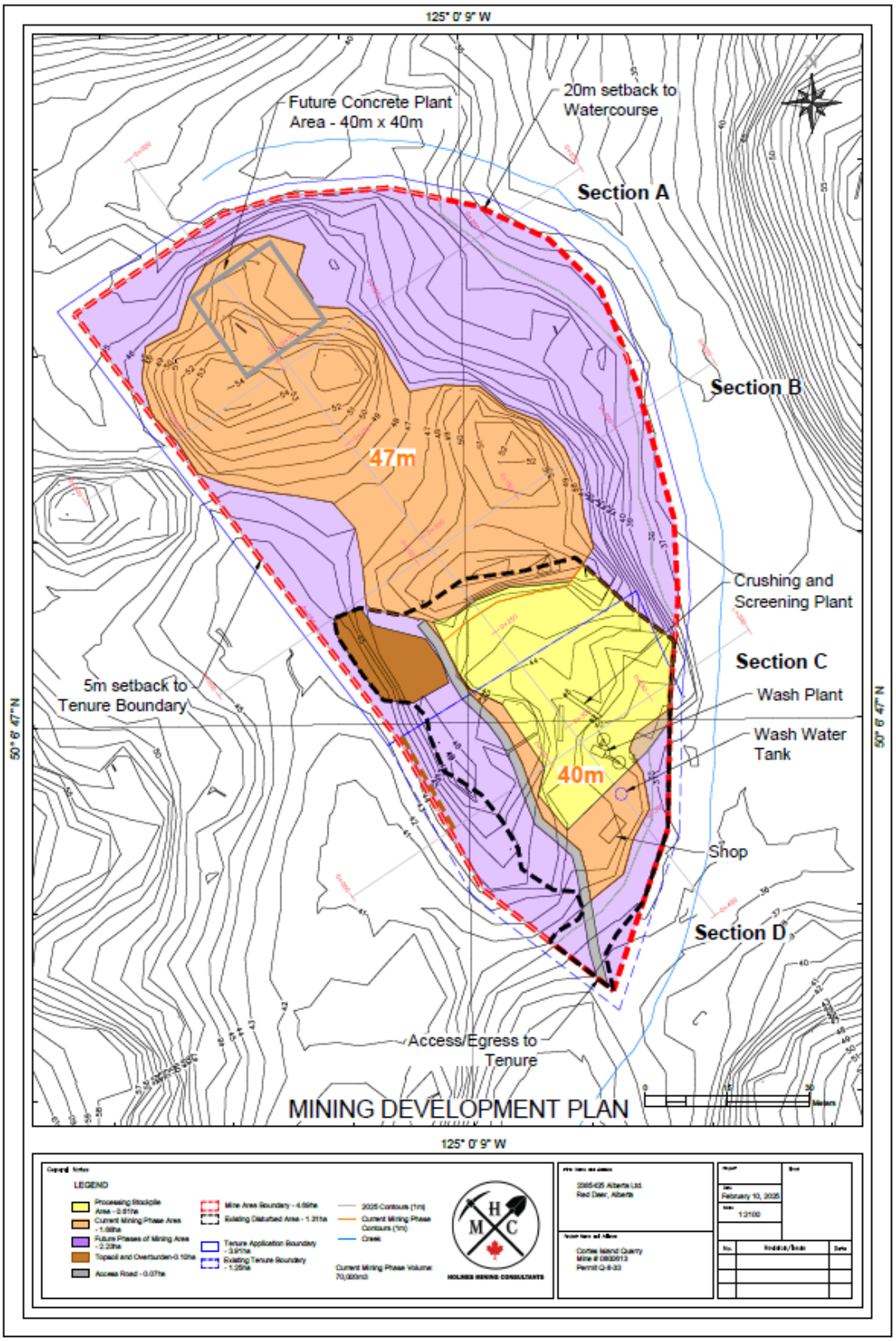

Figure 3: Final Reclamation Plan

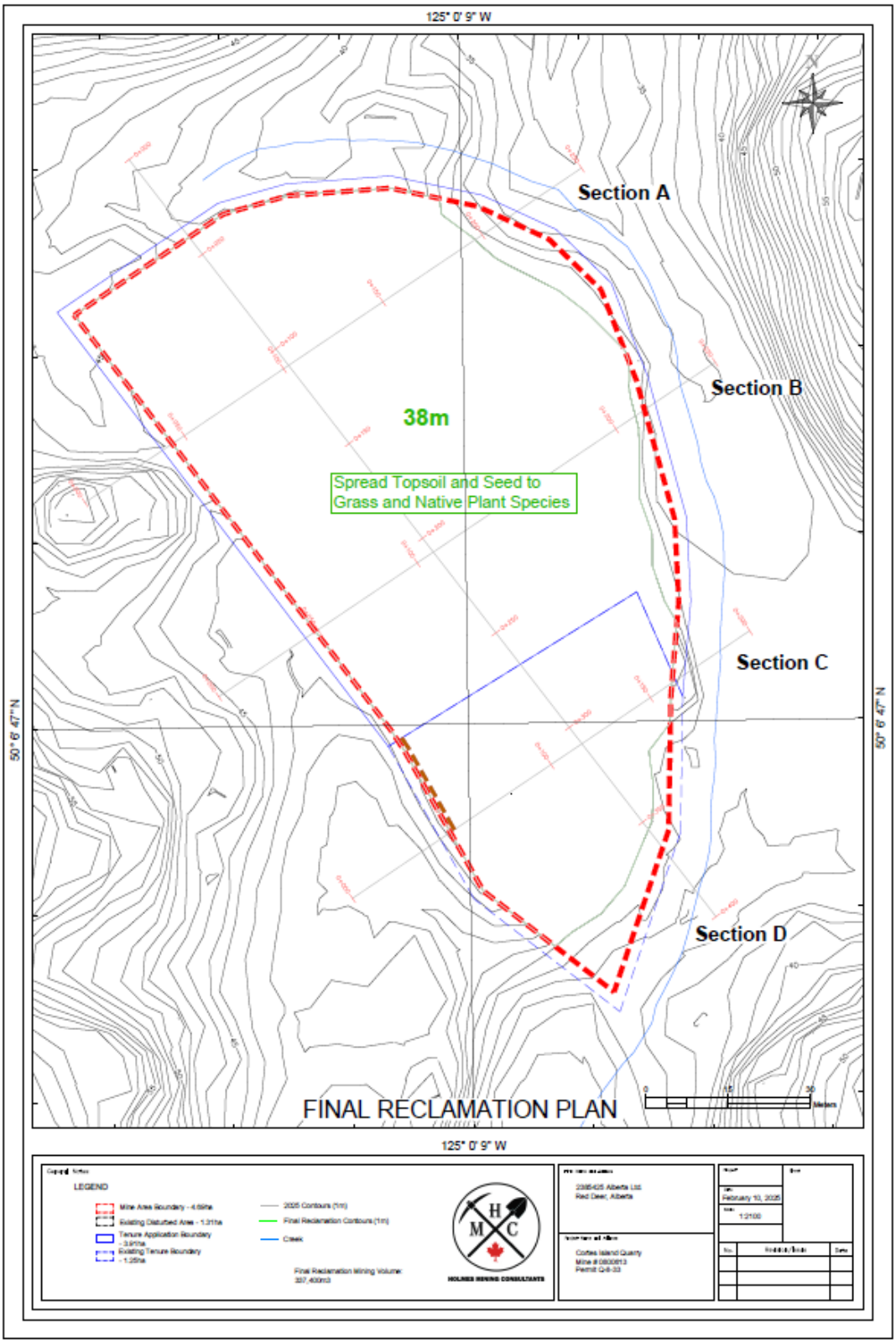

Figure 4: Location Map