

TESTING **REPORT**

for

Swan Hills #3
DRS780140
E06-067-09-W5M
W05-067-09-W5M

June 25, 2024

Holsted Aggregates Ltd.

Dean Holsted

President

80 26131 TWP Rd 532a

Spruce Grove AB T7Y 1A1

Phone 780.282.0108

deanholsted@holstedaggregates.com

Table of Contents

| | |
|--|-----------|
| Pit/Site Inspection Report | 3 |
| Field Observation Report | 4 |
| Picture Report | 5 |
| Picture Location (2024 Pit Plan Background) | 13 |
| 2024 Aggregate Plan | 14 |
| 2024 Dry Aggregate Quantity Calculation | 15 |
| 2024 Pit Plan | 16 |
| Lidar and 2024 UAV Image Background | 17 |
| 2024 UAV Image | 18 |

PIT/SITE INSPECTION REPORT

| | | |
|--|-------------------------|--------------|
| LOCATION: E06-067-09-W5M W05-067-09-W5M | PIT NAME: Swan Hills #3 | DRS: 780140 |
| DATE: June 20, 2024 | INSPECTION BY: | Dean Holsted |

All inspections to be entered into AIS.
 For items that require attention, describe action taken or recommended in right column OR INDICATE THAT the condition is adequate or not applicable. Additional room available at bottom of form.
 Submit photos and plan to identify deficiencies.

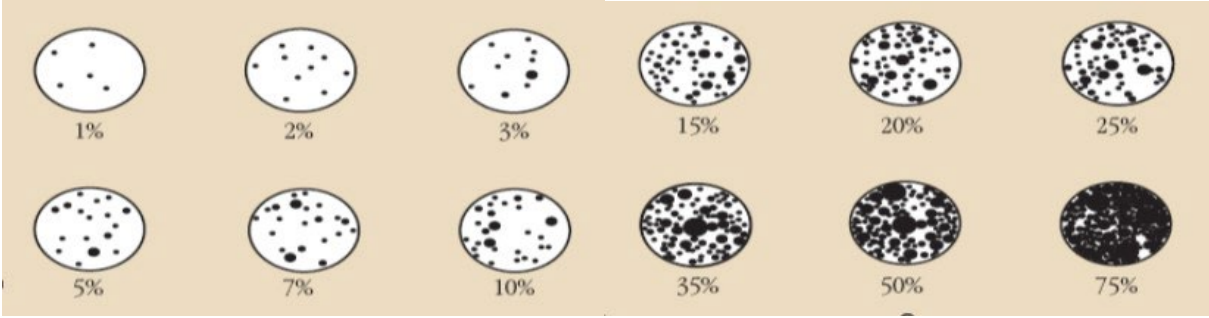
| CATEGORY | RECOMMENDED ACTION |
|--|---|
| SAFETY AND SECURITY | |
| SIGNING: | |
| • ACCESS | Attention required - No signage into this DRS exists |
| • PIT FACES | Not applicable - Undeveloped location |
| • BOUNDARY | Attention required - No signage into this DRS exists |
| • STOCKPILES | Not applicable - Undeveloped location |
| FENCING | Not applicable - Undeveloped location |
| GATES | No gate exists onsite |
| CONDITION OF PIT/SITE | |
| SLOPES of ACTIVE PIT FACES (2h:1v or flatter) | Not applicable - Undeveloped location |
| SLOPES @ WATERBODIES flat along wetland | Adequate - Water bodies limited to wetlands located beyond the future development area |
| WEEDS | Adequate - No weeds were identified during the 2024 testing project |
| EROSION AND SEDIMENT CONTROL | Adequate - No erosion was present at the time of inspection |
| SITE DRAINAGE / PONDING | Adequate - This undeveloped location does not have drainage issues or evidence of pooling water |
| BUFFERS- undisturbed/stripped | Adequate - 2024 testing adhered to a 30m buffer from the high-pressure gas line located within MSL1452. Future development will adhere to a 5.0 m buffer |
| AGGREGATE AVAILABILITY | Attention required - Undeveloped aggregate identified during 2024 testing was a mixture of clay gravel and sandy/silty clay gravel |
| BRUSH/TIMBER | Attention required - Two area have been previously logged (Aggregate area A and B). Aggregate area C will require logging or de-brushing prior to further development |
| COMPLIANCE WITH ENVIRONMENTAL (CRP/COP) REQUIREMENTS | Attention required - A CORP is required prior to development |
| STOCKPILES | |
| TOPSOIL/SUBSOIL/OVERBURDEN (locations and stability) | Not applicable - No piles identified |
| REJECT FINES | Not applicable - No piles identified |
| CRUSHED COARSE STOCKPILES (Visual Verification Of AIS inventory) | Not applicable - No piles identified |
| DEBRIS | |
| CONSTRUCTION REFUSE-NONE | Not applicable - No piles identified |
| ASPHALTIC MATERIALS (reject ACP, asbc, old pavement chunks) | Not applicable - No piles identified |
| HOUSEHOLD REFUSE | Attention required - Minor dumping of household material is occurring within this boundary area |
| SPILLS (diesel or asphaltic oil, etc). | Not applicable - No spills or contaminates identified |
| OTHER(FILL IN) | |
| | |

Additional Recommendations/Action taken:

- This disposition is located along the north side of HWY 33 approx. 5.2 km north of the town limits of Swan Hills, AB. Directions: Travel north along HWY 33 for 4.9 km, and northwest along DRS050035 for 0.3 km.
- This area features two generally level man-made open meadows that have been used previously as a temporary logging lay down yard. Broken, piled, and decomposing rig mats exist as a result of this activity.
- Stripping was hauled to & stockpiled on the northern open meadow in 2006 as part of a HWY slide project.
- Minor prospecting occurred in 2003 and evidence of old (now shallow) open test holes exists within the treed areas of L.S. 9_NE06-067-09-W5M. Avoidance lines and cutlines from this activity were fully overgrown and no longer traversable. 2024 testing confirmed and increased clay aggregate depths by 2.5 m(+).
- A steep and stable natural ridge slopes down 30-40 m (north half) and 12 m (south half) following the agg. edge. The adjacent private gravel pit has approximate 10 m gravel faces.
- 2024 testing confirmed the following averages: 2.6 m overburden (TS, Sb, SC), 3.4 m (394,366 m³) dry (factored -10% processing) aggregate (CG, SCG, & SiCG). A trickle of inconsequential groundwater was identified within the profile of two test holes.
- Minor amounts of garbage dumping is occurring onsite (scrap metals & household) being shot at.

Testing Field Observations

Forested Land

| Vegetation Coverage | |
|---|--|
| <p>Woody stem cover (stem count % per 10m²) Min. target Goal ≥25% OR [5 stem count] Herbaceous species coverage min. target Goal ≥25% Bare areas exceeding 10 x 10m Areas of poor vegetation growth exceeding 20 x 20m</p> | <p>-Dense stem count within undeveloped treed and overgrown cutline areas +95% -Herbaceous species meets or exceeds a density of +25% -50% stem count within open areas & dense grass coverage (65%) -Bare or poor growth areas were limited to former logging trails</p> |
| Vegetation Type | |
| <p>Vegetation identified across previously disturbed or reclaimed areas</p> | <p>-2024 testing identified Lodgepole Pine, White Spruce, Black Spruce, and minor amounts of Willow, Trembling Aspen, and Balsam Poplar. -Open meadows contained Wheatgrass, Fescue, Timothy, Horsetail, Wild Rose, Snowberry, Yarrow, Fireweed, and Goldenrod. -Wetlands exist within the northeast corner of the DRS. These areas harbor semi aquatic vegetation including Cattails, Sedges, Marsh Reed Grass, and Creeping Spikerush.</p> |
| Weed Identification | |
| <div style="background-color: #8B4513; color: white; padding: 5px; font-weight: bold; font-size: 1.2em;">Percent Cover Examples</div>  | |
| <p>-No noxious weeds were identified onsite.</p> | |
| Topsoil Presence, Rating, Classification | |
| <p>Percentage of topsoil coverage across the disturbed area as compared with adjacent undisturbed areas.</p> | <p>-Topsoil/subsoil across the open meadows were previously disturbed, inconsistent and generally did not exceed 0.1 m in depth -Combined topsoil/subsoil across treed areas varied between 0.1 - 0.25 m in depth</p> |
| Previous Ground Disturbance Surface Characteristics | |
| <p>Surface stones: No stones – Excessive stones Soil texture: Clay, loam, silt, sand, other Surface Drainage: Dry – moist – wet Moisture Re-Infiltration (Quick - mod. - poor) Compaction: Friable – extremely hard Presence of LFH (Litter, Fermented, Hunus)</p> | <p>-Numerous stones (1 - 8 m apart) -Sandy Clay -Dry & moderate draining soil across ridges -Wet & poor draining soil across low-lying -Moderate natural ground compaction -LFH material throughout</p> |
| Topography | |
| <p>Drainage and ponding features onsite compared to offsite Macro/meso-contour features onsite compared to offsite.</p> | <p>-No ponding exists within the aggregate area -Areas slopes down and away from aggregate perimeter -Minor undulation across aggregate area -Area is undeveloped and matches the surrounding landscape</p> |

LOCATION E06-067-09-W5M
W05-067-09-W5M

PIT NAME

Swam Hills #3
DRS780140

DATE June 2024

INSPECTION BY

Dean Holsted



Photo 1

This aerial photo is facing south the southern open meadow recently used as a temporary logging laydown yard.

An adjacent private gravel pit (SML890105 - T&L Aggregates) is located along the photo top. This pit has several gravel faces approximately 10 m in height.

This open meadow has broken rig mats piled in various locations across it.



Photo 2

This aerial photo is facing northwest.

The northern open meadow can be viewed along the photo bottom.

Treed aggregate area C (L.S. 9_NE06-067-09-W5M is located across the top half of this photo.

The vegetation has a high density, and old trails are extremely overgrown with willows. Prospecting followed the path of least resistance.



Photo 3

This aerial photo is facing north overlooking an example of the surrounding low-lying areas around this DRS.

The top half of this photo contains MSL1452 and the northeastern most portion of DRS780140.

A 40 m [3:1] natural ridge exists beneath the coniferous vegetation across photo bottom. This drop calculation was estimated through Lidar mapping.

LOCATION E06-067-09-W5M
W05-067-09-W5M

Aggregate Area A

PIT NAME

Swam Hills #3
DRS780140

DATE June 2024

INSPECTION BY

Dean Holsted



Photo 4

Sample spill pile of TH#110

Aggregate field notes:
23% = 80-100 mm
12% = 15-300 mm
0% = +300 mm
Top size = 270 mm

Tape measure set to 0.5 m.

The aggregate is encased and coated in clay and sandy clay with a high plasticity.



Photo 5

Test hole profile of TH#117

Contents:
0.16 T
0.12 Sb
2.2 SC
3.8 CG

An aggregate sample of this test hole was collected.

Test hole profiles slumped regularly during excavation.



Photo 6

Spill pile of TH#125

Aggregate field notes:
25% = 80-100 mm
15% = 15-300 mm
1% = +300 mm
Top size = 300 mm

An aggregate sample of this test hole was collected.

The sandy clay aggregate contained ironstone, and broken quartz material.

The sandy clay is highly plastic and sticky.

LOCATION E06-067-09-W5M
W05-067-09-W5M

Aggregate Area A

PIT NAME

Swam Hills #3
DRS780140

DATE June 2024

INSPECTION BY

Dean Holsted



Photo 7

Sample spill pile of TH#131

Aggregate field notes:

25% = 80-100 mm

15% = 15-300 mm

0% = +300 mm

Top size = 280 mm

Tape measure set to 0.5 m.

The aggregate is encased and coated in clay and sandy clay with a high degree of plasticity.



Photo 8

Test hole profile of TH#134

Contents:

0.07 T

0.1 Sb

2.4 STR(C)

3.0 SiCG

Clay material was collected from a hillside slump along HWY 33 and dumped/spread across the open meadows of L.S. 12_NW05-067-09-W5M. Branches and processed wood were identified within this overburden profile.

(STR) OB is as deep as 3.9 m in several areas.



Photo 9

Spill pile of TH#144

Aggregate field notes:

22% = 80-100 mm

10% = 15-300 mm

0% = +300 mm

Top size = 270 mm

An aggregate sample of this test hole was collected.

Red arrows identify examples of the wood debris encountered within the overburden profile.

LOCATION E06-067-09-W5M
W05-067-09-W5M

Aggregate Area B

PIT NAME

Swam Hills #3
DRS780140

DATE June 2024

INSPECTION BY

Dean Holsted



Photo 10

Sample spill pile of TH#100

Aggregate field notes:

23% = 80-100 mm

12% = 15-300 mm

0% = +300 mm

Top size = 250 mm

Tape measure set to 0.5 m.

Aggregate area **B** located along the southern boundary contains the poorest material with the highest ratio of clay-gravel.



Photo 11

Test hole profile of TH#134

Contents:

3.0 SC

0.7 SCG

0.1 WSCG

2.6 SCG

An aggregate sample of this test hole was collected.

This test hole was located along a reclaimed logging trail and did not have topsoil or subsoil across its surface.

A trickle of water was identified at mid-depth of this profile.



Photo 12

Sample spill pile of TH#108

Aggregate field notes:

20% = 80-100 mm

15% = 15-300 mm

5% = +300 mm

Top size = 300 mm

An aggregate sample of this test hole was collected.

Tape measure set to 0.5 m.

Shovelling the aggregate material was exceptionally difficult due to the high plasticity of the material.

| | | | | |
|----------|----------------------------------|------------------|---------------|----------------------------|
| LOCATION | E06-067-09-W5M W05-067-09-W5M | Aggregate Area B | PIT NAME | Swam Hills #3 DRS780140 |
| DATE | June 2024 | | INSPECTION BY | Dean Holsted |



Photo 13

Test hole profile of TH#114

Contents:

- 0.15 T
- 0.07 Sb
- 2.5 C
- 3.8 CG

An aggregate sample of this test hole was collected.

This test hole is located along the edge of the southern open meadow.



Photo 14

Spill pile of TH#116

The aggregate across aggregate area B remained a consistent clay aggregate with minor colour changes throughout.



Photo 15

Backfilled and reclaimed TH#113

This photo is overlooking the typical conditions of each backfilled test hole within the open meadow areas.

Care was taken at each test hole to backfill each hole in reverse order, periodically pack down the backfilled material, and spread topsoil/subsoil/vegetation across the disturbed area.

LOCATION E06-067-09-W5M
W05-067-09-W5M

Aggregate Area C

PIT NAME

Swam Hills #3
DRS780140

DATE June 2024

INSPECTION BY

Dean Holsted



Photo 16

Spill pile of TH#122

Aggregate field notes:

23% = 80-100 mm

15% = 15-300 mm

0% = +300 mm

Top size = 275 mm

An aggregate sample of this test hole was collected.

Aggregate area C located across L.S. 9_NE06-067-09-W5M. This area is covered in dense pine.



Photo 17

Test hole profile of TH#127

Contents:

0.08 T

0.07 Sb

1.1 SC

4.7 SCG

The aggregate across this deposit transitioned between clay gravel and sandy clay gravel (photo #17).

The presence of sand within the clay gravel was identified visually however handling the agg. confirmed a high degree of plasticity confirming clay.



Photo 18

Spill pile of TH#136

Aggregate field notes:

25% = 80-100 mm

12% = 15-300 mm

0% = +300 mm

Top size = 280 mm

An aggregate sample of this test hole was collected.

LOCATION E06-067-09-W5M
W05-067-09-W5M

Aggregate Area C

PIT NAME

Swam Hills #3
DRS780140

DATE June 2024

INSPECTION BY

Dean Holsted



Photo 19

Test hole profile of TH#141

Contents:

- 0.1 T
- 0.07 Sb
- 2.5 SC
- 3.2 CG

An aggregate sample of this test hole was collected.

This test hole is located approximately 15 m east of the edge of the 30 m [4:1] natural slope ridge from the deposit area.



Photo 20

Test hole profile of TH#147

Contents:

- 0.15 T
- 0.1 Sb
- 2.2 SC
- 3.4 SCG

The aggregate across this deposit transitioned between clay gravel and sandy clay gravel (compare photo #19's CG and photo #20's SCG).



Photo 21

Spill pile of TH#150

Aggregate field notes:

- 25% = 80-100 mm
- 17% = 15-300 mm
- 2% = +300 mm
- Top size = 310 mm

An aggregate sample of this test hole was collected.

| | | | | |
|----------|----------------------------------|------------------|---------------|----------------------------|
| LOCATION | E06-067-09-W5M W05-067-09-W5M | Aggregate Area C | PIT NAME | Swam Hills #3 DRS780140 |
| DATE | June 2024 | | INSPECTION BY | Dean Holsted |



Photo 22

This photo is overlooking an example of a reclaimed avoidance trail created during 2024 testing activities.

The primary tree species onsite is Lodgepole Pine, White Spruce, and Black Spruce.

The tree density across L.S. 9_NE06-067-09-W5M was very dense and historic avoidance lines were no longer useful for equipment travel.



Photo 23

This photo is overlooking an example of a reclaimed avoidance trail created during 2024 testing activities.

Care was taken to break apart vegetation into 1.0 - 1.5 m pieces and pushed flat to the ground.

The path of least resistance was taken by equipment resulting in winding trails with frequent dead ends.



Photo 24

This picture is overlooking an example of a backfilled test hole from within the treed areas of L.S. 9_NE06-067-09-W5M.

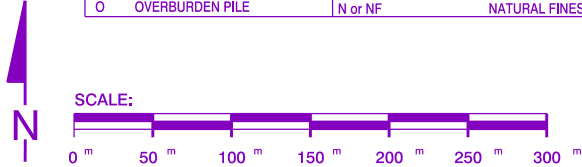
Each test hole required special considerations to spill pile location and size to ensure its contents did not spill into the surrounding trees.

PIT PLAN

E 06
W ¼ SEC. 05 TP. 67 RGE. 9 W. 5 M.
SWAN HILLS #3 PIT.

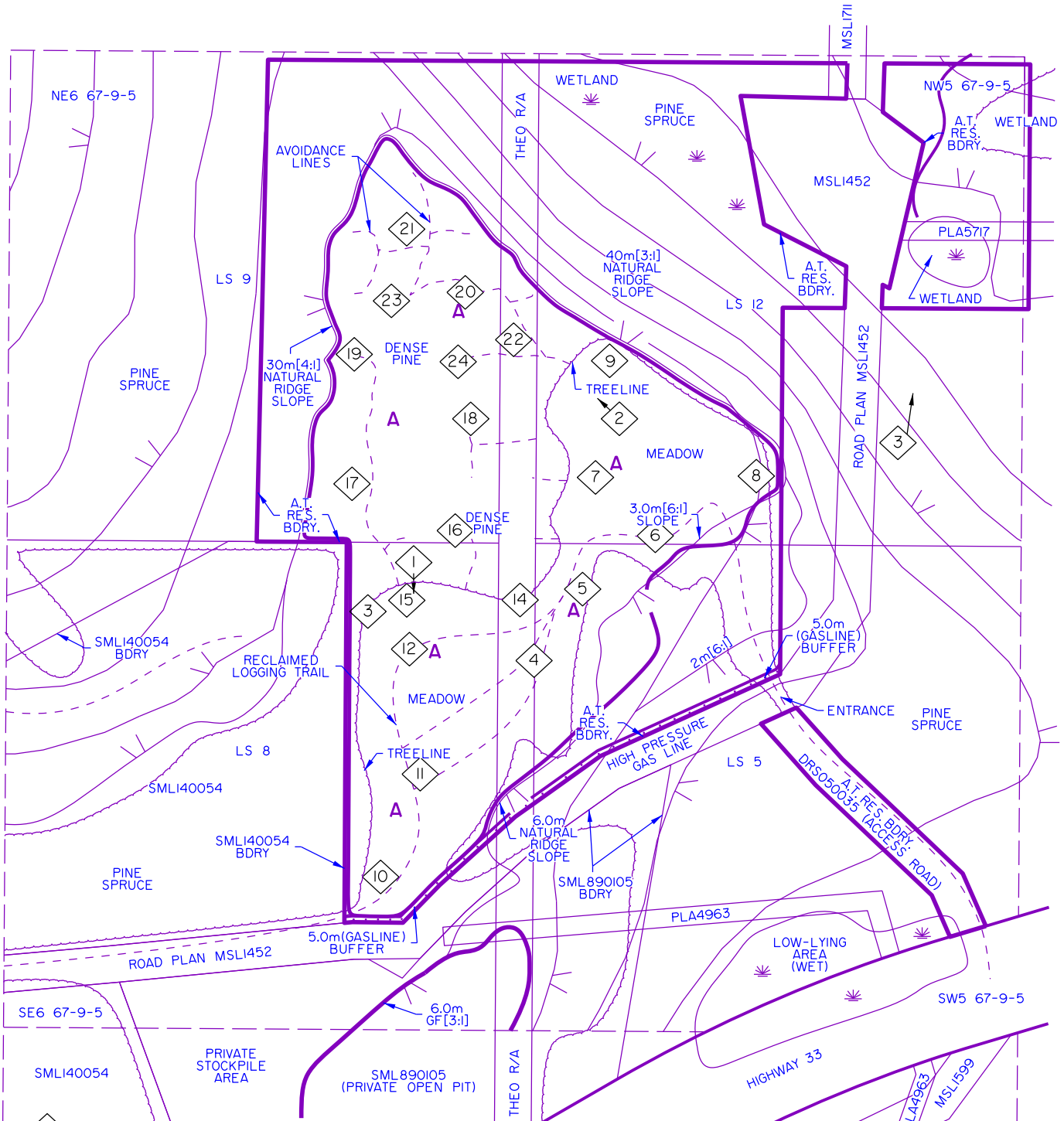
LEGEND:

| | | | |
|------|-----------------|-----------------|------------------------------|
| OP | OPEN PIT | SP | STOCKPILE |
| A | AGGREGATE AREA | CSP | CRUSH STOCKPILE |
| D | DEPLETED AREA | A.T. RES. BDRY. | BOUNDARY OF RESERVATION AREA |
| STR. | STRIPPING | A.T. AGR. BDRY. | BOUNDARY OF AGREEMENT AREA |
| T | TOPSOIL | HWY R/W | HIGHWAY RIGHT OF WAY |
| GF | GRAVEL FACE | - X - | FENCE LINE |
| SF | SAND FACE | R | MUSKEG |
| B | BOULDER PILE | R | REJECT FINES |
| O | OVERBURDEN PILE | N or NF | NATURAL FINES PILE |



AMENDMENTS:

| DATE(MMM/DD/YY) | NAME | AMENDMENTS |
|-----------------|-------------|---------------------|
| FEB / 07 / 06 | JKP | ADD ACP SP TO PMIPL |
| JUN / 20 / 24 | HOLSTED AGG | DRAWN |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |



APPROXIMATE PICTURE LOCATION

PIT LOCATION

E 6 67 9 5
W 1/4 SECTION 5 TOWNSHIP 67 RANGE 9 W 5 MERIDIAN

PIT NAME: Swan Hills #3

TESTED BY: Holsted Aggregates Ltd. DATE JUNE 20 24
 CALCULATED BY: Holsted Aggregates Ltd. DATE JUNE 20 24

GRAVEL TESTING

QUANTITY CALCULATIONS

DRY

AVG. OVERBURDEN 2.6 m(0.1m)

AVG. AGGREGATE 3.4 m(0.1m)

| AREA | LENGTH(m) (USE FORMULA) | WIDTH(m) (USE FORMULA) | SQ. METRES | DEPTH(0.1m) | CUBIC METERS |
|------|----------------------------|---------------------------|------------|-------------|--------------|
| A | _____ | X _____ | X 41,740 | X 2.9 | = 118,959 |
| B | _____ | X _____ | X 40,049 | X 3.5 | = 141,373 |
| C | _____ | X _____ | X 48,660 | X 3.7 | = 177,852 |
| D | _____ | X _____ | X _____ | X _____ | = _____ |
| E | _____ | X _____ | X _____ | X _____ | = _____ |
| F | _____ | X _____ | X _____ | X _____ | = _____ |
| G | _____ | X _____ | X _____ | X _____ | = _____ |
| H | _____ | X _____ | X _____ | X _____ | = _____ |
| I | _____ | X _____ | X _____ | X _____ | = _____ |
| J | _____ | X _____ | X _____ | X _____ | = _____ |
| K | _____ | X _____ | X _____ | X _____ | = _____ |
| L | _____ | X _____ | X _____ | X _____ | = _____ |
| M | _____ | X _____ | X _____ | X _____ | = _____ |
| N | _____ | X _____ | X _____ | X _____ | = _____ |
| O | _____ | X _____ | X _____ | X _____ | = _____ |
| P | _____ | X _____ | X _____ | X _____ | = _____ |
| Q | _____ | X _____ | X _____ | X _____ | = _____ |
| R | _____ | X _____ | X _____ | X _____ | = _____ |
| S | _____ | X _____ | X _____ | X _____ | = _____ |
| T | _____ | X _____ | X _____ | X _____ | = _____ |
| U | _____ | X _____ | X _____ | X _____ | = _____ |
| V | _____ | X _____ | X _____ | X _____ | = _____ |
| W | _____ | X _____ | X _____ | X _____ | = _____ |
| X | _____ | X _____ | X _____ | X _____ | = _____ |
| Y | _____ | X _____ | X _____ | X _____ | = _____ |
| Z | _____ | X _____ | X _____ | X _____ | = _____ |

TOTAL CUBIC METRES 438,184

LESS 10% 43,818

ESTIMATED QUANTITY AVAILABLE CUBIC METRES 394,366

ESTIMATED QUANTITY AVAILABLE - TONNES 643,605
 X 1.632

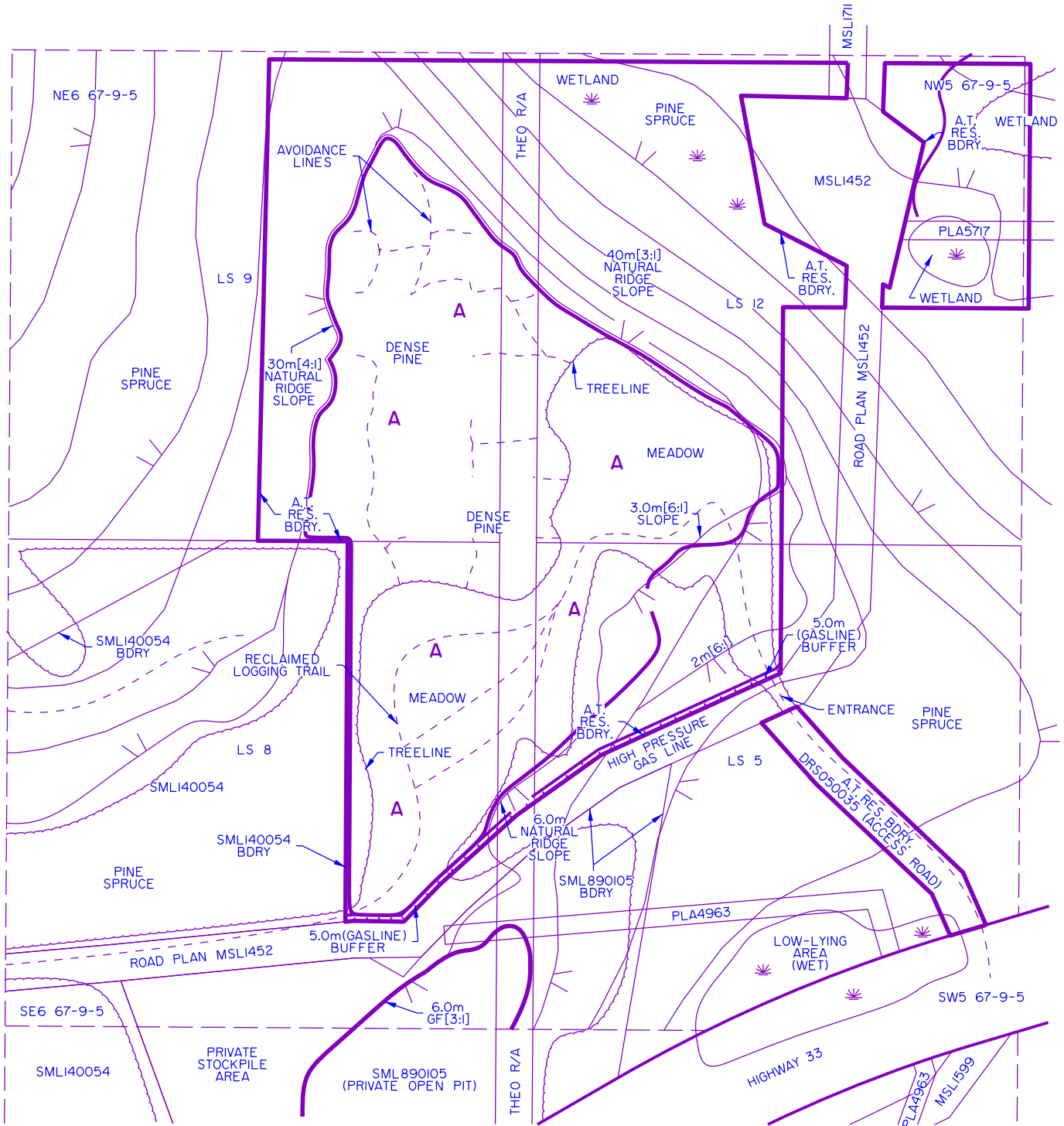
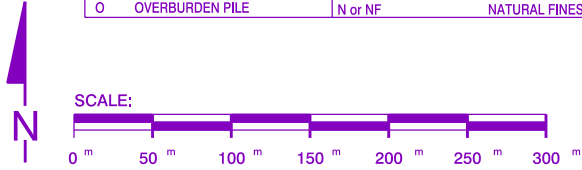
E 06
 W ¼ SEC. 05 TP. 67 RGE. 9 W. 5 M.
SWAN HILLS #3 PIT.

LEGEND:

| | | | |
|------|-----------------|-----------------|------------------------------|
| OP | OPEN PIT | SP | STACKPILE |
| A | AGGREGATE AREA | CSP | CRUSH STACKPILE |
| D | DEPLETED AREA | A.T. RES. BDRY. | BOUNDARY OF RESERVATION AREA |
| STR. | STRIPPING | A.T. AGR. BDRY. | BOUNDARY OF AGREEMENT AREA |
| T | TOPSOIL | HWY R/W | HIGHWAY RIGHT OF WAY |
| GF | GRAVEL FACE | -X- | FENCE LINE |
| SF | SAND FACE | ☼ | MUSKEG |
| B | BOULDER PILE | R | REJECT FINES |
| O | OVERBURDEN PILE | N or NF | NATURAL FINES PILE |

AMENDMENTS:

| DATE(MMM/DD/YY) | NAME | AMENDMENTS |
|-----------------|-------------|---------------------|
| FEB / 07 / 06 | JKP | ADD ACP SP TO PMIPL |
| JUN / 20 / 24 | HOLSTED AGG | DRAWN |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |



DRS780140
BOUNDARY

DRS780140
BOUNDARY

NE6 67-9-5

NW5 67-9-5

DRS780140
BOUNDARY

SE6 67-9-5

SW5 67-9-5

DRS050035
A1 PL-5 BDRY
(ACC-SS ROAD)

PIPELINE R/W (4398 TR)

DRS780140
BOUNDARY

DRS780140
BOUNDARY

NE6 67-9-5

NW5 67-9-5

DRS780140
BOUNDARY

SE6 67-9-5

SW5 67-9-5

DRS050035
A1 R/L5 BDRY
(ACCESS ROAD)

PIPELINE R/W (4398 TR)