



Greetings,

Sears Canada Inc. (Sears) and Clifton Associates Ltd. (Clifton) are pleased to provide this quarterly update on the environmental assessment and remediation activities that are ongoing in the community of Hounsfield Heights – Briar Hill (the community). Since the previous Beacon posting on January 5th, Sears and Clifton are preparing to move forward with a soil vapour monitoring program and Remedial Action Plan along with further drilling work in the community and continued regularly scheduled monitoring and sampling.

As discussed in our previous updates, Clifton has completed the community door to door survey and has received indications from numerous residents who are potentially interested in voluntarily participating in any planned and future monitoring and remedial programs within the community. This includes a soil vapour monitoring program, and we are preparing to move forward with this plan into the next quarter. The purpose of the soil vapour monitoring is to provide us additional information to further rule out any health risk to the community residents. A draft plan has been submitted to Alberta Environment and Parks (AEP) and Alberta Health Services (AHS) for which they have provided their feedback. A final plan will be made available.

Sears and Clifton have developed a Remedial Action Plan which has also been submitted to AEP, AHS and The City of Calgary for review, and will be made available to all stake holders. A Design Verification Test was completed for a treatment known as Regeneration Plume Stop. This treatment will be injected deep into the soil and will create an in-ground barrier to remediate the contaminants in groundwater as they pass through it along selected areas of the community. This treatment program will have very minimal impact to your quiet day to day enjoyment of your community, with no surface equipment visible after the initial injections. We will continue to run the Dual Phase Vapour Extraction system as part of the Remedial Action Plan as it continues to prove effective in cleaning up the contaminants.

Also, in the coming months, you will see Clifton in the community conducting additional investigation drilling to further delineate the southern extent of the plume as well as the North West corner of the community where we have data gaps from our last round of drilling. As before, this will be done to minimize any disruption to the community and will be performed on City property.

Sears and Clifton will continue providing monitoring and sampling reports to all the stakeholders, and going forward will provide an annual report of all work completed in the calendar year.

We are awaiting feedback from AEP and AHS on the previously submitted Health Risk Assessment for the community. Once we have received this feedback we will share this information with the

stakeholders. In our update letter dated December 22nd 2015 we advised that based on the data collected to date the risks to human health are negligible.

Sears and Clifton appreciate the opportunity to provide this information to the residents of the Hounsfield Heights – Briar Hill community and look forward to being able to issue our next progress report in the coming months. In the interim, if you have any questions or concerns, please feel free to contact one of the Sears or Clifton representatives listed below.

Yours sincerely,

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