



June 24th 2016

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 in March 2016, Sears and Clifton have now completed the second quarter groundwater monitoring and sampling event and expect to have the results back from the lab in ample time to complete the report which will be submitted to Alberta Environment and Parks (AEP) by the first week of July 2016.

As you may recall, Clifton completed a community survey earlier this year to recruit volunteer-residents interested in participating in any planned or future monitoring and remediation programs on their property. We would like to thank you for your participation in this survey as the data we gathered was important for preparing the soil vapour monitoring program for the community. As such, we are pleased to advise that the soil vapour monitoring points have now been installed throughout the community within City of Calgary owned property. In addition to this, we have completed our first round of vapour sampling and are awaiting the results which will be released to the community once they have been reported. The purpose of the soil vapour monitoring is to provide further evidence and additional information to rule out any health risk within the community.

In the last Beacon Post, we briefly discussed the Regenesis PlumeStop remedial method which was selected for application within the community, along 11th Avenue. Since the completion of the "Design Verification Test" earlier this year, Clifton has worked closely with Regenesis to refine the remedial design which is now completed. Currently, we are now planning on moving forward with a pilot scale study of PlumeStop in the highest area concentrations along 11th Avenue with the pilot scale study tentatively scheduled for the end of July 2016. We will update the Plume Committee once the final dates have been selected. As this technology proves successful, the full scale installation is planned to be completed later this year in keeping with our Remediation Action Plan (RAP) submitted to AEP and Alberta Health Services (AHS).

You may have also noticed some changes with the Dual Phase Vapour Extraction (DPVE) system installed in Lions Park. The burner of the DPVE has been removed and replaced with quieter, lower profile carbon vessel treatment tanks. These carbon vessels are less intrusive to the community and are proven to be just as effective with the vapour concentration levels we are observing. We will continue to run the DPVE as part of the RAP as it continues to prove effective in cleaning up the contaminants.

The additional drilling and well installation required to further delineate the southern extent of the plume as well as at the northwest corner of the community has now been completed.

These installations were required to address any data gaps from our last round of drilling and the results of the sampling events will be detailed in a report to the AEP by the end of June, 2016. We will continue providing regular monitoring and sampling reports as part of our commitment to the community and presently we are awaiting feedback from AEP and AHS on the previously submitted Health Risk assessment for the community. However, as detailed in our letter dated Jan 5th 2016, the data collected to date indicates that the risks to human health are negligible.

Sears and Clifton appreciate the opportunity to provide this information to the residents of the Hounsfeld 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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