



INTRODUCTION

St. Marys Cement Inc. (Canada) and its subsidiaries collectively the “Company” has prepared the following consolidated report (“the report”) of payments made to government entities for the year ended December 31, 2022 as required by the Extractive Sector Transparency Measures Act S.C. 2014, c.39, s.376 (“ESTMA” or “the Act”).

BASIS OF PREPARATION

The report is presented in US Dollars (USD), the Company’s reporting currency, and has been prepared in accordance with the requirements of the Act and the Natural Resources Canada (“NRCan”) Technical Reporting Specifications. Payments made in Canada in Canadian Dollars (CAD) were translated into US Dollars using the 2022 average exchange rate per the Bank of Canada website.

The following is a summary of significant policies and judgments that the Company has made for the purpose of preparing the report.

Significant policies

Payments to the “same payee” that meet or exceed \$76,800 USD (\$100,000 CAD equivalent) in one category of payment are disclosed.

Payee

For the purposes of the Act, a payee is:

- a. Any government in Canada or in a foreign state;
- b. A body that is established by two or more governments; or
- c. Any trust, board, commission, corporation or body or other authority that is established to exercise or perform, or that exercises or performs, a power, duty or function of a government for a government referred to in paragraph (a) above or a body referred to in paragraph (b) above.

Payees include governments at any level, including national, regional, state, provincial, local, or municipal levels. Payees may include non-governmental entities if the benefit bestowed would have otherwise been provided by the government. Payees also include any government-owned or government-controlled entities that exercise or perform a power, duty or function of government.

Aboriginal and indigenous groups and organizations may also be regarded as a payee under the Act. Currently, the Company does not make payments to such groups.

The individual department, agency or other body of the payee that received the payment has been disclosed in the notes section of the ESTMA Annual Report.

Reportable Payments

A reportable payment for ESTMA purposes is one that:

- a. Is made to the same payee;
- b. Is made in relation to the commercial development of oil, gas or minerals; and



- c. Totals, as a single or multiple payments, \$76,800 USD (\$100,000 CAD equivalent) or more in the year in one of the following prescribed seven payment categories.

Taxes

This category includes taxes paid by the Company on its income, profits or production in relation to the commercial development of its exploration resources. Taxes reported include property taxes, business taxes and certain provincial resource surcharges. Consumption taxes, personal income taxes and taxes withheld by others on behalf of the Company are excluded as per the Act.

Royalties

Royalties are payments for the rights to extract mineral resources, typically at a set percentage of revenue. Both cash royalties and royalties paid in-kind are reported in this category.

Fees

This category may include rental fees, entry fees and regulatory charges as well as fees or other consideration for licenses, permits or concessions. The fee category is substantially broad and includes payments to payees that in substance is a fee. Amounts paid in ordinary course commercial transactions in exchange for services provided by a payee are excluded.

Production entitlements

A payee's share of mineral production under a production sharing agreement or similar contractual or legislated arrangement is reported under this category. For the year ended December 31, 2022, there were no reportable production entitlement payments to a payee.

Bonuses

Signing, discovery, production and any other type of bonuses paid to a payee in relation to the commercial development of mineral resources are reported under this category. For the year ended December 31, 2022, there were no reportable bonuses to a payee.

Dividends

Dividends are dividend payments, other than dividends paid to a payee as an ordinary shareholder of the Company on shares that were acquired by the payee on the same terms as were available at the time of acquisition to other shareholders, that are not in lieu of any other reportable payment. For the year ended December 31, 2022, there were no reportable dividend payments to a payee.

Infrastructure improvement payments

This payment category consists of payments for the construction of infrastructure that do not relate primarily to the operational purposes of the Company. For the year ended December 31, 2022, there were no infrastructure improvement payments to a payee.

Cash and in-kind payments

Payments are reported on a cash basis and have been reported in the period in which the payment was made. In-kind payments are converted to an equivalent cash value based on cost or, if cost is not determinable, the in-kind



payment is reported at the fair market value. The Company did not incur any in-kind payments during the year ended December 31, 2022.

Significant Estimates and Judgments

The preparation of the report in accordance with the Act requires the use of judgments, estimates and assumptions. The Company uses judgements and estimates in allocating payments not directly attributable to its commercial development of exploration resources.

Payments by Project Level

Payments have been reported at the project level as required by the Act. A “project” means the operational activities are governed by a single contract, license, lease, concession or similar legal agreement that forms the basis for a payment liability with a payee. If multiple such agreements are substantially interconnected, they would be considered a single project.

“Substantially interconnected” means forming a set of operationally and geographically integrated contracts, licenses, leases or concessions or related agreements with substantially similar terms that are signed with a government and give rise to payment liabilities.

The Company has determined that the operational activities governed by surface or mineral lease contracts related to key operational areas are substantially interconnected and has reported payments related to each such area as a single project. The Company has considered geographical location and common infrastructure as two key indicators for making this determination.

Commercial Development

The Act defines ‘commercial development of oil, gas or minerals’ as:

- a) The exploration or extraction of oil, gas or minerals;
- b) The acquisition or holding of a permit, license, lease or any other authorization to carry out any of the activities referred to in paragraph (a); or
- c) Any other prescribed activities in relation to oil, gas or minerals.

Payments made by the Company to payees relating to the commercial development of minerals (“commercial development”) are disclosed in this report. The Company’s initial processing activities which are integrated with its extraction operations are included in commercial development. The report excludes payments that are not related to the Company’s commercial development activities, as defined by the Act and the NRCAN Guidance.

Refunds and credits

Cash refunds received from payees have not been reported. Amounts paid to payees have been reported at the amount paid by the Company, including instances where an applicable credit reduces the amount payable, to reflect the net cash payment to the payee.

Attribution of payments

Where a payment was made for the Company by another entity, such payment has been deemed to have been made by the Company and has been included in this report. This may include payments not directly made to a payee, or was not received directly by the payee.



Payments made in situations of joint control

The Company reports all cash payments that it pays directly to a payee, and includes all amounts paid as an operator as part of a joint arrangement. This is the case even where the Company as the operator has been proportionally and directly reimbursed by its non-operating partners.

Corporate Social Responsibility (“CSR”) Payments

The ESTMA Report includes CSR payments that contractually obligates the Company to make to a payee, or to another party under the direction of a payee, as a result of the Company’s commercial development. Additionally, the Company has reported voluntary CSR payments which have been made to a payee, or to another party under the direction of a payee, and relates directly to the Company’s commercial development. For the year ended December 31, 2022 there were no reportable corporate social responsibility payments to a payee.

Extractive Sector Transparency Measures Act - Annual Report						
Reporting Entity Name	St Marys Cement Inc. (Canada)					
Reporting Year	From	1/1/2022	To:	12/31/2022	Date submitted	5/5/2023
Reporting Entity ESTMA Identification Number	E243148	<input checked="" type="radio"/> Original Submission <input type="radio"/> Amended Report				
For Consolidated Reports - Subsidiary Reporting Entities Included in Report:	St Marys Cement Inc. (US) E112691 , VCNA Prairie LLC E939971, VCNA United Materials LLC E897490					
Attestation by Reporting Entity	<p><i>In accordance with the requirements of the ESTMA, and in particular section 9 thereof, I attest I have reviewed the information contained in the ESTMA report for the entity(ies) listed above. Based on my knowledge, and having exercised reasonable diligence, the information in the ESTMA report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.</i></p>					
Full Name of Director or Officer of Reporting Entity	John McCarthy				Date	5/5/2023
Position Title	Chief Financial Officer, St Marys Cement Inc. (Canada)					



ST MARYS CEMENT INC. (CANADA)

ESTMA Report
For the Year Ended December 31, 2022
in U.S. Dollars

Extractive Sector Transparency Measures Act - Annual Report											
Reporting Year	From:	1/1/2022	To:	12/31/2022							
Reporting Entity Name	St Marys Cement Inc. (Canada)				Currency of the Report	USD					
Reporting Entity ESTMA Identification Number	E243148										
Subsidiary Reporting Entities (if necessary)	St Marys Cement Inc. (US) E112691 , VCNA Prairie LLC E939971, VCNA United Materials LLC E897490										
Payments by Payee											
Country	Payee Name ¹	Departments, Agency, etc... within Payee that Received Payments ²	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid to Payee	Notes ⁴
Canada -Ontario	GOVERNMENT OF ONTARIO			2,070,000	1,230,000					3,300,000	Payments relate primarily to aggregate royalty payments to TOARC and WSIB remittances. Actual payments were made in \$CAD translated to \$USD for purposes of this report.
Canada -Ontario	MUNICIPALITY OF CLARINGTON		2,320,000							2,320,000	Actual payments were made in \$CAD translated to \$USD for purposes of this report.
Canada	GOVERNMENT OF CANADA		2,550,000							2,550,000	Payments made to Receiver General relate to Federal and Provincial income taxes at approximate rates of 15% and 10% respectively. Actual payments were made in \$CAD translated to \$USD for purposes of this report.
United States of America	STATE OF ILLINOIS		2,020,000		110,000					2,130,000	
Canada -Quebec	GOVERNMENT OF QUEBEC		1,800,000							1,800,000	Actual payments were made in \$CAD translated to \$USD for purposes of this report.
United States of America	STATE OF WISCONSIN		970,000							970,000	
United States of America	CHARLEVOIX TOWNSHIP		900,000							900,000	
United States of America	STATE OF MICHIGAN		840,000		20,000					860,000	
Canada -Ontario	CORPORATION OF THE TOWN OF ST MARYS		800,000							800,000	Actual payments were made in \$CAD translated to \$USD for purposes of this report.
Canada -Ontario	TOWNSHIP OF BROCK		230,000							230,000	Actual payments were made in \$CAD translated to \$USD for purposes of this report.
United States of America	GOVERNMENT OF THE UNITED STATES OF AMERICA	US DEPARTMENT OF TREASURY, MINE SAFETY AND HEALTH ADMINISTRATION	190,000		90,000					280,000	
Canada -Ontario	TOWNSHIP OF PUSLINC		140,000							140,000	Actual payments were made in \$CAD translated to \$USD for purposes of this report.
Canada -Quebec	CONSEIL DE LA NATION HURONNE-WENDAT				90,000					90,000	Actual payments were made in \$CAD translated to \$USD for purposes of this report.
Canada -Ontario	TOWNSHIP OF PERTH SOUTH		80,000							80,000	Actual payments were made in \$CAD translated to \$USD for purposes of this report.
Additional Notes:	Note - All amounts expressed in USD, unless otherwise stated. Amounts paid in Canadian dollars are converted to USD based on the 2022 weighted average exchange rate of 1.3017 . Payments are rounded to the nearest \$10,000 USD										

Extractive Sector Transparency Measures Act - Annual Report											
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Reporting Entity Name	St Marys Cement Inc. (Canada)				Currency of the Report	USD					
Reporting Entity ESTMA Identification Number	E243148										
Subsidiary Reporting Entities (if necessary)	St Marys Cement Inc. (US) E112691 , VCNA Prairie LLC E939971, VCNA United Materials LLC E897490										
Payments by Project											
Country	Project Name ¹	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid by Project	Notes ²	
Canada	Ontario	3,570,000	2,070,000	1,230,000					6,870,000	Actual payments were made in \$CAD translated to \$USD for purposes of this report.	
United States of America	Illinois	2,020,000		110,000					2,130,000		
Canada	Quebec	1,800,000		90,000					1,890,000	Actual payments were made in \$CAD translated to \$USD for purposes of this report.	
United States of America	Michigan	1,740,000		20,000					1,760,000		
United States of America	Wisconsin	970,000							970,000		
United States of America	Missouri	190,000		90,000					280,000		
Canada	Unallocated corporate taxes and carbon taxes	2,550,000							2,550,000	Actual payments were made in \$CAD translated to \$USD for purposes of this report.	
Additional Notes ³ :	Note - All amounts expressed in USD, unless otherwise stated. Amounts paid in Canadian dollars are converted to USD based on the 2022 weighted average exchange rate of 1.3017 . Payments are rounded to the nearest \$10,000 USD										