Reporting Year
From: 1/1/2017 To: 12/31/2017
Reporting Entity Name
Graymont Limited
Reporting Entity ESTMA Identification Number
E441551
Subsidiary Reporting Entities (if necessary)
E024488 - Graymont Western Canada Inc.
E732499 - Graymont (QC) Inc.

Attestation: Please check one of the the boxes below and provide the required information

☐ Attestation (by Reporting Entity)

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.

☐ Attestation (through independent audit)

In accordance with the requirements of the ESTMA, and in particular section 9 thereof, I attest that I engaged an independent auditor to undertake an audit of the ESTMA report for the entity(ies) and reporting year listed above. Such an audit was conducted in accordance with the Technical Reporting Specifications issued by Natural Resources Canada for independent attestation of ESTMA reports.

The auditor expressed an unmodified opinion, dated 2018-05-17, on the ESTMA report for the entity(ies) and period listed above. The independent auditor's report is on page 7 of the ESTMA report which can be found at http://www.graymont.com/en/sustainability/transparency/extractive-sector

Director or Officer of Reporting Entity Full Name: Chris Davies
Position Title: Vice President and Chief Financial Officer
Date: 5/18/2018
## Extractive Sector Transparency Measures Act - Annual Report

### Reporting Year
- **From:** 1/1/2017
- **To:** 12/31/2017

### Reporting Entity Name
- Graymont Limited

### Reporting Entity ESTMA Identification Number
- E441551

### Subsidiary Reporting Entities (if necessary)
- E24488 - Graymont Western Canada Inc.
- E732499 - Graymont (QC) Inc.

### Payments by Payee

<table>
<thead>
<tr>
<th>Country</th>
<th>Payee Name</th>
<th>Taxes</th>
<th>Royalties</th>
<th>Fees</th>
<th>Production Entitlements</th>
<th>Bonuses</th>
<th>Dividends</th>
<th>Infrastructure Improvement Payments</th>
<th>Total Amount paid to Payee</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>Canada Revenue Agency</td>
<td>7,830,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>7,830,000.00</td>
<td>income taxes</td>
</tr>
<tr>
<td>Canada</td>
<td>Brome-Missisquoi Regional County Municipality, Québec</td>
<td>240,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>240,000.00</td>
<td>road levies</td>
</tr>
<tr>
<td>Canada</td>
<td>Municipal District of Bighorn, Alberta</td>
<td>300,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>300,000.00</td>
<td>property taxes</td>
</tr>
<tr>
<td>Canada</td>
<td>Rural Municipality of Grahamevale, Manitoba</td>
<td>330,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>330,000.00</td>
<td>property taxes</td>
</tr>
<tr>
<td>Canada</td>
<td>Ville St Marc des Carrières, Québec</td>
<td>230,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>230,000.00</td>
<td>road levies</td>
</tr>
<tr>
<td>Canada</td>
<td>Revenu Québec</td>
<td>5,560,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5,560,000.00</td>
<td>income taxes</td>
</tr>
<tr>
<td>Canada</td>
<td>Canton de Bedford, Québec</td>
<td>-</td>
<td>160,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>160,000.00</td>
<td>community investment</td>
</tr>
<tr>
<td>Canada</td>
<td>Ministry of Business, Innovation and Employment</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td>Internal Revenue Service</td>
<td>39,240,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>39,240,000.00</td>
<td>income taxes</td>
</tr>
<tr>
<td>United States</td>
<td>United States Department of the Interior</td>
<td>260,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>260,000.00</td>
<td>mining claims</td>
</tr>
<tr>
<td>United States</td>
<td>Broadwater County, Montana</td>
<td>650,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>650,000.00</td>
<td>property taxes</td>
</tr>
<tr>
<td>United States</td>
<td>Elko County Treasurer, Nevada</td>
<td>270,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>270,000.00</td>
<td>property taxes</td>
</tr>
<tr>
<td>United States</td>
<td>Millard County Treasurer, Utah</td>
<td>2,950,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2,950,000.00</td>
<td>property taxes</td>
</tr>
<tr>
<td>United States</td>
<td>Montana Department of Revenue, Montana</td>
<td>370,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>370,000.00</td>
<td>property &amp; income taxes</td>
</tr>
<tr>
<td>United States</td>
<td>State College, Pennsylvania</td>
<td>430,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>430,000.00</td>
<td>property taxes</td>
</tr>
<tr>
<td>United States</td>
<td>Trust Lands Administration, Utah</td>
<td>460,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>460,000.00</td>
<td>royalties paid</td>
</tr>
<tr>
<td>United States</td>
<td>Utah State Tax Commission, Utah</td>
<td>820,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>820,000.00</td>
<td>income taxes</td>
</tr>
<tr>
<td>United States</td>
<td>Wisconsin Department of Revenue, Wisconsin</td>
<td>750,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>750,000.00</td>
<td>income taxes</td>
</tr>
<tr>
<td>Totals</td>
<td></td>
<td>59,500,000</td>
<td>620,000</td>
<td>930,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>61,050,000.00</td>
<td></td>
</tr>
</tbody>
</table>

Notes:
The reporting currency is the Canadian dollar. Non-Canadian dollar payments have been converted using the exchange rate existing at the time the payment was made. The range of exchange rates was as follows:
- U.S. dollar to the Canadian dollar ranged from 1.2175 to 1.3712
- New Zealand dollar to the Canadian dollar ranged from 0.9237 to 0.9508
# Payments by Project

<table>
<thead>
<tr>
<th>Country</th>
<th>Project Name</th>
<th>Taxes</th>
<th>Royalties</th>
<th>Fees</th>
<th>Production Entitlements</th>
<th>Bonuses</th>
<th>Dividends</th>
<th>Infrastructure Improvement Payments</th>
<th>Total Amount paid by Project</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada (Québec)</td>
<td>Bedford</td>
<td>440,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>440,000</td>
<td>Road levies</td>
</tr>
<tr>
<td>Canada (Alberta)</td>
<td>Exshaw</td>
<td>300,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>300,000</td>
<td>Property taxes</td>
</tr>
<tr>
<td>Canada (Manitoba)</td>
<td>Faulkner</td>
<td>330,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>330,000</td>
<td>Property taxes</td>
</tr>
<tr>
<td>Canada (Québec)</td>
<td>Calco - St-Marc</td>
<td>230,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>230,000</td>
<td>Road levies</td>
</tr>
<tr>
<td>US (Montana)</td>
<td>Indian Creek</td>
<td>680,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>680,000</td>
<td>Property taxes</td>
</tr>
<tr>
<td>US (Nevada)</td>
<td>Pilot Peak</td>
<td>270,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>270,000</td>
<td>Property taxes</td>
</tr>
<tr>
<td>US (Utah)</td>
<td>Cricket Mountain</td>
<td>2,950,000</td>
<td>460,000</td>
<td></td>
<td></td>
<td></td>
<td>2,410,000</td>
<td></td>
<td></td>
<td>Property taxes and royalties</td>
</tr>
<tr>
<td>US (Pennsylvania)</td>
<td>Pleasant Gap</td>
<td>430,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>430,000</td>
<td>Property taxes</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td></td>
<td>4,960,000</td>
<td>460,000</td>
<td>670,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>6,090,000</td>
<td></td>
</tr>
</tbody>
</table>
INTRODUCTION

Graymont Limited and its subsidiaries (collectively, the “Company”) has prepared its consolidated report (“the Report”) of payments made to government entities for the year ended December 31, 2017 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 Canadian dollars (“CAD”) and has been prepared in accordance with the requirements of the Act and the Natural Resources Canada (“NRCan”) Technical Reporting Specifications.

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

SIGNIFICANT POLICIES

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 valuation method for any in-kind payments is disclosed in the notes section of the ESTMA Annual Report. For the year ended December 31, 2017, the Company had no reportable in-kind payments to a payee.

Payments to the “same payee” that meet or exceed CAD $100,000 in one category of payment are disclosed. Payments are rounded to the nearest CAD $10,000.

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. The Act defers the requirement to report on payments made to Aboriginal governments in Canada, with reporting on these payments commencing on June 1, 2017.

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, CAD $100,000 or more in the year in one of the following prescribed seven payment categories.

Taxes
This category includes taxes paid on income, profits or production in relation to the commercial
development of oil, gas, and mineral resources. Taxes reported by the Company in the current year
include income, property and other business taxes. 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 oil, gas, and mineral resources, typically at a set
percentage of revenue or production. Cash royalties are reported by the Company in the current year.

**Fees**
The fee category is broad and includes payments to payees that in substance is a fee. This category
includes regulatory levies and permits reported by the Company in the current year. Amounts paid in
ordinary course commercial transactions in exchange for services provided by a payee are excluded.

**Production entitlements**
A payee’s share of oil, gas or mineral production under a production sharing agreement or similar
contractual or legislated arrangement is reported under this category. For the year ended December 31,
2017, the Company had 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 oil, gas and mineral resources are reported under this category. For the year ended
December 31, 2017, the Company had no reportable bonus payments 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, 2017, the Company had 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, 2017, the
Company had no reportable infrastructure improvement payments to a payee.

**Significant Estimates and Judgements**
The preparation of the Report in accordance with the Act requires the use of judgements, estimates and
assumptions.

**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.
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, such as manufacturing activities.

Refunds and credits
Cash refunds received from payees have not been reported.
May 17, 2018

Independent Auditor’s Report

To the Audit Committee of Graymont Limited

We have audited the accompanying Extractive Sector Transparency Measures Act – Annual Report of Graymont Limited which comprise the schedules of payments by payee and payments by project for the year ended December 31, 2017, and the related notes, which comprise a summary of significant accounting policies and other explanatory information (the “ESTMA Report”). The ESTMA Report has been prepared by management using the basis of accounting described in the notes, which is in accordance with the Extractive Sector Transparency Measures Act S.C. 2014, c.39, s 376 (the “Act”).

Management’s responsibility for the ESTMA Report
Management is responsible for the preparation of the ESTMA Report in accordance with the basis of accounting described in the notes, and for such internal control as management determines is necessary to enable the preparation of an ESTMA Report that is free from material misstatement, whether due to fraud or error.

Auditor’s responsibility
Our responsibility is to express an opinion on the ESTMA Report based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the ESTMA Report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the ESTMA Report. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the ESTMA Report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation of the ESTMA Report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the ESTMA Report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
Opinion
In our opinion, the Extractive Sector Transparency Measures Act - Annual Report of Graymont Limited for the year ended December 31, 2017 is prepared, in all material respects, in accordance with the basis of accounting described in the notes.

Basis of accounting
Without modifying our opinion, we draw attention to the notes to the ESTMA Report, which describes the basis of accounting. The ESTMA Report is prepared to assist Graymont Limited to comply with the reporting requirements of the Act. As a result, the ESTMA Report may not be suitable for another purpose.

PricewaterhouseCoopers LLP
Chartered Professional Accountants