

Attn: Gary Nichols

Surf #3

Bernie (519) 765-1998

FROM : Nichols Gravel Limited

PHONE NO. : 519 582 2143

PE3

Nichols Gravel Limited - Licence No. 102717
Licensed Property / Site Plan Infraction Items

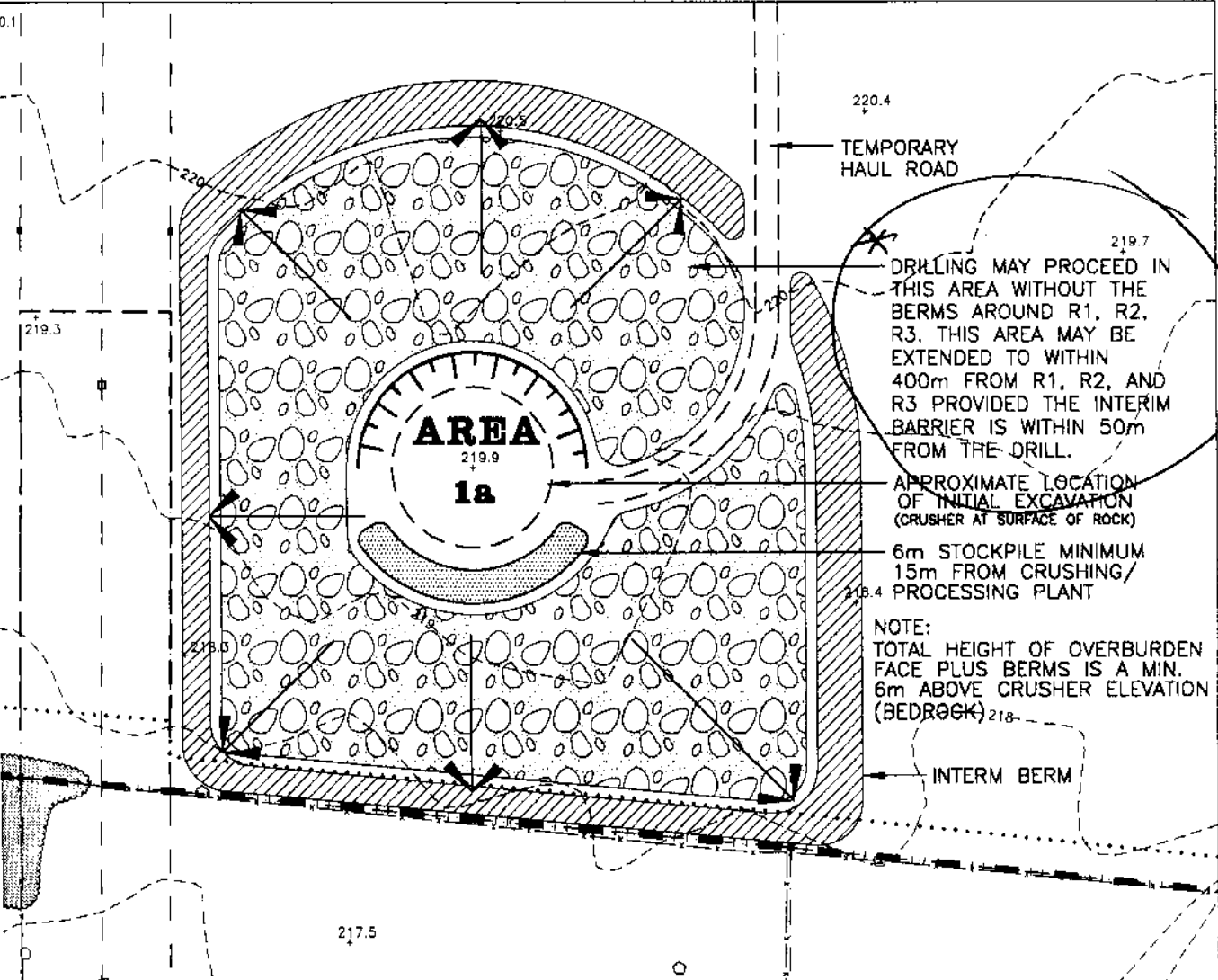
March 31, 2003

An inspection of your licensed property was conducted on March 10, 2003. According to the accompanying site plans the following items require improvement or correction prior to commencing quarrying operations or removal of material from the property:

- 1) Perimeter fencing is required around Phase 1a, 1b and 2, as detailed on the site plan.
- 2) The interim berms surrounding the quarry area required sloping and seeding. In order to reduce dust in the local area, interim berm height should be higher as per site plan details (minimum 8m above bedrock floor).
- 3) The fuel tank existing in the quarry area should be relocated near the scale house as specified in the site plan.
- 4) The roadway entrance and weigh scales should be moved eastward of the existing location, as an acoustic berm is required along the boundary of the adjacent farm residence.

Comments:

- 1) In the past MNR has approved the construction of a 1.2 m high fence that completely encloses the active extraction area instead of fencing the entire licensed perimeter. This is an option you may want to discuss with Paul. Joe S. has approved this option on other sites.
- 2) Initial Excavation diagram - shows the maximum extent of the initial phase and berms at the perimeter of this phase. Should you wish to reduce the amount of agricultural lands disturbed, then MNR should allow you to make the enclosed area smaller. The outside slopes of these temporary/interim berms should be seeded with a cover crop to reduce dust. The interim berms can be adjusted to meet the space required to operate your size of operation.
- 3) Fuel tank relocated - self explanatory.
- 4) Acoustic berms east of your farm residence and along the north and east boundaries are required once the drill rig approaches 400 m from R1, R2 and R3 (see note #3, Phase A notes on pg 2). This was discussed with MNR a few months ago (Feb 3/03).



PHASE A

1. ESTABLISH ENTRANCE/EXIT TO REGIONAL ROAD 9 ACCORDING TO APPROPRIATE MUNICIPAL STANDARDS, ESTABLISH SCALES AND SCALEHOUSE, AS SHOWN ON THE SITE PLAN AND HAUL ROAD INTO THE SITE.
2. PRIOR TO EXTRACTION COMMENCING IN AREA 1A, CONSTRUCT OR UPGRADE THE FENCING ON THE PERIMETER OF THE SITE LOCATED IN PART OF LOTS 10 AND 11 TO THE STANDARDS OF THE ACT, AS REQUIRED. GATES WILL BE BUILT AT BOTH ENDS OF THE HYDRO EASEMENT TO ALLOW ACCESS TO THE TOWERS.
3. STRIP TOPSOIL AND OVERBURDEN SEPARATELY FROM AREA 1A (SOUTHWEST PART OF LOT 11) AND CONSTRUCT ACOUSTIC BERMS AS RECOMMENDED IN THE NOISE REPORT (AND AS SHOWN IN INITIAL EXCAVATION DIAGRAM, DRAWING 2 OF 4). CONSTRUCT 5m HIGH PERIMETER BERMS ONCE THE DRILL APPROACHES 400m FROM R1, R2, AND R3.
4. BEGIN EXTRACTION IN AREA 1A IN DIRECTION SHOWN USING A SINKING CUT AT A 2:1 SLOPE TO ESTABLISH THE QUARRY FLOOR AND FACE, AND PROCESS THE ROCK IN ORDER TO PRODUCE A VARIETY OF MATERIALS TO MEET MARKET DEMANDS. PORTABLE PROCESSING PLANT AND STOCKPILING AREA WILL BE TEMPORARILY LOCATED IN AREA 1A. ESTABLISH SUMP HOLE IN THE SOUTHEAST CORNER OF AREA 1A TO COLLECT QUARRY WATER. CONSTRUCT THE SETTLING POND AS SHOWN AND ROCK CHECK DAMS IN THE DRAINAGE SWALE PRIOR TO PUMPING OF WATER (UPON APPROVAL FROM MOEE) FROM THE QUARRY. SEE NOTE REGARDING EXTRACTION OF AREA SOUTH AND WEST OF THE SOUTHERN MOST HYDRO TOWER.
5. PLANT TREES ON LANDS TO THE SOUTH AND WEST OF THE RESIDENTIAL PROPERTY ADJACENT TO THE NORTHWEST PART OF THE SITE (WITHIN TWO YEARS OF LICENCE APPROVAL).
6. RELOCATE PROCESSING PLANT AND STOCKPILING AREA TO THE QUARRY FLOOR ONCE EXTRACTION AREA IS SUFFICIENT IN SIZE FOR THOSE PURPOSES.
7. STRIP TOPSOIL AND OVERBURDEN IN AREA 1B AND USE TO BUILD BERMS ON THE PERIMETER OF THE SITE (AS SHOWN) OR BEGIN PROGRESSIVE REHABILITATION OF THE 2:1 OVERBURDEN SLOPES, TERMINATED QUARRY FACES AND QUARRY

NOT

1. THIS PLAN IS AVAILABLE AND SHOWS HYDROGEOLOGICAL REHABILITATION ANY MAJOR
2. PROPERTY NOVEMBER
3. TOPOGRAPHIC PHOTOGRAPH
4. REFER TO WITHIN THE
5. RESOURCE ALL-TERR
6. SITE PLAN
7. BOUNDARY FEATURES 2 WILL BE ON SHEET TO EXTRACT
8. TOPSOIL & STOCKPILE STOCKPILE RESIDENTIAL
9. BERMS SH