

**NICHOLS GRAVEL LIMITED**

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February 5, 2003

Ministry of Natural Resources Aylmer District Office  
353 Talbot St. W.  
AYLMER, On. N5H 2S8

**ATTENTION:** M.N.R Inspector Paul Cutmore  
Ref. Telephone conversation of January 30, 2003

Dear Mr. Cutmore:

This letter is clarification to matters discussed in our recent telephone conversation of last Thursday.

You informed me that your Ministry had received approval to issue the Class "A" license that the O.M.B. directed the Minister to issue by decision order 1194, July 25, 2001 in respect to our application in the former City of Nanticoke.

You also stated that you had spoken to our consultant Bernie Janssen at Harrington and Hoyle, to request copies of the site plans for distribution to various parties. I advised you that I would contact Bernie in this regard.

I then inquired as to the status of the Ministry of Environment Permit to take water, which our company applied for March 13, 2002. You replied that in discussions with M.O.E. they suggested that we should start over and reapply, but had decided that they would address the Permit to take water issue after the M.N.R. license had been issued.

At that point I indicated to you that this was **not** acceptable as about 90% of the problems encountered with this entire process involved the M.O.E. and this Permit to take water issue, with the timing of the issuance of the Permit the root cause of the confusion, complications and delay to compliance with the Boards decision order, which for whatever reason has been used as an excuse by Senior M.O.E. and M.N.R. staff to spin, delay and pervert the Public planning process, which in turn has severely and negatively impacted our business.

The O.M.B. July 25, 2001 decision order #1194 stated quote: "The Board directs the Minister, pursuant to Section 11 (8) of the Aggregate Resources Act RSO 1990, to issue a Class "A" license for removal of aggregate from lands composed of part of lots 10, 11, and 12, Concession 12, in the City of Nanticoke, subject to the following conditions:

1. The applicant shall obtain a long-term Water Taking Permit issued by the Ministry of the Environment.
2. The applicant shall fulfil a set of conditions as set out in Attachment "2".

The license is for removal of aggregate to the bottom of the Bois Blanc formation only and there is to be no quarrying of the Bertie formation at this location. The action plan is attached as Attachment "3".

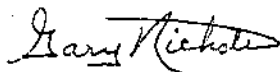
In respect to the fact that the decision order named the Permit to take water as the first condition, I suggest that this was meant to be the number one priority of all of the issues brought forward at the hearing. In order to comply with the final decision order Condition #1 Nichols Gravel Limited filed application with the Ministry of the Environment for this Permit on March 13, 2002 for the second time. Now almost eleven months later, we still have not received the Permit to take water, or have we been advised of any reason for the delay or why the Permit has not been issued.

Is this Ministry dysfunctional or what?

Now after this extended unnecessary delay, and in respect to the fact that the final O.M.B. decision was issued 1 year and 6 months ago, please be advised that if the M.O.E. Permit to take water is not processed and issued with reasonable conditions prior to the issuance of the M.N.R. license, we shall not accept the Class "A" license, and shall continue with construction of the farm irrigation pond.

Further, please be advised that if all necessary Permits and licenses required, have not been received by April 1, 2003 we shall file notice with the Crown for both the M.N.R. and M.O.E and 30 days thereafter proceed to file claims with the courts for monetary damages sustained, as well as charges of conspiracy, failure to comply with an O.M.B. decision order, and conspiracy to illegal interference with the business relations of Nichols Gravel Limited.

Yours sincerely,



Gary Nichols, President

- c.c. Premier Hon. Ernie Eves
- c.c. Min. Attorney General Hon. David Young
- c.c. Min. Natural Resources Hon. Jerry Ouellette
- c.c. Min. of Environment Hon. Chris Stockwell
- c.c. Brian Duxbury and Rural Community Coalition