

April 2, 2003

Ministry of Natural Resources
99 Wellesley St. W.
Whitney Block, 6th Floor
TORONTO, On. M7A 1W3

ATTENTION: Minister Mr. Jerry Ouellette

Dear Sir:

On April 1st, 2003 two employees of the Ministry of Natural Resources arrived at the office of Nichols Gravel Limited and hand delivered a Class A, Cat 2 License #103717 for a quarry at 911 #2746, Haldimand County Rd. 9. This occurred 1 year and 8 months **after** the Ministry of Natural Resources was provided with Ontario Municipal Board Direction Order **1194** to issue the license. In respect to numerous letters of inquiry to various government ministries and agencies without response, we have never received clarification as to **why** the Ministry of Natural Resources did not comply with the July 25, 2001 direction order.

With the license was enclosed a covering letter signed by M.N.R. Aylmer District Manager, Alec Denys. **See letter.**

Attached to this letter dated March 31, 2003 was a page entitled Nichols Gravel Limited – License No. 103717.

Licensed Property/Site Plan Infraction Items 1 to 4 which stated quote:

An inspection of your licensed property was conducted on March 10, 2003. According to the accompanying site plans the following items require improvements 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 height should be higher as per site plan details (minimum 6 m 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 existing location, as an acoustic berm is required along the boundary of the adjacent farm resident. unquote.

What I have identified in these statements are misrepresentation, falsity of fact and a fraud:

Quote: An inspection of your licensed property was conducted March 10, 2003.

Comment: **No.** Not according to the date of issuance on the license which is dated March 25, 2003. Therefore the inspection that was conducted **without** prior notice or authorization on our property was conducted March 10, 2003 on the **unlicensed** property. Definitely a misrepresentation and a false statement of fact.

1. **True.** The start of perimeter fencing will proceed as soon as the clay soil is dry enough to support machinery, however this may not be completed until the crops are off in the fall as we cannot destroy the land renter's crops in order to construct fencing.
2. **Clarification:** The working face at bedrock is 16'.
On top of the bedrock we have 3' of overburden for a
Total of 19'
6 metres equal $6 \times 3.3' = 19' 8''$

Surrounding the excavation we have a berm on top of the overburden of over 6' in height which equates to a total height above the pit floor of 25' 8" or 7.7 metres which is well within the requirement of the site plan which confirms another misrepresentation of fact under stated infraction. ? number 2

The interim berms are under construction and are temporary, as they will be moved outward as the quarry face expands in order to not take any more agricultural land out of production than is absolutely necessary. At the point that the outer limits of Area 1A are reached the berms will be shaped graded and seeded as per the site plan.

3. The fuel tank is temporary storage and will be moved to the designated storage area as per site plan, just as everything on this site plan is in the pre-development stage. No magic wand, everything will conform to plan in good time.
4. To imply that the roadway entrance and weigh scales should be moved to allow for an acoustic berm along the boundary of the adjacent farm residence is a misrepresentation and a fraud by Mr. Denys and Mr. Cutmore as this was previously discussed with our consultant Bernie Janssen on February 3, 2003 as to whether or not our site plan should be amended prior to release to M.N.R. to accommodate and relocate the acoustic berm farther to the west in order to accommodate the existing location of the access entrance from Rd. 9.

Bernie Janssen discussed this matter with Paul Cutmore and reported back to me that Mr. Cutmore said this would **not** be a problem, and was something that could be addressed later. See Fax of February 5, 2003 from Bernie Janssen in respect to this matter.

Now #4 on March 31, 2003 this has become a problem, and in respect to what is stated on the site plan and in the fax from Bernie Janssen this acoustic berm is confirmed **not** required until the drills are working within 350 metres of the North boundary confirming the falsity of fact in this statement by Mr. Denys and Mr. Cutmore that this berm **must** be constructed prior to commencing quarrying operations or removal of material from the property.

This license and letter was delivered approximately 3:15 PM, April 1, 2003. I completed my review of the documentation first thing April 2, 2003 and at 9:00 AM my wife took a call from Mr. Cutmore who warned that if we did not cease and desist from removing material from the property, as an officer of the Corporation she could expect repercussions and that M.N.R. would suspend the license due to the infractions. I was very disturbed when I received this message, as my wife has had a number of health problems over the past few years and what she does **not** need is added stress intimidation or threats from any insensitive arrogant beauracrats from our Provincial government or elsewhere.

In addition to this incident I am astounded by the extreme arrogant and arbitrary attitude of Senior Officers and Inspectors of the Ministry of Natural Resources.

Just to recap the events, in the first instance we had the trespass on September 5, 2002 by the M. N. R. Inspectors Mr. Lumb and Mr. Cutmore in order to obtain information without permission or authorization to the issuance of a stop work order.

Now we are informed on April 1st, 2003 in the hand delivered letter dated March 31, 2003 that our proposed quarry property was inspected March 10, 2003, again without notification, a request for inspection or any authorization whatsoever to make this inspection on our property.

In order to enter this property these inspectors proceeded past **3 no trespass** signs and a **locked** gate. Does this company really need Agents of the Provincial Government sneaking around on our properties without our knowledge and with unknown intent?

Please advise your inspectors not to enter any of our properties again without a prior appointment and during business hours. Further to that there are to be **no** discussions between agents of your ministry and the company Secretary Treasurer, Margaret Nichols. All correspondence and inquires are to be directed to Gary, Dwayne and Darryl Nichols.

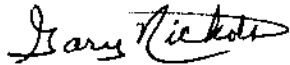
It should be noted that material being removed at this time are from stockpiles produced last August from the extraction of the construction of the irrigation pond and has **nothing** to do with this years extraction and is therefore not relative to issuance of this license, as we have not yet started drilling, or crushing at this property this year.

The M.N.R. after having screwed the issuance of this license around for a year and eight months, rather than cut our company some slack in order to comply with the conditions imposed, and rather than provide some degree of co operation, we have instead the

beauracrats best efforts through misrepresentation and fraud to continue to keep production and development of this quarry shut down.

I suggest that if we do not now receive some co-operation at this point, and someone does not reel Mr. Cutmore in, Mr. Cutmore was correct about one thing, there will be repercussions alright, and no one will like what comes next.

Yours sincerely,

A handwritten signature in cursive script that reads "Gary Nichols".

Gary Nichols, Pres.

c.c. Premier Hon. Ernie Eves
c.c. M.P.P. Toby Barrett
c.c. M.N.R. Alec Denys

PHONE: 519-582-3354

FAX: 519-582-2143

May 13, 2003

Ministry of Natural Resources
District Office
Aylmer, On.

ATTENTION: Area Supervisor, Dan Elliott

Dear Sir:

This letter shall clarify our company's position in respect to the requested meeting to discuss interpretation of conditions of license, provisions of site plans, and enforcement of suspension of license #103717.

Last week we became aware of information that inspector Cutmore had contacted David Anderson, Haldimand County Roads Supervisor and requested that he become involved in what appears to be another conspired attempt to further interfere with the development of our quarry as it relates to O.M.B. decision/order condition #53 concerning quarry dewatering and directing of water to the designated outlet the Harrop drain. My understanding is that Senior Officials of Haldimand County squelched this plan, as they were not prepared to get Haldimand County involved in an unnecessary lawsuit, which really relates to David Anderson's past performance with the former Delhi Township and Nichols Gravel Limited. You may check out David Anderson's performance for conspiracy, falsified documents, fraud and perjury on our website.
www.injusticecanada.com

After 1 year and 2 months since application to the Ministry of the Environment for the confusing ? Permit to take Water, it would appear to be the game plan to withhold this Permit for as long as possible comparable to the M.N.R. license to prevent this quarry from becoming operational.

However, the concern for the Harrop drain conditions and the Permit to take Water will become completely irrelevant should we decide to proceed with extraction below the water table by backhoe or dragline in which case it will not be necessary to pump or dewater the quarry or to fulfill any conditions related to the Harrop drain as it will not be required as there will be no use, and therefore no impact. It should further be noted that we do have a user right to the Harrop drain by the drainage assessment taxes related to the farm operation on the land.

This past weekend I had discussion with a Senior Planner and friend, who read the O.M.B. decision and M.N.R. suspension order. His response was that he had never seen anything to compare to this in all of his experience. He described the pre operational conditions as ridiculous. His stated opinion was that the M.N.R. having made no representation at the hearing in respect to "pre operational conditions", could not after the fact impose pre operational conditions not so imposed by the final O.M.B. decision order.

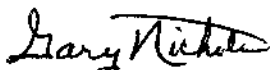
This planner's further advise was to have our lawyer seek a clarification from the O.M.B. for the implementation of the conditions in respect to development of the quarry.

Please be advised that we shall be following this recommendation, and hereby decline further discussion until the authority to impose pre operational conditions on the license has been clarified.

In the interim period, we shall honour our obligations under the Land Lease Agreement dated January 17, 2003 and continue with construction of the farm irrigation pond which was started last year. It should be acknowledged that the Land Lease Agreement pre dates the issuance of the Class A License dated March 25, 2003, and I suggest that in that respect our obligations under the Land Lease takes precedence over the M.N.R. License and attached conditions which became effective only upon issuance of the License. We find no legislation or provision in the Aggregate Act which would allow the M.N.R. to interfere or prevent improvements directly related to an "other" use such as Agriculture, which with the license suspension remains the primary use of the land and source of income to Nichols Gravel Limited.

No doubt we shall discuss this matter in detail when we meet at the Cayuga Court House on June 6, 2003. It would seem that we have now reached the absolute pinnacle of constipated thought process in government, where we have a ministry of government who does not comply with the Public Planning process from the O.M.B. decision order to issue the license, and then believes it is justified to prosecute an infraction, when in fact there would have been no infraction had this ministry complied with the lawful process in the first place. Someone please give your heads a shake and get back to reality. Dictatorship or responsible democratic government?

Yours sincerely,



Gary Nichols

c.c. Minister of Natural Resources, Hon. Jerry Oulette
c.c. Ministry of the Attorney General Crown Law Office