



353 Talbot Street West
Aylmer West, Ontario
N5H 2S8
(519)773-4747

Hand Delivered

October 1, 2002

Nichols Gravel Limited
P.O. Box 172,
Delhi, Ontario, N4B 2W9

Attention: Mr. Gary Nichols

Dear Sir,

**Re: Inspection of Aggregate Records for Material
Removed From Lots 10-12, Conc. 12 -Former City of Nanticoke**

This letter is in response to our site visit at your main office on September 27, 2002, whereby our Ministry staff made a request to review your company's aggregate records regarding the removal of aggregate material from the subject property.

Under Section 4(2) of the Aggregates Resources Act, our Aylmer District MNR office is requesting the production of accounting records or documents involving the removal of aggregate material from the subject property. Documentation is requested for any material removed off the property and hauled to other licenced properties or job/construction sites.

Ministry staff would like to audit the accounting records on Monday October 7, 2002, at your main office near Delhi, Ontario. If this time/date is not possible, then please offer an alternative time.

Yours truly,

A handwritten signature in black ink, appearing to read "Paul G. Cutmore".

Paul G. Cutmore
Aggregate Resources Inspector
Aylmer District, Ministry of Natural Resources.

P.O. BOX 172
DELHI, ON. N4B 2W9

PHONE: 519-582-3354

FAX: 519-582-2143

October 25, 2002

Minister of Natural Resources
Hon. Jerry Ouellette
99 Wellesley St. W.
Whitney Block 6th Floor
TORONTO, On. M7A 1W3

Dear Sir:

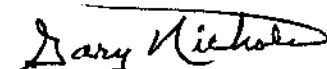
In respect to the recent clarification from the Ontario Municipal Board dated October 10, 2002, and received by me on October 17, 2002, the Board has confirmed that no review by the Board is allowed under the Aggregate Act of Ontario.

The Board's letter re-confirms, one year and three months after its decision/order dated July 25, 2001, that: "The Ministry of Natural Resources is responsible for issuance of the license in compliance with, and/or fulfillment of the conditions imposed by the Board."

At this point in time I have under consideration the substantial monetary loss to my Company, resulting from both the stop work order of September 5, 2002, and the loss of income from the subject property due to the delay in issuing the license since July 25, 2001.

I anticipate the issuance to my Company of the permit and license by the M.N.R. and M.O.E. by return mail.

Yours sincerely,



Gary Nichols

c.c. Premier Hon. Ernie Eves
c.c. Hon. Chris Stockwell, Minister of the Environment