

TOARC  
**Annual  
Report**



2022



## 2022

### Representing The Ontario Stone, Sand & Gravel Association (OSSGA)

Terry Waites | Chairman of the Board  
Ryan Essex | Secretary/Treasurer  
Bill Marquardt  
George Lourenco

### Representing a Conservation or Environmental Organization

Lisa Burnside

### Representing the Association of Municipalities of Ontario (AMO)

Sandra Easton

### Representing the Aggregate Industry at Large (non OSSGA)

Kerry Doughty

### Representing the Ministry of Natural Resources and Forestry as an "Ex Officio Member"

Kathy Woeller

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### Representing the Ministry of Northern Development, Mines, Natural Resources and Forestry as an "Ex Officio Member"

Renée Bowler

# Minister Smith

May 27, 2023

Honourable Graydon Smith  
Minister of Natural Resources and Forestry  
Suite 6630, 6th Floor, Whitney Block  
99 Wellesley Street West  
Toronto, Ontario M7A 1W3

On behalf of the Board of Directors, I am pleased to submit the 2022 Annual Report of The Ontario Aggregate Resources Corporation.

This annual report includes audited financial statements for the Aggregate Resources Trust and The Ontario Aggregate Resources Corporation for the fiscal year ended December 31, 2022. Included within the financial statements for the Aggregate Resources Trust is a schedule of rehabilitation costs for projects completed by the Management of Abandoned Aggregate Properties (MAAP) program in 2022.

The report also reviews a number of the rehabilitation projects undertaken by the MAAP program along with research funded by the Abandoned Pits & Quarries Rehabilitation Fund.

Yours truly,

Terry Waites  
Chairman of the Board



# 2022 Chairman's Message

As we look back at 2022, we realized that although some challenges with Covid still continued, there was a huge effort by our staff to return to a more normal cycle of how we conduct the affairs of The Ontario Aggregate Resources Corporation (TOARC). Field visits and in person meetings with legacy site landowners resumed, which allowed the Management of Abandoned Aggregate Properties (MAAP) team to rebuild a backlog of projects, as well as design, tender and manage a full slate of construction projects. TOARC continues to fulfil its mandates including the collection of production data, invoicing, collection of fees, disbursement of funds, auditing of client production reporting, rehabilitation of revoked sites, and research and education of aggregate related issues.

Annual Fees and Royalties of \$39.6 million dollars were collected and disbursed in 2022 based on 2021 production reporting.

The Upper and Lower Tier Municipalities realized a large increase in the fees they received, as their share of the disbursement dollars increased by \$1.7 million to \$28.4 million in 2022. The Crown also realized a gain in their proportion of disbursed fees of \$0.7 million to \$10.1 million in total from both licence and permit fees.

Production reported on Licences increased by 5.7% in 2021 to 167 million tonnes. When including Permits, Forestry Pits, and Private Land Non-Designated sources, the total production rose to 178 million tonnes. This is the most production reported since TOARC was formed in 1997. This compares to 168 million tonnes in total reported in 2020. Production from Permits, Forestry Aggregate Pits, and Non-Designated Private Land sources increased by approximately 1 million tonnes to 10 million tonnes in total.

2022 Fees based on 2021 production were disbursed amongst recipients as follows:

DISBURSEMENT YEAR	2019 (*\$MILLION)	2020 (*\$MILLION)	2021 (\$MILLION)	2022 (\$MILLION)
Local Municipalities	19.4	20.0	21.4	22.8
Counties & Regions	4.8	5.0	5.3	5.63
MAAP Program	1.0	1.0	1.1	
Province (from Licence Fees)	6.7	7.0	7.5	7.9
Province (from Royalties and Permit Fees)	1.8	1.7	1.9	2.2
<b>TOTAL</b>	<b>33.7</b>	<b>34.7</b>	<b>37.2</b>	<b>39.6</b>

(2019 – 2021 Disbursement shown for comparison)

The Management of Abandoned Aggregate Properties (MAAP) program works to rehabilitate the “abandoned pits and quarries” of Ontario. The Ministry of Natural Resources and Forestry (MNR) defines these as “pits and quarries for which a licence or permit was never in force at any time after December 31, 1989” and at MAAP we refer to these as “legacy sites”. In reality, legacy sites are small pits and quarries that were excavated to build the infrastructure throughout Ontario, but never rehabilitated and located throughout every lower and upper tier municipality.

The total count of legacy sites in Ontario has risen by nine to 8,228 files now in our eMAAP database of which 6,401 are now closed. This means that there remain 1,827 open sites that may require some sort of rehabilitation.

The updated listing by category of closed files now stands as follows:

Developed	746
Licensed	353
No Historical extraction	396*
Naturalized (to create new habitat)	2,492
Rehabilitated (by owner)	784
Situated on Crown Land	267
Landowner Not Interested	738
Rehabilitated by MAAP/MNR	625
<b>Total Files Closed</b>	<b>6,401</b>

\*Files where no disturbances could be found or where it was determined the site disturbance was not a result of aggregate extraction.

Nineteen (19) projects were tendered by MAAP across Ontario in 2022. They included seven (7) sites in Central Ontario, eight (8) sites in Northern Ontario and four (4) sites in Southwestern Ontario.

Of the nineteen sites, nine were rehabilitated to agricultural and ten sites were naturalized. Some great examples of MAAP's work are included later in this annual report.

Rehabilitation of aggregate sites in Northern Ontario has always been challenging due to the lack of available soils and shorter growing seasons. In last year's Annual Report, it was noted that in 2020 the TOARC Board of Directors agreed to support funding research on “Novel Strategies for Enhancing Biodiversity and Ecosystem Function at Northern Ontario Aggregate Pits”. The research is being done by Collège Boréal and Laurentian University in collaboration with industrial partners Pioneer Construction, Ethier Sand and Gravel and Glencore's Sudbury Integrated Nickel Operations. An article describing field trials at a Sudbury legacy site that took place in summer of 2022 and plans for further trials in spring of 2023 can be found later in this report.

Part of MAAP's mandate is, “to document rehabilitation methods and monitor their success”. In 2021 MAAP, in discussion with the University of Guelph Arboretum, agreed to support a research team from the University to complete a bio-inventory of their “Gravel Pit Rehabilitation Collection” site that was rehabilitated 45 years ago. The former pit, which is located within the Guelph Arboretum boundary, was actively naturalized over three years from 1976-1978.

Since individuals who worked on the rehabilitation project and detailed records of what was originally planted complete with original design plans were available, TOARC recognized the learning opportunity that was presented. In 2021, after reviewing the excellent work completed by the University of Guelph students, the TOARC Board approved further support for a second phase to the study. The researchers are analyzing a second pit that naturalized without intervention over this same period. The site is close to the Gravel Pit Rehabilitation Collection and the team will compare the development of the two sites.

An article on the preliminary findings and comparison between the two sites can be found later in this report.

Knowledge and education for the public about aggregates and where it is derived from, how it is produced or where it is utilized by all Ontario residents, continues to be a focus of TOARC, the Province and the industry. In 2022 OSSGA invited TOARC to partner with them and educators to develop a Grade 9 curriculum to be offered in our schools that educates students about the importance of aggregate resources in our society. Further details are found later in this report.

I am also pleased to confirm that TOARC continues its education funding support at the University of Waterloo School of Planning for “**Aggregate Resources Planning, Development and Management.**” A more detailed update about expanding this training is detailed later in this report.

Trust funds decreased in the year ending 2022 to \$17,655,287 from \$20,923,355 at the year end 2021. Trust revenue decreased by \$4,015,262 compared to the previous year as losses in the “unrealized changes in fair value portion” reflect lower performance of the 2022 financial markets. Trust's expenses increased by \$124,044 in 2022. This increase was mainly a result of one intern being hired, the return of administration support post Covid, plus increase spends in accommodation/travel and mileage as field operations and audit activity increased after the 2021 Covid lockdowns.

There was one change to the composition of TOARC's Board in 2022. I would like to note a special thank you to Ken Lucyshyn of Walker Industries Holding Limited who joined the TOARC Board in 2008. Ken served as Chairman from 2009 until 2015 and again from 2017 to 2019. Ken retired from the Board in 2022 after 15 years of service! Ken who was one of four OSSGA Directors, was incredibly supportive and passionate about TOARC, its people and the wonderful work that was accomplished over the last 15 years.

I am pleased to welcome George Lourenco of Capital Paving who will be representing the Ontario Stone, Sand and Gravel Association to the TOARC Board of Directors replacing Ken Lucyshyn.

Respectfully submitted,



Terry Waites

Chairman of the Board



# MAAP 2022 Project Summary

# Summary of MAAP Rehabilitation Costs

Project Number	Landowner / Location	End Use	Area (ha*)	COST \$
20-04c	Horst Pit, Waterloo County	Agriculture	n/a	575
22-01a	Lawrence Pit , Durham County	Agriculture	0.51	27,047
22-01b	Hodgson Pit , Durham County	Naturalization	0.55	12,592
22-01c	Alpe Pit , Durham County	Agriculture	1.08	46,132
22-01d	Ward- Jarvis Pit , Durham County	Agriculture	0.52	7,660
22-02a	Holtrop Pit , Durham County	Agriculture	3.37	42,110
22-02b	Kent Pit , Durham County	Agriculture	0.60	42,800
22-02c	Toth Pit , Durham County	Agriculture	0.41	26,610
22-03	Glencore Pit, District of Sudbury	Naturalization	1.50	37,500
22-04a	Lammie Pit , District of Sudbury	Naturalization	0.58	31,000
22-04b	Tessier Pit , District of Sudbury	Naturalization	0.20	20,000
22-04c	Lefrancois Pit , District of Sudbury	Naturalization	0.50	37,625
22-04d	Champaigne Pit , Nippissing County	Naturalization	0.19	22,950
22-04e	Champaigne Pit , Nippissing County	Naturalization	0.42	29,850
22-04f	Smithard Pit , Nippissing County	Naturalization	0.30	27,750
22-04g	McGuinley Pit, Nippissing County	Naturalization	0.24	31,200
22-05a	Strike- Sapp Pit, Huron County	Naturalization	n/a	29,025
22-05b	McTavish Pit, Perth County	Agriculture	0.74	31,818
22-05c	Hohnstein Pit, Bruce County	Agriculture	0.40	6,244
22-06	Noordam Pit, Perth County	Agriculture	3.37	100,000
			<b>15.48</b>	<b>610,488</b>

\*Hectares is working area of the site. Sites previously reported will show "n/a".

Year	Number of New Sites	Area Rehabilitated (ha)	Total Costs** \$	Cost / (ha) \$	Avg Cost per site \$	Avg Area Rehabilitated (ha)
1992-96*	52	77.99	726,480	9,315	13,971	1.50
1997	15	22.40	497,973	22,231	33,198	1.49
1998	10	18.35	219,199	11,945	21,920	1.84
1999	16	30.35	366,636	12,080	22,915	1.90
2000	18	28.50	411,226	14,429	22,846	1.58
2001	21	25.50	320,337	12,562	15,254	1.21
2002	10	14.25	288,844	20,270	28,884	1.43
2003	19	46.39	342,897	7,392	18,047	2.44
2004	15	27.35	414,986	15,173	27,666	1.82
2005	27	75.45	499,290	6,617	18,492	2.79
2006	28	49.50	506,210	10,226	18,079	1.77
2007	23	39.11	744,671	19,040	32,377	1.70
2008	29	45.10	482,874	10,707	16,651	1.56
2009	20	24.29	327,742	13,492	16,386	1.21
2010	19	19.35	231,122	11,944	12,164	1.02
2011	38	34.40	341,521	9,928	8,987	0.91
2012	30	38.10	444,222	11,659	14,807	1.27
2013	28	44.13	490,554	11,116	17,520	1.58
2014	13	21.79	431,413	19,799	33,186	1.68
2015	23	38.73	402,307	10,387	17,492	1.68
2016	37	42.49	467,769	11,009	12,642	1.15
2017	29	28.02	533,025	19,023	18,380	0.97
2018	21	28.28	593,149	20,974	28,245	1.35
2019	26	19.00	594,271	31,277	22,857	0.73
2020	19	20.20	514,015	25,446	27,053	1.06
2021	21	19.16	758,336	39,579	36,111	0.91
2022	18	15.47	580,889	37,549	32,272	0.81
<b>Total</b>	<b>625</b>	<b>893.65</b>	<b>12,531,940</b>	<b>14,023</b>	<b>20,051</b>	<b>1.43</b>

\* 1992-1996 data is based on information provided by MNRF

\*\* Total Costs have been restated (except for MNRF contracts) to include total project spend in subsequent years.

# Research in Motion: Alvar Creation

TOARC's, Quarry to Alvar Initiative research project was completed in 2006. In 2022, TOARC put this research in motion at a 6-hectare, limestone quarry located in Eastern Ontario where the licence had been revoked. One of TOARC's mandates is the rehabilitation of sites for which final rehabilitation has not taken place. This site was not extracted to its full extent, as a result the final rehabilitation differed from the original site plans. TOARC is working with the former licensee to rehabilitate the site with the best methods available.

The quarry posed unique rehabilitation requirements due to extremely harsh environmental conditions and characteristics throughout the site, including:

- Piles of shale, eroded sands, rubble, construction debris and garbage.
- Varying steep cliff faces, some with ecological significance and others a major safety concern.
- Primarily, non-native vegetation.
- Large barren areas.
- Sections of ephemeral ponds, some significant.
- Absence of soil throughout most of the quarry floor.



East section of quarry that requires site-safety improvement near the main driveway and relocation of fill material and debris.



West section of the quarry where work has been completed in prior years. This section is where the first round of rehabilitation efforts occurred in 2022.



TOARC utilized an expert in the field of alvar restoration, Dr. Paul Richardson, also a peer-reviewer to the 2006 study. Dr. Richardson determined the quarry could provide a mosaic of pavement, grassland, cliff face, talus, meadow, and wetland ecosystems, collectively referred to as "alvar habitat". The end goal is to create a 'self-sustaining alvar' that will continue to increase in biodiversity and ecosystem functions that work to benefit and provide services to the wider landscape.

In early 2021 a comprehensive ecological bioinventory at the quarry was completed and other surrounding natural Napanee Plain alvars were visited to create a seed mix list. The results determined that the overall area of the quarry had less than 5% alvar plant biomass, in which 40% ground cover and 20% cover of quarry walls would be required to ensure a successful trajectory. This meant a large focus of the rehabilitation would require preparing the ground conditions using on site materials for seed dispersal.

To achieve this ecological goal, the design set three rehabilitation stages and divided the site into sections for rehabilitation. Site-safety goals were also addressed focusing on areas where steep cliffs are adjacent to the driveway.

## Step 1: Clearing all debris and waste from the site and relocating usable material.

This has been an ongoing process over recent years. Waste materials onsite that are primary mineral in composition, such as rubble from the extraction process and concrete blocks are being incorporated effectively into slope construction to increase safety. All other materials are being disposed of properly.

## Step 2: Preparing ground conditions to resemble target habitats.

The rehabilitation plan will prepare the grounds for the creation of the three main habitats: alvar pavement, talus (cliff) and alvar grassland. In the summer of 2022, Dr. Richardson worked with the former licensee and general laborer's on how best to create the ground conditions for the target species.

## Step 3: Apply 'restoration mix' to the designated habitat zones.

Members of the target alvar community tend to be well-adapted to low-nutrient environments. A custom native seed mix was created with equivalent amounts of 'all purpose sand' and composted fertilizer and applied in late summer 2022. Due to the delicate nature of the alvar seeds they must be manually broadcasted in the designated areas.

The site rehabilitation is well underway and will continue into 2023 as the team continues to prepare ground conditions and seed the zones. A site visit in October of 2022 showed promise of seed germination in all three habitat zones.

Completing the planned project successfully will provide an educational demonstration likely to have value in showing ways to improve rehabilitation success at other similarly challenging environments, within and beyond the aggregates industry.

If you are interested in learning more about TOARC's research support on vulnerable habitats, please visit our website:

<https://toarc.com/legacy-pits-quarries-maap/research-funding/research-publications/>

To find out more about alvar rehabilitation with Dr. Paul Richardson can be reached at [dr.paul.j.richardson@gmail.com](mailto:dr.paul.j.richardson@gmail.com)





# Guelph Arboretum: 45 years after Naturalization

The University of Guelph Arboretum was established in 1970 on nearly 400 acres of land that included agriculture, wetlands, old growth forest, as well as a former gravel pit on its eastern boundary. The site is referred as, "The Gravel Pit Rehabilitation Collection" was actively rehabilitated over three years from 1976-1978. After this time, it was largely left to naturalize.

The MAAP program and Guelph Arboretum partnered in 2021 to develop a research program that would assess the effectiveness of the rehabilitation and naturalization at the Gravel Pit Rehabilitation Collection by completing a comprehensive site assessment and bioinventory. The goal was to determine how naturalization rehabilitation progresses over time and if left to its own devices, would it continue to naturalize into favorable conditions.

The first phase of the study, completed in 2022, found that the Gravel Pit Rehabilitation Collection has come a long way from being barren sand and gravel to a variety of thriving species, including some invasives

**“It’s amazing how far we’ve come from rocks and sand and gravel that were completely barren, to species that have thrived”**

- Justine Richardson, Director, The Arboretum

that have colonized. Of the five most abundant species, two are invasives that have moved into the site, common buckthorn (*Rhamnus cathartica*) and black locust (*Robinia pseudoacacia*). The other three most abundant species are non-natives but were planted under the best practices of the time as they were best suited for the soils and conditions of

the site. These species would not be planted under today's best practices.

The study found that over time, the leaf litter from the deciduous trees had built up a soil layer, allowing vegetation to grow. However, there is only about 3 inches of soil after 45 years, showing that there is a long way to go into fully rehabilitating this site. The team highlighted that the use of native species is critical to creating sustainable rehabilitation projects and that to reach full ecosystem functions, it is an ongoing and active process, that, if left unmanaged might not meet the intended trajectories.

The research team has now completed the preliminary data collection for the second phase of the study which will compare the findings from the gravel pit rehabilitation to a similar disturbed site, called "Southwoods", located in the Arboretum Nature reserve. This research builds on baseline archival research, bioinventories, and soil assessments that were conducted in 2021. The goal of the second phase is to conduct follow up studies comparing the results of the differentiated treatment of the two sites after forty years.

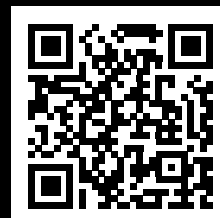
Preliminary results indicate a significantly different ecological community between the two sites, with Southwoods predominantly being represented by more herbaceous and drought tolerant species. Whereas the Gravel Pit Rehabilitation Collection still contains many more established trees and shrubs that survived the original planting from the 1970's. Far fewer surviving trees and shrubs have been identified in the Southwoods site, likely due to a combination of limited amendments and stewardship following the plantings.

Follow updates for this project on our website at, <https://toarc.com/legacy-pits-quarries-maap/research-funding/research-publications/>.

## Take a Tour of the Rehabilitation Collection

One of the highlights of this partnership is that a video documenting the history of the Arboretums' Gravel Pit rehabilitation efforts and the changes over time in rehabilitation and restoration approaches since the 1970's has been published. The video follows Sarah Lowe, the Rehabilitation Coordinator from 1976- 1979, at the Arboretum as she discusses the work completed in the rehabilitation collection and its intentions.

View the video here:



**“Nature heals itself, but does it do it the way you want it to?”**

- Sarah Lowe

# Northern Ontario Aggregates



Project site prior to any work being completed.



Trial site after debris and garbage removal.



Slopes stabilization (October 2022)



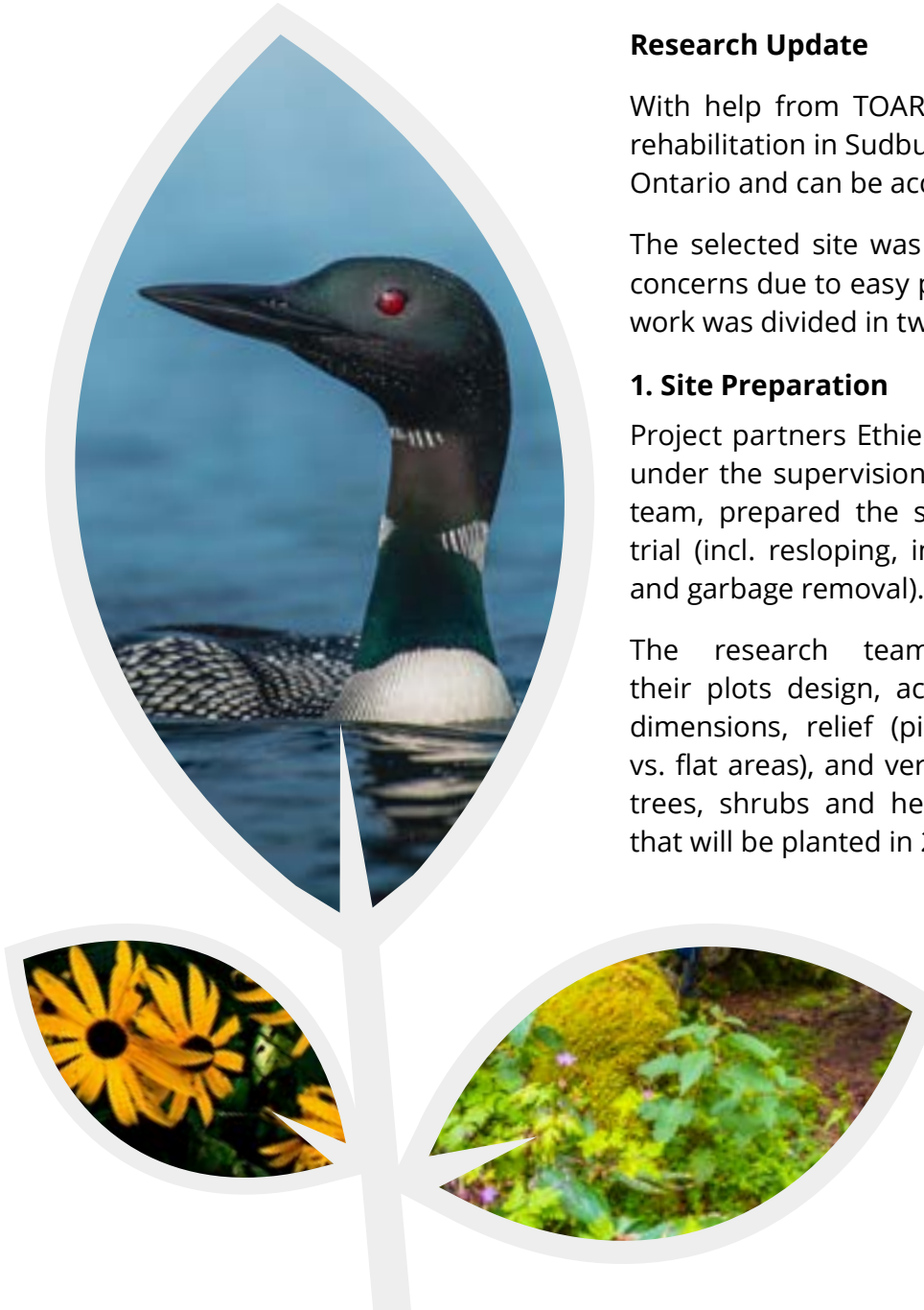
Pits and mounds trial run (November 2022)

## Novel Strategies for Enhancing Biodiversity and Ecosystem Function at Northern Ontario Aggregate Pits

Working with TOARC, and in collaboration with industrial partners Pioneer Construction, Ethier Sand and Gravel, and Glencore's Sudbury Integrated Nickel Operations, the Collège Boreal and Laurentian University research team surveyed a dozen regional legacy pits and conducted a comprehensive greenhouse trial in 2020 and 2021. Preparations for a field trial have now begun.

This collaboration was established to develop new strategies to improve the rehabilitation of former aggregate sites in northeastern Ontario, as current methods have yielded sub-optimal results in the region. It is suspected northern sites do not respond as positively to hydroseeding treatments as southern Ontario due to a harsher climate, but it is recognized to be primarily due to a lack of available soil organic matter, a defining feature of the region's soil. In addition to identifying the main limiters to rehabilitation, the project aims to utilize novel soil amendments, planting strategies, and earthwork techniques that will facilitate an increase of biodiversity in disturbed legacy sites by promoting key ecosystem functions.

Initial trial results suggest blended pulp mill sludges improve seedling outcome, soil fertility and water holding capacity, as well as seed germination rate. In contrast, low organic treatments, like the renowned lime and fertilizer mix used to treat Greater Sudbury's acid damaged soils, produce poor to moderate response in seedlings. Based on these findings the team is preparing field trials for summer 2023.



### Research Update

With help from TOARC, the research team identified a legacy pit in the summer of 2022 that required rehabilitation in Sudbury, Ontario. The site is a good depiction of an average legacy aggregate pit in northern Ontario and can be accessed with heavy machinery.

The selected site was identified as a priority due to steep unstable slopes, lack of vegetation and safety concerns due to easy public accessibility. The team selected a study plot area of about 4000 sq. m. and field work was divided in two phases:

#### 1. Site Preparation

Project partners Ethier Sand & Gravel, under the supervision of the research team, prepared the site for the field trial (incl. resloping, improving access and garbage removal).

The research team implemented their plots design, according to their dimensions, relief (pits and mounds vs. flat areas), and verifying species of trees, shrubs and herbaceous plants that will be planted in 2023.

#### 2. Field trials:

Field work will be completed using novel site earthworks (ex. Rough and Loose and Polster approaches) in the spring of 2023. Additionally, biomass boiler ash and lime treated municipal bio-solids (with and without municipal compost) will be incorporated into the pit floor material. The team is awaiting approval for use of blended primary and secondary pulp sludge on the trial site.

Additionally, 2023 will include planting and sowing native trees and shrub species followed by a monitoring phase (incl. plant health, ground and surface water quality, and soil analysis). This phase will continue over two years and end in May 2025.

The findings of the project will aid in legacy site rehabilitation and benefit regional aggregate and waste rock producers, as well as other regions with similar surficial geology and climate. The protocols developed are solutions that improve long-term rehabilitation trajectories and a broad range of ecosystem services.

Follow updates for this project on our website at, <https://toarc.com/legacy-pits-quarries-maap/research-funding/research-publications/>

# MAAP Projects

## 21-02e Van Dijk Pit:

Project Statistics: Area ~ 4,270 m<sup>2</sup>

Volume of material moved ~ 2,100 m<sup>3</sup>

The Van Dijk pit had many advantages that lent itself to being successfully rehabilitated. The ~120 m long pit face was shallow, ranging to about 4 m in height. Above the pit face was a back sloping shelf that had topsoil over 30 cm deep. One limiting factor was a red pine reforestation stand that encroached the middle of the pit face. 3D modeling was used to develop a plan that would minimize disturbance of naturalized areas and determined that there was enough material to create a gentle 5:1 final grade and provide a 10 cm (4") topsoil cover over the sandy subsoils. The entire rehabilitated area was track packed perpendicular to the final slope and hydroseeded with a Northern Ontario Seed Mix at 170 kg/ha. This mix germinated quickly and established evenly across the site.



## 21-05a Callen Pit:

Project Statistics: Area ~ 41,505 m<sup>2</sup>

Volume of material moved ~ 28,775 m<sup>3</sup>

Material management was a challenge at this site due to the large area, consisting of multiple pits surrounding a large main pit ~9 m deep. A model overlay of existing and proposed elevations was analyzed to better calculate the cuts required. The overlay determined a high point on the farm that would provide the bulk of fill and required a long dozer push that took 3 weeks to accomplish.

Topsoil was a challenge as the sandy loam at the site was light and subject to wind erosion. Fortunately, the landowner had been importing and stockpiling topsoil over time. The area stripped for topsoil prior to grading generated approximately 2,768 m<sup>3</sup> and the imported organic soils added ~1,630 m<sup>3</sup>. The projected organic soils coverage was ~0.15m or 6".

The site has been successfully returned to an agricultural after-use and the landowner is building the soil quality with "no-till" practices.



## 21-05c Snider Pit:

Project Statistics: Area ~ 12,120 m<sup>2</sup>

Volume of material moved ~ 5,560 m<sup>3</sup>

Approximately 2/3 of the Snider Pit had naturalized with hardwood species, so the largest remaining pit faces required no work and blended in well with the surrounding landscape. What was left was a large open pit floor consisting of coarse material and a couple of small, shallow pits. Along the north extent of the floor was a large berm of overburden and topsoil.

The floor was worked with dozers to conceal the larger stones into the shallow pits and set the sub-grade in preparation for spreading the berm material. With excavators and rock trucks, the berm material was evenly distributed across the site for the dozers to spread. An even 0.10m (4") of organic soils top-dressed the site and a hardy Northern Ontario Seed Mix (170 kg/ha) was applied in a Hydraulic Mulch (2,000 kg/ha). A cleated surface and gentle 10:1 slope ensured erosion would be minimal. The seed quickly germinated and grew vigorously into the fall leaving the landowner a lush lawn to plan a future home around.



### Aggregates Resources Planning, Development and Management

In 2014, TOARC opened a partnership with the University of Waterloo to support a senior level course in the School of Planning that would provide a foundation for new practitioners with many of the tools to plan, develop and manage aggregate resources. Since its inception, the course has evolved and grown, reflecting changes in Ontario regulations and industry, and continues to be offered at the University.

In 2022 the course was modified and offered as a professional short course through the Ontario Professional Planners Institute (OPPI). The course was designed to aid professional planners who are responsible for the development of policies and guidelines including municipal Official Plans, Zoning and bylaws, reviewing development proposals in the vicinity of known aggregate deposits or licenced pits and quarries, participate in consultation related to the Aggregate Resources Act, or are responsible for the Planning Act applications to permit new or expand mineral aggregate operations. This course was incredibly successful and will continue to be offered in 2023 and 2024.



**BEFORE**



**DURING**

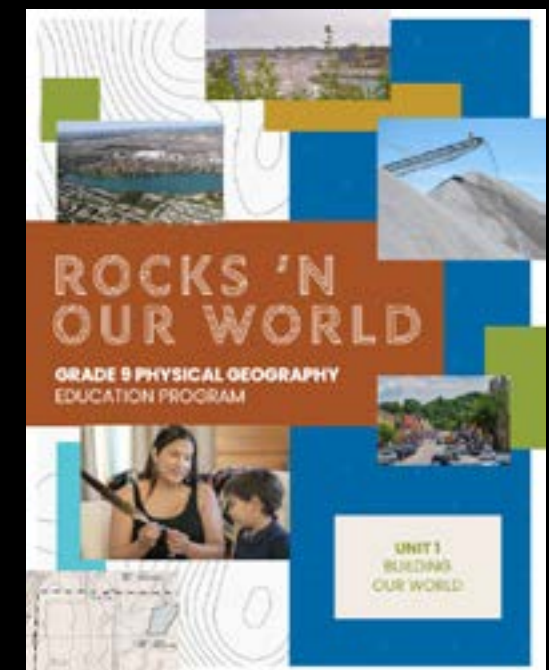


**AFTER**

### Rocks 'N Our World

TOARC partnered with the Ontario Stone, Sand & Gravel Association (OSSGA) to develop a Grade 9 curriculum program to be delivered in Canadian Geography classes. Rocks 'N Our World has five modules, each with 3 interactive lessons, teacher backgrounds, curriculum notes, student worksheets, and industry career profiles – including an inquiry into our responsibility to Indigenous Peoples today. Designed using Google Slides for maximum compatibility with in-person, digital and hybrid learning methods.

After water — stone, sand, and gravel, called aggregate, is the most used natural resource in Ontario — approximately 164 million tonnes each year. Planning for the life cycle of a pit or quarry is a model for sustainable development of Ontario's natural resources. This program is based on the actual skills and daily work life of those who have careers in the aggregate industry and shows how taking geography can lead students there.



# Financial Reports

# Independent Auditor's Report



## TO THE TRUSTEE OF AGGREGATE RESOURCES TRUST:

### OPINION

We have audited the financial statements of Aggregate Resources Trust (the "Trust"), which comprise the statement of financial position as at December 31, 2022, and the statements of revenue and expenses and changes in fund balances, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### BASIS FOR OPINION

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### OTHER INFORMATION

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, included in the 2022 Annual Report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

The 2022 Annual Report is expected to be made available to us after the date of the auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

### RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust's financial reporting process.

*continued on next page..*

# Independent Auditor's Report

(continued)

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*BDO CANADA LLP*

Chartered Professional Accountants, Licensed Public Accountants  
Oakville, Ontario  
April 20, 2023

# Aggregate Resources Trust

Statement of Financial Position

	December 31 2022 \$	December 31 2021 \$
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	405,837	421,657
Due from Licensees and Permittees	599,227	398,325
HST recoverable	169,885	86,150
Prepaid expenses	36,019	31,180
<b>TOTAL CURRENT ASSETS</b>	<b>1,210,968</b>	<b>937,312</b>
Investments <sup>[note 2]</sup>	17,320,781	20,844,581
Capital assets, and Intangibles, net <sup>[note 3]</sup>	80,515	124,372
	<b>18,612,264</b>	<b>21,906,265</b>
<b>LIABILITIES AND TRUST FUNDS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	156,753	175,390
Wayside permit deposits	70,200	70,200
Deferred Aggregate Resources Charges	31,805	33,555
Due to Governments	698,219	703,765
<b>TOTAL LIABILITIES</b>	<b>956,977</b>	<b>982,910</b>
<b>TRUST FUNDS</b>		
Rehabilitation Fund <sup>[see schedules]</sup>	16,013,903	19,116,182
Abandoned Pits and Quarries Rehabilitation Fund <sup>[see schedules]</sup>	1,641,384	1,807,173
<b>TOTAL TRUST FUNDS</b>	<b>17,655,287</b>	<b>20,923,355</b>
	<b>18,612,264</b>	<b>21,906,265</b>

The accompanying notes are an integral part of these financial statements.

On behalf of the Trust by The Ontario Aggregate Resources Corporation as Trustee:

*Ryan Sures*

Director

*Fray Hault*

Director

# Aggregate Resources Trust

## Statement of Revenue and Expenses and Changes in Fund Balances



# Aggregate Resources Trust

## Schedules of Statement of Revenue and Expenses and Changes in Fund Balances for the Aggregate Resources Fund, Rehabilitation Fund and Abandoned Pits and Quarries Rehabilitation Fund

For The Year Ended December 31	2022 \$	2021 \$
<b>REVENUE</b>		
Investment income <sup>[note 2]</sup>	1,279,329	1,194,370
Unrealized changes in fair values	(3,014,963)	1,085,258
	<b>(1,735,634)</b>	2,279,628
<b>EXPENSES</b>		
Trust's expenses <sup>[note 6]</sup>	1,610,900	1,486,856
Amortization	78,182	97,761
Investment management fees	149,814	141,919
	<b>1,838,896</b>	1,726,536
<b>EXCESS/(DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE THE FOLLOWING</b>	<b>(3,574,530)</b>	553,092
Aggregate Resources Charges	39,644,074	37,235,522
Allocated to the Governments	(38,509,697)	(36,163,180)
Allocated to the Crown	(1,134,377)	(1,072,342)
Expenditures incurred in meeting the Trust purposes <sup>[see schedules]</sup>	(827,915)	(948,217)
<b>DEFICIENCY OF REVENUE OVER EXPENSES FOR THE YEAR</b>	<b>(4,402,445)</b>	(395,125)
Trust Funds, beginning of year	20,923,355	20,246,138
Funds reinvested by the Crown	1,134,377	1,072,342
<b>TRUST FUNDS, END OF YEAR</b>	<b>17,655,287</b>	20,923,355

The accompanying notes are an integral part of these financial statements.

For The Year Ended December 31, 2022	Aggregate Resources Fund \$	Rehabilitation Fund \$	Abandoned Pits and Quarries Rehabilitation Fund \$	Total \$
<b>REVENUE</b>				
Investment income <sup>[note 2]</sup>	—	897,601	381,728	1,279,329
Unrealized changes in fair value	—	(2,754,603)	(260,360)	(3,014,963)
	—	<b>(1,857,002)</b>	121,368	<b>(1,735,634)</b>
<b>EXPENSES</b>				
Trust's expenses <sup>[note 6]</sup>	—	900,424	710,476	1,610,900
Amortization	—	63,579	14,603	78,182
Investment management fees	—	136,874	12,940	149,814
	—	<b>1,100,877</b>	738,019	<b>1,838,896</b>
<b>DEFICIENCY OF REVENUE OVER EXPENSES BEFORE THE FOLLOWING</b>	—	<b>(2,957,879)</b>	(616,651)	<b>(3,574,530)</b>
Aggregate Resources Charges	39,644,074	—	—	39,644,074
Allocated to the Governments	(38,509,697)	—	—	(38,509,697)
Allocated to the Crown	(1,134,377)	—	—	(1,134,377)
Expenditures incurred in meeting the Trust purposes <sup>[see schedules]</sup>	—	(144,400)	(683,515)	(827,915)
<b>DEFICIENCY OF REVENUE OVER EXPENSES FOR THE YEAR</b>	—	<b>(3,102,279)</b>	(1,300,166)	<b>(4,402,445)</b>
Trust Funds, beginning of year	—	19,116,182	1,807,173	20,923,355
Funds reinvested by the Crown	1,134,377	—	—	1,134,377
Interfund transfer	(1,134,377)	—	1,134,377	—
<b>TRUST FUNDS, END OF YEAR</b>	—	<b>16,013,903</b>	<b>1,641,384</b>	<b>17,655,287</b>

The accompanying notes are an integral part of these financial statements.

# Aggregate Resources Trust

Schedules of Statement of Revenue and Expenses and Changes in Fund Balances for the Aggregate Resources, Rehabilitation and Abandoned and Pits and Quarries Fund



# Aggregate Resources Trust

Statement of Cash Flows

For The Year Ended December 31, 2021	Aggregate Resources Fund \$	Rehabilitation Fund \$	Abandoned Pits and Quarries Rehabilitation Fund \$	Total \$
<b>REVENUE</b>				
Investment income <sup>[note 2]</sup>	—	970,623	223,747	1,194,370
Unrealized changes in fair value	—	982,848	102,410	1,085,258
	—	1,953,471	326,157	2,279,628
<b>EXPENSES</b>				
Trust's expenses <sup>[note 6]</sup>	—	852,723	634,133	1,486,856
Amortization	—	80,917	16,844	97,761
Investment management fees	—	128,527	13,392	141,919
	—	1,062,167	664,369	1,726,536
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE THE FOLLOWING</b>				
	—	891,304	(338,212)	553,092
Aggregate Resources Charges	37,235,522	—	—	37,235,522
Allocated to the Governments	(36,163,180)	—	—	(36,163,180)
Allocated to the Crown	(1,072,342)	—	—	(1,072,342)
Expenditures incurred in meeting the Trust purposes <sup>[see schedules]</sup>	—	(110,746)	(837,471)	(948,217)
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR</b>				
	—	780,558	(1,175,683)	(395,125)
Trust Funds, beginning of year	—	18,335,624	1,910,514	20,246,138
Funds reinvested by the Crown	1,072,342	—	—	1,072,342
Interfund transfer	(1,072,342)	—	1,072,342	—
<b>TRUST FUNDS, END OF YEAR</b>	—	19,116,182	1,807,173	20,923,355

The accompanying notes are an integral part of these financial statements.

For The Year Ended December 31	2022 \$	2021 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Deficiency of revenue over expenses	(4,402,445)	(395,125)
Add (less) items not involving cash		
Amortization	78,181	97,762
Unrealized changes in fair values	3,015,013	(1,085,258)
Realized capital gain on sale of investments	(390,624)	(450,554)
	(1,699,875)	(1,833,175)
Net change in non-cash working capital balances related to operations		
Due from Licensees and Permittees	(200,902)	89,466
HST recoverable	(83,735)	(3,679)
Prepaid expenses	(4,839)	(11,185)
Accounts payable and accrued liabilities	(18,637)	9,566
Wayside permit deposits	—	31,200
Deferred Aggregate Resources Charges	(1,750)	24,099
Due to Governments	(5,546)	(65,744)
<b>CASH USED IN OPERATING ACTIVITIES</b>	(2,015,284)	(1,759,452)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of capital assets and Intangibles	(34,324)	(18,141)
Purchase of investments	(645,420)	(1,310,137)
Proceeds on the sale of investments	1,544,831	1,705,979
<b>CASH PROVIDED BY INVESTING ACTIVITIES</b>	865,087	377,701
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>		
Funds reinvested by the Crown	1,134,377	1,072,342
<b>CASH PROVIDED BY FINANCING ACTIVITIES</b>	1,134,377	1,072,342
<b>NET INCREASE (DECREASE) IN CASH DURING THE YEAR</b>		
Cash, beginning of year	(15,820)	(309,409)
	421,657	731,066
<b>CASH, END OF YEAR</b>	405,837	421,657

The accompanying notes are an integral part of these financial statements.

# Aggregate Resources Trust

## Schedules of Rehabilitation Costs for the Rehabilitation Fund



# Aggregate Resources Trust

## Schedule of Rehabilitation Costs for the Abandoned Pits and Quarries Rehabilitation Fund

### FOR THE YEAR ENDED DECEMBER 31, 2022

Project Number	Project Name	Approved Amount \$	Paid or Payable / (Recovered) \$
21-003	3486702 Canada Inc., Cochrane County	32,539	32,539
22-001	Charles Dietrich Construction Ltd., Frontenac County	32,427	32,427
	Education		
	Grade 9 Curriculum	52,500	52,500
	TOARC study of surrendered sites in Ontario – (eSurrender) *	58,255	4,634
	Student Rehabilitation Design Competition	12,000	6,300
	University of Waterloo - Aggregate Resources Planning Credit Course	10,000	10,000
	Gravel Pit Rehabilitation 40-Years After	6,000	6,000
	Variance to Budget	91,034	—
		<b>294,755</b>	<b>144,400</b>

\* approved amount is the annual portion of an approved five-year project starting in 2015 totaling \$729,885

### FOR THE YEAR ENDED DECEMBER 31, 2021

Project Number	Project Name	Approved Amount \$	Paid or Payable / (Recovered) \$
21-001	Rob Wall Pit, Renfrew County	77,000	77,000
22-001	Bruce Terry Pit, Frontenac County	13,698	13,698
21-002	Roseval Silica Inc., Sudbury County	4,400	4,400
	Miscellaneous expenses	—	(2,621)
	Education		
	Swinton Legacy Quarry rehabilitation research	—	—
	TOARC study of surrendered sites in Ontario – (eSurrender) *	58,837	5,819
	Student Rehabilitation Design Competition	12,000	10,650
	University of Waterloo - Aggregate Resources Planning Credit Course	1,800	1,800
	Variance to Budget	59,902	—
		<b>227,637</b>	<b>110,746</b>

\* approved amount is the annual portion of an approved five-year project starting in 2015 totaling \$729,885

The accompanying notes are an integral part of these financial statements.

### FOR THE YEAR ENDED DECEMBER 31, 2022

Project Number	Project Name	Approved Amount \$	Paid or Payable / (Recovered) \$
20-04c	Horst Pit, Waterloo County	—	575
22-01a	Lawrence Pit, Durham County	27,047	27,047
22-01b	Hodgson Pit, Durham County	12,592	12,592
22-01c	Alpe Pit, Durham County	46,132	46,132
22-01d	Ward- Jarvis Pit, Durham County	7,660	7,660
22-02a	Holtrop Pit, Durham County	42,110	42,110
22-02b	Kent Pit, Durham County	42,800	42,800
22-02c	Toth Pit, Durham County	26,610	26,610
22-03	Glencore Pit, District of Sudbury	37,500	37,500
22-04a	Lammie Pit, District of Sudbury	31,000	31,000
22-04b	Tessier Pit, District of Sudbury	20,000	20,000
22-04c	Lefrancois Pit, District of Sudbury	37,625	37,625
22-04d	Champaigne Pit, Nippissing County	22,950	22,950
22-04e	Champaigne Pit, Nippissing County	29,850	29,850
22-04f	Smithard Pit, Nippissing County	27,750	27,750
22-04g	McGuinley Pit, Nippissing County	31,200	31,200
22-05a	Strike- Sapp Pit, Huron County	28,850	29,025
22-05b	McTavish Pit, Perth County	31,818	31,818
22-05c	Hohnstein Pit, Bruce County	6,244	6,244
22-06	Noordam Pit, Perth County	100,000	100,000
	Miscellaneous expenses	—	1,454
	Drone lease	15,500	14,573
	Research costs		
	Arboretum: Gravel Pit Rehabilitation 40-year later	12,000	12,000
	Constraints on Northern Aggregate Pit Reclamation and Novel Reclamation Strategies for Enhancing Biodiversity and Ecosystem Functioning	90,000	90,000
	NSERC, Shared costs Mitigation Extraction through Afforestation	(45,000)	(45,000)
	Variance to budget	224,762	—
		<b>907,000</b>	<b>683,515</b>

The accompanying notes are an integral part of these financial statements.

### FOR THE YEAR ENDED DECEMBER 31, 2021

Project Number	Project Name	Approved Amount \$	Paid or Payable / (Recovered) \$
21-01a	Anderson Pit, Hastings County	28,388	28,388
21-01b	Hart Pit, Hastings County	21,164	21,164
21-01c	Thomas Pit, Peterborough County	80,336	80,336
21-01d	Bowen Pit, Peterborough County	8,443	8,443
21-01e	Lester Pit, Peterborough County	25,941	25,941
21-02a	Price Pit, Hastings County	15,548	15,548
21-02b	Govier Pit, Hastings County	29,410	29,410
21-02c	Pollatschek Pit, Hastings County	41,550	41,550
21-02d	Morton Pit, Hastings County	4,920	4,920
21-02e	Van dijk Pit, Hastings County	19,825	19,825
21-02f	Fyall Pit, Hastings County	17,960	17,960
21-02g	Patton Pit, Hastings County	2,430	2,430
21-03	McTaggart Pit, Hastings County	134,310	134,310
21-04a	McEacheron Pit, Kawartha County	12,060	12,060
21-04b	Bolla Pit, Kawartha County	38,625	38,625
21-05a	Callan Pit, Kawartha County	108,969	108,969
21-05c	Hope Pit, Peterborough County	28,610	28,610
21-05d	Snider Pit, Peterborough County	36,705	36,705
21-06a	Foley Pit, Kawartha County	69,126	69,126
21-06b	Denure Pit, Kawartha County	12,905	12,905
21-06c	Sebert Pit, Peterborough County	21,111	21,111
20-02a	Albrecht Pit, Grey County	744	744
	Drone lease	15,000	14,691
	Research costs		
	Arboretum: Gravel Pit Rehabilitation 40-year later	18,700	18,700
	Constraints on Northern Aggregate Pit Reclamation and Novel Reclamation Strategies for Enhancing Biodiversity and Ecosystem Functioning	90,000	90,000
	NSERC, Shared costs Mitigation Extraction through Afforestation	(45,000)	(45,000)
	Variance to budget	55,920	—
		<b>893,700</b>	<b>837,471</b>

The accompanying notes are an integral part of these financial statements.

### 1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### FORMATION AND NATURE OF TRUST

Aggregate Resources Trust [the "Trust"] was settled by Her Majesty the Queen in Right of the Province of Ontario [the "Crown"] as represented by the Minister of Natural Resources [the "Minister"] for the Province of Ontario pursuant to Section 6.1(1) of the Aggregate Resources Act, R.S.O. 1990, Chap. A.8 as amended [the "Act"]. The Minister entered into a Trust Indenture dated June 27, 1997 [the "Trust Indenture"] with The Ontario Aggregate Resources Corporation ["TOARC"] appointing TOARC as Trustee of the Trust.

The Trust's goals are: [a] the rehabilitation of land for which a Licence or Permit has been revoked and for which final rehabilitation has not been completed; [b] the rehabilitation of abandoned pits and quarries, including surveys and studies respecting their location and condition; [c] research on aggregate resource management, including rehabilitation; [d] making payments to the Crown and to regional municipalities, counties and local municipalities in accordance with regulations made pursuant to the Act; [e] the management of the Abandoned Pits and Quarries Rehabilitation Fund; and [f] such other purposes as may be provided for by or pursuant to Section 6.1(2)5 of the Act.

In 1999 the Trust's purposes were expanded by amendment to the Trust Indenture to include:

- (a) "the education and training of persons engaged in or interested in the management of the aggregate resources of Ontario, the operation of pits or quarries, or the rehabilitation of land from which aggregate has been excavated; and
- (b) the gathering, publishing and dissemination of information relating to the management of the aggregate resources of Ontario, the control and regulation of aggregate operations and the rehabilitation of land from which aggregate has been excavated."

In accordance with the Trust Indenture, TOARC administers the Trust which consists of three funds: the Aggregate Resources Fund, the Rehabilitation Fund and the Abandoned Pits and Quarries Rehabilitation Fund. TOARC is a mere custodian of the assets of the Trust and all expenditures made by TOARC are expenditures of the Trust.

Prior to the creation of the Trust, the Trust's goals were pursued by the Minister and, separately, the Ontario Stone, Sand & Gravel Association [the "OSSGA"] formerly The Aggregate Producers' Association of Ontario [the "APAO"]. Upon the creation of the Trust, rehabilitation security deposits held by the Crown, as represented by the Minister, were to be transferred to the Trust. In addition, the Crown directed the OSSGA to transfer, on behalf of the Crown, the Abandoned Pits and Quarries Rehabilitation Fund to the Trust. By December 31, 1999, the Minister and the OSSGA had transferred \$59,793,446 and \$933,485, respectively, to the Trust.

Pursuant to the Trust Indenture, TOARC "shall pay and discharge expenses properly incurred by it in carrying out and fulfilling the Trust purposes and the administration of the Trust [Section 7.02].

The Aggregate Resources Fund is for the collection of the annual licence and permit fees, royalties, and wayside permit fees [aggregate resources charges] collected on behalf of the Minister. The annual licence/permit fees, permit royalty fee, wayside permit issuance and mining leases fee are due in the year following production as follows:

Charge	2021 Production	2020 Production
Class A Licence (private Land) or Aggregate Permits authorized to remove more than 20,000 tonnes annually	20.8 cents/tonne or \$724, whichever is greater	20.6 cents/tonne or \$718, whichever is greater
Class B Licence (private Land) or Aggregate Permits authorized to remove 20,000 tonnes or less annually	20.8 cents/tonne or \$361, whichever is greater	20.6 cents/tonne or \$358, whichever is greater
Wayside Permit (issuance fee)	20.8 cents/tonne or \$724, whichever is greater	20.6 cents/tonne or \$718, whichever is greater
Minimum Royalty	52.6 cents/tonne	52.2 cents/tonne

For production prior to 2017 all aggregate resources charges were collected and disbursed based on the legislation in effect at the time.

#### DISTRIBUTION:

Fees collected from licences, wayside permits and aggregate permits will be distributed approximately as follows:

- 3% to the Aggregate Resources Trust for rehabilitation and research
- 61% to the local municipality in which the site is located
- 15% to the upper tier municipality in which the site is located
- 21% to the Crown (minimum)

Royalties are paid to the Crown for use of Crown owned aggregate.

## 1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

The funds reinvested by the Crown to the Trust from the Aggregate Resources Fund will be transferred within the Trust and used for the Rehabilitation Fund and the Abandoned Pits and Quarries Rehabilitation Fund. In addition, the Trust collects the royalty payments and annual fees related to aggregate permits and also disburses the funds to the Crown within six months of receipt.

The Rehabilitation Fund represents the rehabilitation security deposits held by the Crown, contributed by Licensees/Permittees, transferred to the Trust. The Trust has refunded approximately \$48.6 million as per the Crown's directions. The balance of funds will be used to ensure the rehabilitation of land where licenses and/or permits have been revoked and final rehabilitation has not been completed.

The Abandoned Pits and Quarries Rehabilitation Fund is for the rehabilitation of abandoned sites and related research. Abandoned sites are pits and quarries for which a licence or permit was never in force at any time after December 31, 1989.

The Trust's expenses [or Trustee's expenses] are the amounts paid pursuant to Article 7.02 of the Trust Indenture.

Pursuant to Section 4.01 of the Trust Indenture, the Trust's assets and the income and gains derived therefrom are property belonging to the Province of Ontario within the meaning of Section 125 of the Constitution Act, 1867 and, by reason of Section 7.01 of the Trust Indenture, the amounts paid by the Trustee pursuant to Article 7 are paid to or for the benefit of the Crown.

### BASIS OF ACCOUNTING

The financial statements of the Trust have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

### USE OF ESTIMATES

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from management's best estimates as additional information becomes available in the future. The financial statements have, in management's opinion, been properly prepared using careful judgment within reasonable limits of materiality and within the framework of the accounting policies of the Trust.

### AGGREGATE RESOURCES CHARGES

Aggregate resources charges collected on behalf of the Minister are recorded upon receipt of a tonnage report from Licensees and Permittees. Aggregate resources charges are based on the tonnage produced in the preceding period by the Licensees and Permittees as reported by the Licensees

and Permittees. Based on the reported tonnage, if the calculated aggregate resources charges are zero or less than the minimum annual fee, minimum annual fee is charged and recognized.

Deferred Aggregate Resources Charges represents prepayments and overpayments of fees charged to Licensees and Permittees.

### CAPITAL ASSETS AND INTANGIBLES

Capital assets and intangibles are recorded at cost less accumulated amortization. Amortization is recorded to write off the cost of capital assets and intangibles over their estimated useful lives on a straight-line basis as follows:

Computer equipment	3 to 5 years
Computer software	3 to 5 years
Furniture and fixtures	5 years
Vehicles-Car	3 years
Vehicles-Truck	5 years

### FINANCIAL INSTRUMENTS

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities and pooled funds traded in an active market are reported at fair value, with realized gains and losses and unrealized changes in fair values of investments recorded in the Statement of Revenue and Expenses and Changes in Fund Balances under investment income and unrealized changes in fair value respectively. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are included in the Statement of Revenue and Expenses and Changes in Fund Balances under investment income for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

### REVENUE RECOGNITION

Investment income is recognized in the period in which it is earned.

### FOREIGN CURRENCY TRANSLATION

Foreign currency accounts are translated into Canadian dollars as follows:

Foreign currency assets and liabilities are translated into Canadian dollars by the use of the exchange rate prevailing at the year-end date for monetary items and at exchange rates prevailing at the transaction date for non-monetary items. The resulting foreign exchange gains and losses are included in investment income in the current period.

## 2. INVESTMENTS

Investments consist of the following:

	2022		2021	
	Fair Value \$	COST \$	Fair Value \$	COST \$
Pooled Funds	17,320,781	15,726,612	20,844,581	16,235,399

Investment income is broken down as follows:

	2022 \$	2021 \$
Interest income	554,742	324,205
Dividends	333,963	399,674
Realized capital gains	390,624	470,491
	1,279,329	1,194,370

Investment income of the Rehabilitation Fund includes interest earned on Aggregate Resources Charges collected on behalf of the Minister of \$297,365 [2021 - \$119,079].

The Trust manages market risk by diversifying investments in accordance with the Trust's Statement of Investment Policies and Guidelines ("SIP&G"). Investments are based on asset mix and risk management policies that are designed to enable the Trust to meet or exceed its long term objectives with an acceptable level of risk, consistent with the SIP&G as approved by the Board of Directors. The Board of Directors has reviewed and amended in September 2022 for the Trust which sets out investments objectives, guidelines and benchmarks used in investing the Trust's assets, permitted categories of investments, asset mix diversification and rate of return expectations. The Trust's expected annual target rate of return is 5.25% plus CPI over a 4-year rolling period. The SIP&G target asset mix is comprised of four categories of assets. A set of benchmarks has been identified to measure against each category's annual rate of investment return. The Trust's investments were allocated within the allowable asset categories ranges, as of the date of the financial statements.





### 3. CAPITAL ASSETS AND INTANGIBLES

Capital assets consist of the following:

	2022			2021		
	Cost \$	Accumulated Amortization \$	Net Book Value \$	Cost \$	Accumulated Amortization \$	Net Book Value \$
Computer equipment	215,354	180,964	34,390	177,417	175,207	2,210
Furniture and fixtures	107,256	102,557	4,699	107,256	98,329	8,927
Vehicles	61,088	54,230	6,858	60,088	46,419	13,669
Leasehold Improvement	38,670	31,581	7,089	38,670	23,847	14,823
	<b>422,368</b>	<b>369,332</b>	<b>53,036</b>	<b>383,431</b>	<b>343,802</b>	<b>39,629</b>
INTANGIBLES						
Computer software	483,522	456,043	27,479	488,133	403,390	84,743
	<b>905,890</b>	<b>825,375</b>	<b>80,515</b>	<b>871,564</b>	<b>747,192</b>	<b>124,372</b>

### 4. COMMITMENTS

The Trust has entered into a number of Research Funding Agreements. The future annual payments, in total and over the next year, is as follows:

	\$
2023	<b>135,000</b>

### 5. LEASE COMMITMENTS

The future minimum annual lease payments (excluding HST) are as follows:

	\$
2023	<b>80,870</b>

### 6. TRUST'S EXPENSES

For The Year Ended December 31, 2022	Rehabilitation Fund \$	Abandoned Pits and Quarries Rehabilitation Fund \$	Total \$
<b>EXPENSES</b>			
Salaries and employee benefits	628,392	536,183	1,164,575
Board expenses	295	40	335
Professional fees	66,529	13,026	79,555
Data processing	63,338	21,527	84,865
Travel	24,632	68,962	93,594
Communication	32,672	28,391	61,063
Office	16,622	8,374	24,996
Office lease, taxes and maintenance	63,344	31,673	95,017
Insurance	4,600	2,300	6,900
<b>TRUST'S EXPENSES</b>	<b>900,424</b>	<b>710,476</b>	<b>1,610,900</b>

For The Year Ended December 31, 2021	Rehabilitation Fund \$	Abandoned Pits and Quarries Rehabilitation Fund \$	Total \$
<b>EXPENSES</b>			
Salaries and employee benefits	590,079	490,898	1,080,977
Professional fees	85,121	12,655	97,776
Data processing	43,711	20,536	64,247
Travel	26,965	49,678	76,643
Communication	20,656	18,945	39,601
Office	18,193	7,422	25,615
Office lease, taxes and maintenance	63,694	31,847	95,541
Insurance	4,304	2,152	6,456
<b>TRUST'S EXPENSES</b>	<b>852,723</b>	<b>634,133</b>	<b>1,486,856</b>



## 7. FINANCIAL INSTRUMENT RISKS

### CREDIT RISK

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation that is entered into with the Trust. The risk of default on transactions in listed securities is unlikely, as the trade will fail if either party to the transaction does not meet its obligation. The Trust also has credit risk to the extent that licensees and permittees receivables are not collectible. The Trust manages this risk by closely monitoring the outstanding balances for payment.

### CURRENCY RISK

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Trust is exposed to currency risk arising from the possibility that changes in foreign exchange rates will affect the value of its foreign currency investments. This risk has not changed from the prior year.

### INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Trust is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the value of fixed income denominated investments (Note 2). This risk has not changed from the prior year.

### LIQUIDITY RISK

Liquidity risk is the risk that the Trust encounters difficulty in meeting its obligations associated with its financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Trust will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from the Trust's accounts payable and accrued liabilities and due to Governments.

### MARKET RISK

Interest rate risk arises from the possibility that changes in interest rates will affect the fair value of financial instruments. It arises when the Trust invests in interest-sensitive investments such as bonds and other fixed income investments.

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign currencies.

The Trust invests in the units of pooled funds, which in turn invest in a diversified portfolio of assets. While the underlying investments of the pooled funds are susceptible to both currency and interest rate risk, the risk to the Trust is indirect in nature. Given the Trust is not directly holding any investments denominated in foreign currency or any interest-sensitive securities, the Trust has no direct exposure to currency or interest rate risk.

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in a market.

## TO THE SHAREHOLDER OF THE ONTARIO AGGREGATE RESOURCES CORPORATION:

### OPINION

We have audited the financial statements of The Ontario Aggregate Resources Corporation (the "Corporation"), which comprise the balance sheet as at December 31, 2022, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2022 in accordance with Canadian accounting standards for private enterprises.

### BASIS FOR OPINION

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### OTHER INFORMATION

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, included in the 2022 Annual Report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

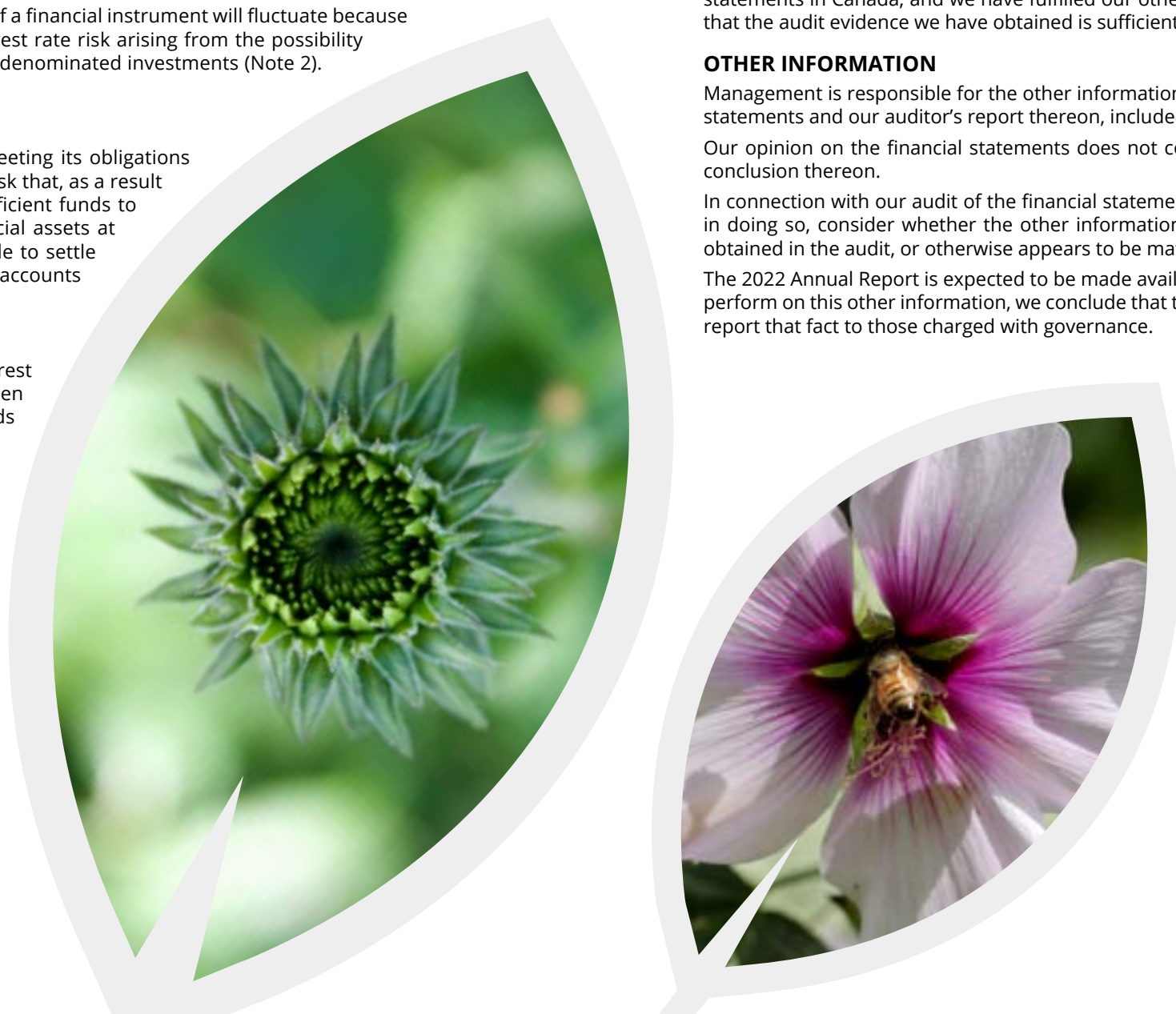
The 2022 Annual Report is expected to be made available to us after the date of the auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

### RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.



## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*BDO CANADA LLP*

Chartered Professional Accountants, Licensed Public Accountants  
Oakville, Ontario  
April 20, 2023



December 31	2022 \$	2021 \$
<b>ASSET</b>		
Cash	1	1
<b>SHAREHOLDER'S EQUITY</b>		
Share capital		
Authorized and issued, 1 common share	1	1
Retained earnings	—	—
<b>Total shareholder's equity</b>	<b>1</b>	<b>1</b>

The accompanying note is an integral part of these financial statements

On behalf of the Board:

Director

Director

# The Ontario Aggregates Resources Corporation Notes to Financial Statements

For the year ended December 31, 2022

## 1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### FORMATION AND NATURE OF CORPORATION

The Ontario Aggregate Resources Corporation [the “Corporation”] was incorporated on February 20, 1997. The Corporation’s sole shareholder is the Ontario Stone, Sand & Gravel Association [the “OSSGA”] (formerly The Aggregate Producers’ Association of Ontario [the “APAO”]), a not-for-profit organization. The Corporation’s sole purpose is to act as Trustee of the Aggregate Resources Trust [the “Trust”]. On June 27, 1997, the Corporation and Her Majesty the Queen in Right of the Province of Ontario [the “Crown”], as represented by the Minister of Natural Resources [the “Minister”], entered into a Trust Indenture, appointing the Corporation as Trustee of the Trust.

In accordance with the Indenture Agreement, the Corporation manages the administrative expenses as Trustee of the Trust which consists of three funds: the Aggregate Resources Fund, the Rehabilitation Fund and the Abandoned Pits and Quarries Rehabilitation Fund.

The Trust’s assets managed by the Corporation, amounting to approximately \$17.3 million, are not included in the accompanying balance sheet. The beneficial owner of the Trust’s assets is the Crown.

The financial statements do not include an income statement or statement of cash flows as there is no activity recorded in the Corporation as all fees or costs are absorbed by the related Trust.

### BASIS OF ACCOUNTING

The financial statements of the Corporation have been prepared in accordance with Canadian accounting standards for private enterprises.



### Production Reporting – Audit Program

TOARC, on behalf of the Trust, initiated an audit program in 2000 to monitor the completeness and accuracy of production reports submitted by licensees and permittees. The program is designed to educate licence and permit holders with respect to their obligations for record keeping under the Aggregate Resources Act in addition to assuring that aggregate production is being reported properly.

Since the inception of the program, TOARC has audited 1334 clients covering 3,598 licences and permits resulting in an additional \$1,759,647 of net aggregate resource fees collected.

## Audits and Revoked Status

### Revoked Licences and Permits

Under Subsection (v) (i) of the Trust Indenture, TOARC has the responsibility for “the rehabilitation of land for which a Licence or Permit has been revoked and for which final rehabilitation has not been completed”. Since inception of the Trust, 118 licences and 277 permits have been revoked. In the case of licences, 111 have been rehabilitated or the files have been closed for other reasons. In the case of permits, 275 have been rehabilitated or closed for other reasons. To date the Trust has expended \$1,279,112 in net direct costs for rehabilitation of revoked sites.

## Professional Assistance

### BANKING INSTITUTION

Scotiabank®

### INVESTMENT ADVISORS

CBW Financial Group

### AUDITORS

BDO Canada LLP

### INVESTMENT MANAGERS

Burgundy Asset Management Ltd.  
Mawer Investment Management Ltd.

### LEGAL COUNSEL

Blakes, Cassels & Graydon LLP

### SHAREHOLDER

Ontario Stone, Sand & Gravel Association



1001 Champlain Ave Suite 103,  
Burlington, Ontario L7L 5Z4

[TOARC.COM](http://TOARC.COM)

