

Crown Aggregate Resources Review 2011

Introduction

The Minerals and Petroleum Development Branch of the Department of Natural Resources is responsible for allocating sand, gravel and crushed stone resources located on provincial Crown lands. The extraction of this resource is administered under the [Quarriable Substances Act](#).

Approximately 400 applications are received each year to extract aggregate resources from Crown land. Applications are received from commercial enterprises,

individual citizens, Crown timber license holders and various Government Departments, namely the Department of Transportation.

Aggregates are used in a wide range of applications such as public and forest road construction and maintenance, general construction applications, winter traction sand, asphalt and concrete production, wind farm infrastructure, breakwater and erosion control, and landscaping or decorative stone.

Allocation of the Crown Resource

In 2011, 3,600,000 tons of aggregate were produced from Crown land. That amount represents 40% of all aggregate produced in the Province. The royalty rate for Crown aggregate is currently \$0.25 per tonne. Total royalty collected from aggregate resources in 2011 decreased by 13% from the previous year to \$ 897,357.

The extraction of aggregates on Crown lands is managed under three types of agreements:

Written authorizations: this type of agreement is issued at local DNR offices, only for small quantities of material and is valid for 30 days. In 2011, 127 written

authorizations were issued for a total of 34,068 t (1 %).

Quarry permits: this is the standard agreement. It is valid from the date of issuance to the end of the calendar year. In 2011, 265 quarry permits were issued for a total of 1,103,084 t (31 %).

Quarry leases: leases are a more formal arrangement that provides exclusive access to a source of aggregate. Quarry leases are issued for terms up to 10 years. Currently, there are 17 quarry leases that produced 2,452,275 t (68 %) in 2011.

Activity in 2011

Two major highway projects were underway in the southern part of the province: the Welsford bypass and

Route 1 Gateway between the city of Saint John and the border with the United States of America.

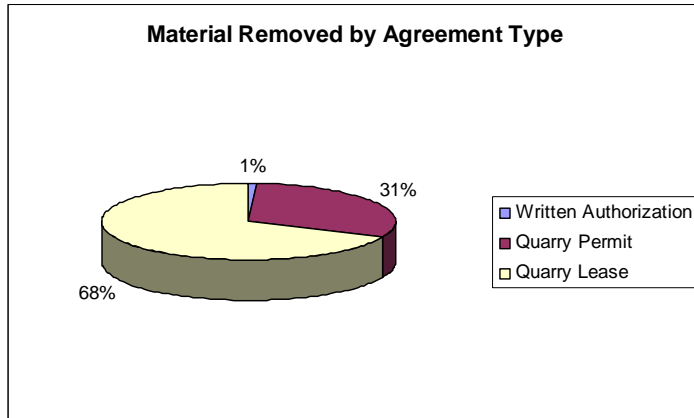


Figure 1. Allocation by agreement type
68% of Crown aggregate removed in 2011 was done under quarry leases despite leases accounting for only 4 % of the agreements (17 of 416).

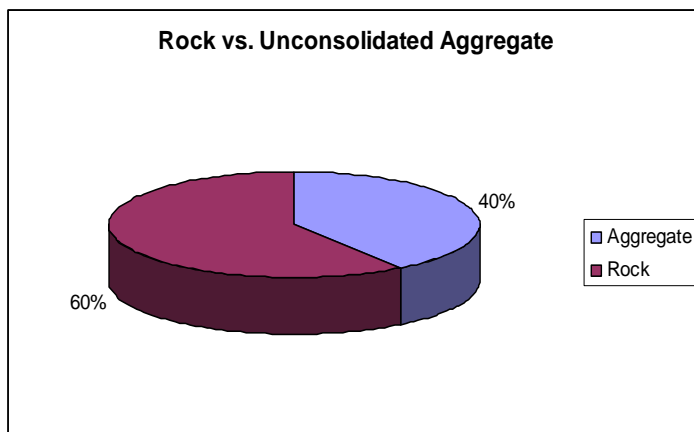


Figure 2. Type of material used
Bedrock accounted for 60% of the aggregates used in 2011 yet agreements for bedrock sites only accounted for 11 % of issuance numbers (45 of 416). This is an indicator of the generally greater production levels in bedrock quarries compared to sand and gravel pits.

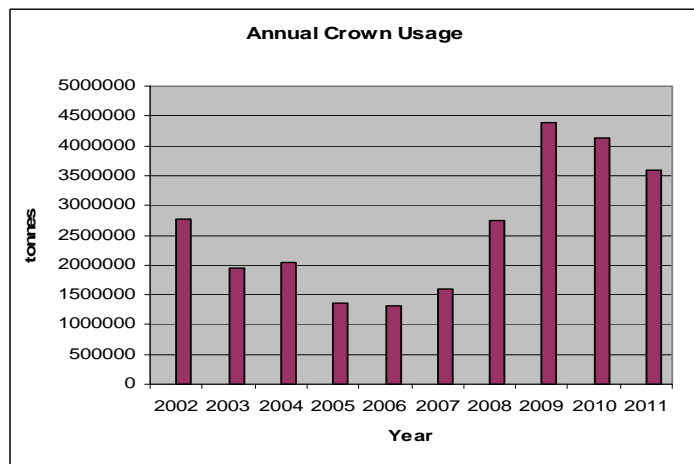


Figure 3. Annual usage of Crown aggregate – 2002 to 2011

Questions?

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