THE PROVINCE OF BRITISH COLUMBIA—WATER ACT

CONDITIONAL WATER LICENCE

M-I Drilling Fluids Canada Inc. of 400 - 500 4th Avenue SW, Calgary, Alberta, T2P 2V6 is hereby authorized to divert and use water as follows:

- (a) The stream on which the rights are granted is Wolf Lake.
- (b) The point of diversion is located as shown on the attached plan.
- (c) The date from which this licence shall have precedence is 21st March, 1985.
- (d) The purpose for which this licence is issued is mining.
- (e) The maximum quantity of water which may be diverted is 48,000 gallons per day.
- (f) Water may be used from 15th May to 30th September.
- (g) The land upon which the water is to be used and to which this licence is appurtenant is the mining project of the licensee within District Lot 3694, Cassiar Land District covered by Mineral Claims Beaver 4, 5, 6, 7, 10, 11, 12, 13, and Moose 11, 12, 13, 14, 15, 16, and 19.
- (h) The works authorized to be constructed are diversion structure, pump, and pipe, which shall be located approximately as shown on the attached plan.
- (i) The construction of the said works has been completed and the water is being beneficially used. The licensee shall continue to make regular beneficial use of the water in the manner authorized herein.
- (j) This water is impounded by a mine tailings dam, which under a letter of understanding, dated September 9, 1988, is the responsibility of the Ministry of Energy, Mines and Petroleum Resources insofar as it pertains to the acceptance of the siting, design, construction, modification, operation, maintenance, safety, abandonment, and reclamation of tailings impoundment.
- (k) This licence is issued for an initial term of 4 years. Upon application the term of the licence may be extended by the Comptroller of Water Rights or the Regional Water Manager. Unless extended this licence shall expire on December 31, 1994.

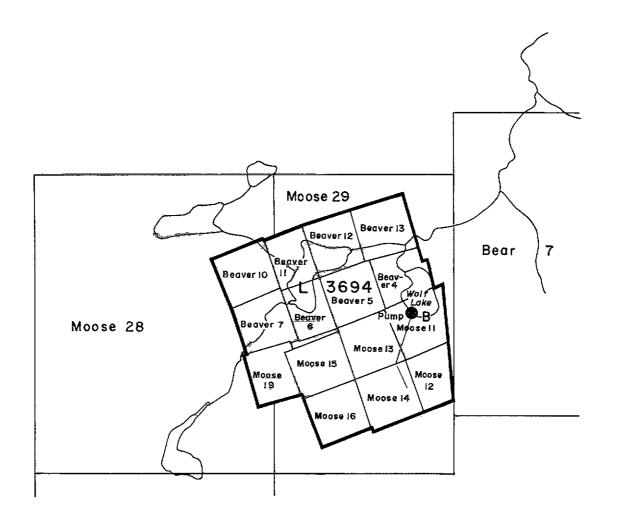
ON Roberts P. F.

D.W. Roberts, P.Eng. Regional Water Manager

File No. 7000277 Date Issued: SEP 2 5 1990 Conditional Licence 71054



Province of British Columbia



WATER DISTRICT : LIARD

PRECINCT

LAND DISTRICT : CASSIAR

LEGEND

Scale

Point of Diversion

Map Number

Pipe

: 1/2 Mile to I Inch

: Ref. 94 M (14-b)

Signature J W Robert OF / HAND

C.L. 71054 File 7000277

The boundaries of the land to which this licence is appurtenant are shown thus: ___