

# Province of British Columbia

## *Water Act*

### CONDITIONAL WATER LICENCE

The holder of the Mining Lease No. 631503 to which this licence is appurtenant is hereby authorized to divert, use and store water as follows:

- a) The stream on which the rights are granted is Meadows Creek and the storage is in a reservoir adjacent to Meadows Creek.
- b) The storage site and the point of diversion are located as shown on the attached plan and in the Consulting Drawings No. VA101-141/2 submitted to Terrane Metals Corp. by Knight Piesold Consulting.
- c) The date from which this licence shall have precedence is November 11, 2009.
- d) The purposes for which this licence is issued are industrial (mining - processing ore) and storage.
- e) The maximum quantity of water which may be diverted for industrial (mining - processing ore) purpose is 1,800,000 cubic metres per year, with a maximum daily withdrawal of 100,000 cubic metres. The maximum quantity of water which may be stored is 2,300,000 cubic metres per year.
- f) The period of the year during which the water may be diverted, used and stored is the whole year.
- 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 Mining Lease No. 631503, Liard Mining Division, Cassiar District.
- h) The authorized works are screened intake, pump, pipe, dam, ditch, spillway, and reservoir which shall be located approximately as shown on the attached plan.
- i) The construction of the said works shall be completed and the water shall be beneficially used prior to December 31, 2013. Thereafter, the licensee shall continue to make regular beneficial use of the water in the manner authorized herein.
- j) Prior to the withdrawing of water authorized under clause (e) of this license, the licensee must prepare and submit for acceptance by the Engineer or Regional Water Manager, a Water Management Plan (WMP).
- k) The dam authorized under clause (h) is subject to the Dam Safety Regulations and shall be designed, constructed and maintained to the satisfaction of a Dam Safety Officer under the Water Act and in accordance with the Canadian Dam Association Guidelines.

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- l) The construction of the said works must not commence until a draft Operation, Maintenance and Surveillance Manual (including a surveillance schedule for first filing) and an Emergency Preparedness Plan have been submitted to and accepted by an Dam Safety Officer under the Water Act.
- m) Before submitting the information required under clause (l), the licensee must retain, to the satisfaction of the Engineer or Regional Water Manager a person (the "Environmental Monitor") who will provide services to the Engineer or Regional Water Manager and other agencies to monitor the environmental impacts from the construction of the works.
- n) To construct the works authorized under clause (h) of this licence, the licensee must:
  - (1) Ensure that the plans for the works that are to be constructed are signed and sealed by a professional engineer registered in the province of British Columbia (referred to as the Design Engineer);
  - (2) Ensure that a professional engineer in the province of British Columbia (referred to as the Construction Engineer) supervises the construction of works;
  - (3) Submit to an Engineer or a Regional Water Manager under the following:
    - a. plans that show the general arrangement of works to be constructed,
    - b. criteria for the design of the works to be constructed,
    - c. criteria for the operation of the works to be constructed, and
    - d. a schedule for the construction of works;
  - (4) Prepare an Environmental Management Plan (refer to as the EMP) for the management and mitigation of construction impacts, which must be to the satisfaction of an Engineer or a Regional Water Manager under the Water Act; and
  - (5) Obtain leave to commence construction, in writing, from an Engineer or a Regional Water Manager under the Water Act.
- o) Operation of the works authorized in clause (h) shall not commence until leave is granted in writing by an Engineer or a Regional Water Manager under the Water Act.
- p) Final construction drawings, Operation, Maintenance and Surveillance Manual and Emergency Preparedness Plan must be submitted to the Dam Safety Officer during the first year of operation.
- q) The works authorized under clause (h) hereof shall be maintained to the satisfaction of an Engineer or a Regional Water Manager under the Water Act.
- r) This water licence does not authorize the disposal or discharge of mine effluent tailings.
- s) This licensee shall keep records on actual water use as directed by an Engineer or a Regional Water Manager under the Water Act and have all records available.
- t) Upon cessation of mining operations, the dam and all works associated with the dam shall be removed and the site reclaimed to the satisfaction of an Engineer or a Regional Water Manager under the Water Act.

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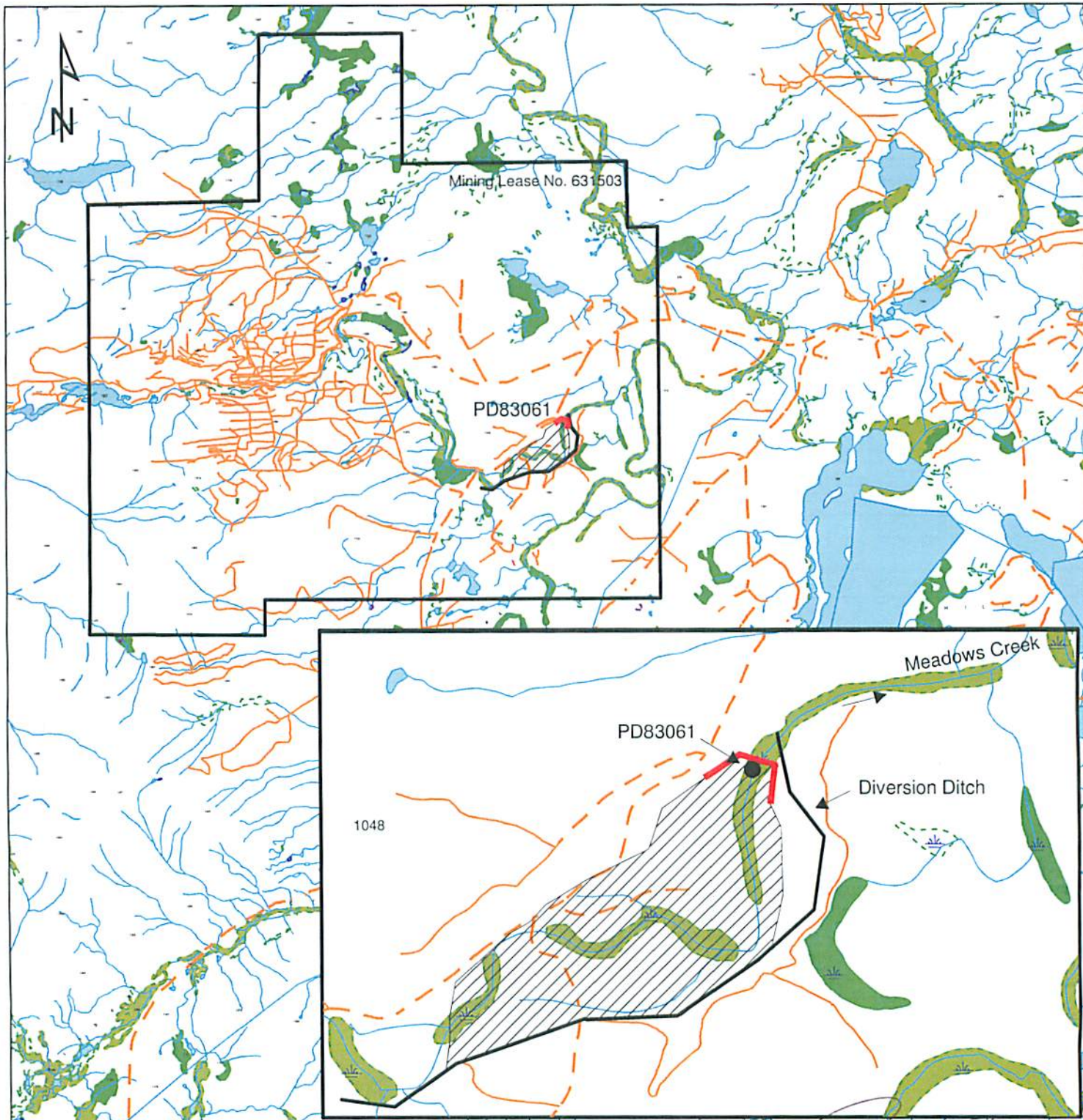
## *Water Act*

- u) The rights granted under this licence are subject to a water reserve established by Order in Council No 2673, dated November 27, 1953.
- v) This licence is only valid as long as Mining Lease No. 631503 is in good standing.

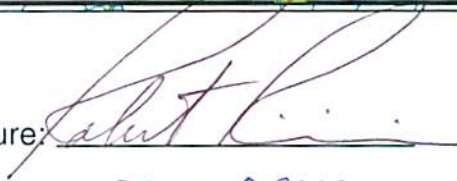


Robert M Piccini  
Assistant Regional Water Manager





**WATER DISTRICT:** Prince George  
**PRECINCT:** Parsnip  
**LAND DISTRICT:** Cassiar

Signature: 

Date: SEP 10 2010

**LEGEND:**  
 Scale: 1:75,000  
 Scale of Inset: 1:15,000  
 Point of Diversion: ● PD83061  
 Map Number: 093M022  
 Dam: 

C.L. 125689

File: 7001875

Meadows Creek Water Supply Pond: 

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