



PERMIT UNDER THE WATER ACT AUTHORIZING THE OCCUPATION OF CROWN LAND

Lornex Mining Corporation Ltd. of 510 - 580 Granville Street, Vancouver, B.C.,
V6C 1W8

the holder(s) of Conditional/~~Basic~~ Water Licence(s) 52985 authorizing
the diversion of water from McKay Creek is/are hereby

authorized to occupy Crown land by constructing, maintaining, and operating thereon the works authorized
under the said water licence and any licences which may be issued in substitution thereof.

(a) The Crown land which is authorized to be occupied under this permit is a portion of
Sections 24 and 25, Township 18, Range 24, and Sections 20, 21, 29 and 30,
Township 18, Range 23, West of the 6th Meridian, and Lot 6144 and
unsurveyed land, Kamloops Division of Yale District,

the location of which is shown approximately on the plan attached to the said water licence.

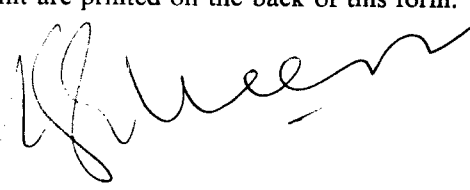
(b) The approximate dimensions of the Crown land authorized to be occupied under this permit are
23,200 feet in length and 15 feet in width, having an area of 7.97 acres.

(c) Subject to the payment of royalty, stumpage, and other compensation, and the obtaining of a licence to
cut timber as provided under Condition 5, the permittee may cut and remove from the said land any
timber, the removal of which is necessary to permit construction and maintenance of the said works.

(d) The annual rental for this permit is \$ 8.00 , which is subject to review and revision at any time
at the discretion of the Crown.

(e) This permit is appurtenant to the land, mine, or undertaking to which the aforesaid water licence is
appurtenant.

(f) The conditions relative to the rights granted under this permit are printed on the back of this form.


Deputy Minister of Environment

File No. 0364145

Ref. Map 92 I/11-b

W. R. Map 301

Date issued: 1st November, 1979 Permit No. 12177

CONDITIONS RELATIVE TO THE RIGHTS GRANTED UNDER THIS PERMIT

1. This permit is issued under the *Water Act*, and the rights hereby granted are subject at all times to the provisions of that Act and all Acts passed in amendment or substitution thereof and to all regulations from time to time made under any such Act.

2. There is reserved to the Crown the right to grant to other persons permits to occupy the land affected by this permit without compensation to the permittee or his successors in title.

3. In the event of any dispute arising at any time between the permittee and any owner of land adjacent to the land affected by this permit with respect to the area or boundaries of the land so affected, the licensee shall at his own expense, when so directed by the Deputy Minister of the Environment, have the said land surveyed by a duly qualified surveyor, and shall likewise file with the Ministry of the Environment at Victoria, British Columbia, a plan showing the result of the survey.

4. This permit and the rights granted hereunder are subject always to compliance by the permittee with the terms of his water licence, and if the rights granted under the said licence should at any time be suspended or terminated, the rights granted under this permit are thereupon likewise suspended or terminated.

5. The amount of stumpage, royalty, and (or) compensation payable to the Crown by the permittee in respect of trees, including merchantable or young growth, cut, removed, damaged, or destroyed by the permittee, shall be the sum or sums fixed by the Forest Service of the Province of British Columbia. Prior to the cutting, destruction, or flooding of any timber, the permittee must apply for and obtain a licence to cut timber from the District Forester.