



Occupant licence to Cut
Cut and Remove Timber
L 48853



THIS licence, dated *June 1, 2011*

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT
OF THE PROVINCE OF BRITISH COLUMBIA,
as represented by the
COLUMBIA FOREST DISTRICT MANAGER,
Ministry of Forests, Lands and Natural Resource Operations
Kootenay Lake Forestry Centre
1907 Ridgewood Road
Nelson BC V1L 6K1

Fax number: 250-825-9657
Email address: Rob.McRory@gov.bc.ca
(the "Licensor")

AND:

Peter Robertson
Charles Kucera
Scott Robertson
Richard Smith

PO Box 1079
Golden, British Columbia
V0A 1H0

Email address: proeng@telus.net
(the "Licensee")

WHEREAS:

- A. The Licensee has the right of occupation as the lawful *occupier* of certain areas of land pursuant to the Licence of Occupation dated June 1, 2009 [file No. 4404379, Disposition No. 849452].
- B. The Licensee and Licensor are entering into this licence under Section 47.4 of the *Forest Act* to cut and remove the Crown timber from the Licence area.

"The Table of Contents and headings in this licence are included for convenience only and do not form a part of this licence and in no way define, limit, alter or enlarge the scope or meaning of any provision of this licence."

TABLE OF CONTENT

1.00	GRANT OF RIGHTS AND TERM	3
2.00	TIMBER MARK	3
3.00	TIMBER HARVEST LIMITATIONS	3
4.00	TIMBER VOLUME CHARGED TO THE LICENCE	3
5.00	WASTE ASSESMENT	4
6.00	COURT DETERMINED ABORIGINAL RIGHTS AND/OR TITLE	4
7.00	FINANCIAL AND DEPOSITS	5
8.00	LIABILITY & INDEMNITY	5
9.00	TERMINATION	6
10.00	WAIVER	7
11.00	NOTICE	7
12.00	MISCELLANEOUS	8
13.00	INTERPRETATION & DEFINITIONS	8
	SCHEDULE A OTHER CONDITIONS AND REQUIREMENTS	11
	SCHEDULE B RESERVE TIMBER	12
	EXHIBIT "A"	13

THE PARTIES agree as follows:

1.00 GRANT OF RIGHTS AND TERM

- 1.01 The term of this licence begins on *June 13, 2011*, and ends on the earlier of
- (a) the day upon which the Licensee's right of occupation expires or is surrendered, cancelled or otherwise terminated,
 - (b) June 12, 2014 or
 - (c) at the Licensee's request, the Licensor gives notice to the Licensee that all contractual and legislative obligations associated with the licence have been completed.
- 1.02 The Licensee is authorized to cut and remove Crown timber from the area shown on the attached Exhibit "A" maps ("Licence area") that is necessary to cut in order to facilitate the operations or the use of the Crown land within the Licence area as described in the right of occupation.
- 1.03 The Licensee's rights under this licence are of no force or effect when the right of occupation is suspended.
- 1.04 Subject to the licence, the Licensee may enter onto areas referred in Paragraph 1.01 for the purpose of exercising the rights under this licence.
- 1.05 This Licence does not grant the Licensee the exclusive right to harvest timber from the Licence area, and the Licensor reserves the right to grant rights to other persons to harvest timber from the Licence Area.

2.00 TIMBER MARK

- 2.01 The timber mark(s) for timber removed under this licence is/are:
- L48*
853
- 2.02 If directed to do so by the Licensor, the Licensee must erect signs at all exits from areas of land referred to in Paragraph 1.02, clearly showing the timber mark(s) referred to in Paragraph 2.01.

3.00 TIMBER HARVEST LIMITATIONS

- 3.01 The Licensee must comply with the forestry legislation and the conditions and requirements set out in Schedule "A" to this Licence.
- 3.02 In addition to timber specified in the forestry legislation as reserved, the Licensee must not cut, damage, or destroy timber if specified as reserved in schedule B.

4.00 TIMBER VOLUME CHARGED TO THE LICENCE

- 4.01 The timber of the following species and grades will be included in determining the volume that will be charged to the licence:
- (a) all species and grades except for grades 6 and Z.

5.00 WASTE ASSESSMENT

- 5.01 The quantity and quality of merchantable Crown timber that could have been removed under this Licence but at the licensee's discretion was not removed, will be determined in accordance with the provisions of Provincial Logging Residue and Waste Measurements Procedures Manual, as amended or replaced from time to time ("current waste assessment manual").
- 5.02 The Regional Manager or District Manager, in a notice given to the Licensee, may require the Licensee to pay in respect of the volume of timber determined under Paragraph 5.01, a monetary assessment for all waste.
- 5.03 The amount of money that the licensee must pay under a waste assessment will be determined in accordance with the provisions of the current waste assessment manual.
- 5.04 For the purpose of conducting the assessment of the volume of timber that was not harvested as described in Paragraph 5.01:
- (a) the Regional Manager or District Manager may conduct an assessment in accordance with the current waste assessment manual after the expiry of the term of the Licence.

6.00 COURT DETERMINED ABORIGINAL RIGHTS AND/OR TITLE

- 6.01 Notwithstanding any other provision of this Licence, if a court of competent jurisdiction:
- (a) determines that activities or operations under or associated with this Licence will unjustifiably infringe an aboriginal right and/or title, or treaty right;
 - (b) grants an injunction further to a determination referred to in Subparagraph 6.01 (a); or
 - (c) grants an injunction pending a determination of whether activities or operations under or associated with this Licence will unjustifiably infringe an aboriginal right and/or title, or treaty right,
- the Regional Manager or District Manager in a notice given to the Licensee, may vary or suspend, this Licence in whole or in part, so as to be consistent with the court determination.
- 6.02 Subject to this Licence and the forestry legislation, if:
- (a) under Paragraph 6.01, the Regional Manager or District Manager has varied the Licence issued to the Licensee;
 - (b) a court of competent jurisdiction subsequently overturns, sets aside or dissolves the determination or injunction referred to in that Paragraph; and
 - (c) it is practical to do so;
- the Regional Manager or District Manager, at the request of the Licensee, will vary the Licence to reflect as closely as possible, for the remainder of

its term, the terms and conditions of the Licence or to the variation under Paragraph 6.01.

6.03 Subject to this Licence and the forestry legislation, if:

- (a) under Paragraph 6.01, the Regional Manager or District Manager has suspended the Licence;
- (b) a court of competent jurisdiction subsequently overturns, sets aside or dissolves the determination or injunction referred to in that Paragraph; and
- (c) it is practical to do so;

the Regional Manager or District Manager, at the request of the Licensee, will reinstate the Licence for the remainder of its term.

7.00 FINANCIAL AND DEPOSITS

7.01 In addition to any money payable in respect of this Licence under the forestry legislation, the Licensee must pay to the Government, immediately upon receipt of a notice, statement or invoice issued on behalf of the Government:

- (a) stumpage under part 7 of the *Forest Act* at rates determined, re-determined and varied under section 105 of that Act in respect of timber removed under this Licence;
- (b) any payment required as a result of a waste assessment under part 5.00 of this Licence.

7.02 The Licensee will provide the Crown with n/a to be held on deposit (the "deposit") to be used in accordance with the Licence.

7.03 If the Licensee fails to perform an obligation under this Licence, the Regional Manager or District Manager, after at least two weeks notice, may take from the deposit an amount equal to the reasonable costs to perform the obligation and may perform the obligation on the Licensee's behalf.

7.04 If the Regional Manager or District Manager takes from the deposit under Paragraph 7.03, the Licensee must pay to the Government on demand an amount sufficient to replenish the deposit.

7.05 In accordance with the Advertising, Deposits, Disposition and Extensions Regulation, the deposit may be refunded to the Licensee.

8.00 LIABILITY & INDEMNITY

8.01 Subject to Paragraph 8.02, the Licensee will indemnify the Government against and save it harmless from all claims, demands, suits, actions, causes of action, costs, expenses and losses faced, incurred or suffered by the Government as a result, directly or indirectly, of any act or omission of:

- (a) the Licensee;
- (b) an employee or agent of the Licensee;

(c) a Contractor of the Licensee who engages in any activity or carries out any operation, including but not restricted to the Licensee's operations, under or associated with this Licence; or

(d) any other person who on behalf of or with the consent of the Licensee engages in any activity or carries out any operation under or associated with this Licence.

8.02 For greater certainty, the Licensee has no obligation to indemnify the Government under Paragraph 8.01 in respect of any act or omission of:

(a) an employee, agent or contractor of the Government, in the course of carrying out his or her duties as employee, agent or contractor of the Government; or

(b) a person, other than the Licensee, to whom the Government has granted the right to use or occupy Crown land, in the course of exercising those rights.

8.03 Amounts taken under Part 7.00 from the deposit and any payments required under Parts 5.00 or 7.00, and payments required further to the indemnity referred to in Paragraph 8.01 are in addition to and not in substitution for any other remedies available to the Government in respect of a default of the Licensee.

8.04 The Government is not liable to the Licensee for injuries, losses, expenses, or costs incurred or suffered by the Licensee as a result, directly or indirectly, of an act or omission of a person who is not a party to this Licence, including but not restricted to an act or omission of a person disrupting, stopping or otherwise interfering with the Licensee's operations under this Licence by road blocks or other means.

9.00 TERMINATION

9.01 If this Licence expires or is cancelled or is otherwise terminated:

(a) title to all improvements, including roads and bridges, fixed on Crown land in the licence area; and

(b) all timber, including logs and special forest products, located on the licence area, will vest in the Crown, without right of compensation to the Licensee.

9.02 If the Licensee commits an act of bankruptcy, makes a general assignment for the benefit of its creditors or otherwise acknowledges its insolvency, the Licensee is deemed to have failed to perform an obligation under this Licence.

10.00 WAIVER

- 10.01 No waiver by the Crown of any default or non-compliance by the Licensee in the strict and literal performance of or compliance with any provision of the Licence will be deemed to be a waiver of the strict and literal performance of or compliance with any other provision, condition or requirement of the Licence or to be a waiver of, or in any manner release the Licensee from compliance with any provision, condition or requirement in the future, nor will any delay or omission by the Crown in the exercising of any right hereunder in any manner with respect to non-compliance impair the exercise of any such rights in the future.

11.00 NOTICE

- 11.01 A notice given under this Licence must be in writing.
- 11.02 A notice given under this Licence may be:
- (a) delivered by hand;
 - (b) sent by mail; or
 - (c) sent by facsimile transmission;
 - (d) electronic mail ("commonly referred as Email")
- to the address, facsimile or email number, as applicable, specified on the first page of this Licence, or to such other address or facsimile number as is specified in a notice given in accordance with this part.
- 11.03 If a notice is given under this Licence, it is deemed to have been given:
- (a) if it is given in accordance with Subparagraph 11.02 (a) on the date it is delivered by hand;
 - (b) if it is given in accordance with Subparagraph 11.02 (b), subject to Paragraph 11.04, on the eighth day after its deposit in a Canada Post Office at any place in Canada; and
 - (c) if it is given in accordance with Subparagraph 11.02 (c), subject to Paragraph 11.05, on the date it is sent by facsimile or email transmission.
- 11.04 If, between the time a notice is mailed in accordance with Subparagraph 11.02 (b) and the time it is actually received, there occurs a postal strike, lockout or slowdown that might reasonably affect delivery of the notice, the notice is not deemed to be given until the party actually receives it.
- 11.05 If a notice is sent by facsimile transmission, the party sending the notice must take reasonable steps to ensure that the transmission has been successfully completed.
- 11.06 Either party may, from time to time, advise the other party by notice in writing, of any change of address of the party giving such notice and, from and after the giving of such notice, the address specified will, for purposes of this Licence, be considered to be the address of the party giving such notice.

12.00 MISCELLANEOUS

- 12.01 This Licence will enure to the benefit of and be binding on the parties and their respective heirs, executors, successors and permitted assigns.
- 12.02 The laws of British Columbia will govern the interpretation of this Licence and the performance of the Licensee's obligations under this Licence.
- 12.03 Any non-statutory power conferred or duty imposed on the Regional Manager or District Manager under this Licence may be exercised or fulfilled by any person authorized to do so by the Regional Manager or District Manager.
- 12.04 Any Schedules, Exhibit "A" map(s) or attachments referenced in, or attached to this Licence are an integral part of this agreement as if set out in the body of this agreement, and the Licensee will comply with all the terms in the Schedules.
- 12.05 If there is a conflict between the *Workers Compensation Act* or a regulation under that Act, and a provision of this Licence, the *Workers Compensation Act*, or the regulations made under that Act, prevails, and the Licensee must immediately notify the District Manager of the conflict and follow any direction given by the District Manager with respect to the conflict, provided such direction is consistent with the *Workers Compensation Act* and the regulations under that Act.
- 12.06 Nothing in this Licence authorizes the Licensee to in any way restrict the Government's right of access to the Licence areas or a road permit or the right of any other authorized entrant, user or occupier of these areas.
- 12.07 This Licence is the entire agreement between the parties as to the matters set out in this Licence, and all previous promises, representations or agreements between the parties, whether oral or written, are deemed to have been replaced by this Licence.
- 12.08 Unless otherwise defined in this Licence, if a word or phrase used in this Licence is defined in the legislation described in Paragraph 13.02, the definition in the legislation applies to this Licence, and where the word or phrase in the legislation is replaced by a new word or phrase, this Licence is deemed to have been amended accordingly.
- 12.09 If any provision in this Licence is found to be invalid or unenforceable by a court of law, the remainder of this Licence is separately valid and enforceable to the fullest extent permitted by law.
- 12.10 The Licensee acknowledges that any information released to the Licensee by the Regional Manager, District Manager or the Government about the nature of the Licence area or the quality or quantity of timber, is not to be relied upon. Execution of this Licence by the Licensee is an absolute release by the Licensee of the Regional Manager or District Manager and the Crown from any claim that the Licensee may have in respect of the nature of the Licence area or the quality or quantity of timber.

13.00 INTERPRETATION & DEFINITIONS

- 13.01 This Licence is divided into Parts, Paragraphs, Subparagraphs, Clauses and Subclauses, illustrated as follows:

- 1.00 Part;
- 1.01 Paragraph;
 - (a) Subparagraph;
 - (i) Clause;
 - (A) Subclause;

and a reference to a Subparagraph, Clause or Subparagraph is to be construed as a reference to a Subparagraph, Clause or Subclause of the Paragraph, Subparagraph or Clause, as the case may be, in which the reference occurs.

13.02 In this Licence, unless the context otherwise requires,
"forestry legislation" means the statutes and regulations, to which the Licence is subject including: the *Forest Act*, *Forest and Range Practices Act* and the *Wildfire Act*,

"Licence area" means the area allocated for the Licensee's operations pursuant to this licence and which for greater detail is outlined on the map found in Exhibit "A",

"right of occupation" means the rights described in Whereas Clause A that give the Licensee the right to occupy the land described in Schedule "A".

IN WITNESS WHEREOF the licence has been executed by the Licensor and the Licensee on the date set out below.

SIGNED by the Licensor on)
 behalf of Her Majesty the)
 Queen in Right of the Province)
 of)
 British Columbia in the)
 presence of:)

Rob McRory)
 Print Witness Name:)
)

Garth Wiggill
 Garth Wiggill, District Manager
 Columbia Forest District

June 13, 2011
 Date

SIGNED by the Licensee in)
 the presence of:)

<i>E. Andrews-Smith</i> Print Witness Name: <i>ESTER ANDREWSMITH</i>	<i>[Signature]</i> {Peter George Robertson}	<i>June 7/11</i> Date
<i>[Signature]</i> Print Witness Name: <i>WENDY ROBINSON</i>	<i>[Signature]</i> {Charles Edward Kucera}	<i>June 7/11</i> Date
<i>[Signature]</i> Print Witness Name: <i>MARION HAYSTANS</i>	<i>[Signature]</i> {Scott G Robertson}	<i>June 7/11</i> Date
<i>E. Andrews-Smith</i> Print Witness Name: <i>ESTER ANDREWSMITH</i>	<i>[Signature]</i> {Richard Kevin Smith}	<i>June 7/11</i> Date

SCHEDULE A OTHER CONDITIONS AND REQUIREMENTS

1.0 Commencement and Completion Notices

- 1.01 Unless the Licensor specifies otherwise in writing, the Licensee must ensure that all reasonable steps are taken to:
- (a) advise the Licensor in writing and in a form acceptable to the Licensor, of the date that the Licensee's Activities will commence at least five days before commencement. Notification of commencement must be sent to Resources.Nelson@gov.bc.ca, and
 - (b) notify the Licensor in writing in a form acceptable to the Licensor, when all obligations under this licence are complete. Notification of completion must be sent to Resources.Nelson@gov.bc.ca

2.0 Dangerous Trees

- 2.01 The licensee may fell trees outside of the cut block boundary(s) on Crown land only identified on the attached Exhibit A map, for the purposes of tree felling to eliminate a safety hazard, if the person conducting determines that the tree is a dangerous tree according to Worksafe BC regulations and it is up to one (1) tree length beyond the cutting authority area.
- 2.02 The Licensee may buck and utilize a tree felled under paragraph 4.01.
- 2.03 Felled dangerous tree(s) shall be subject to Waste Assessment policies.

**SCHEDULE B
RESERVE TIMBER**

1.01 N/A



EXHIBIT A



This topographic map depicts a section of the Yukon River and its surrounding landscape. The river is shown as a prominent feature, with various tributaries and channels. Land parcels are delineated by solid lines, and specific areas are labeled with parcel numbers and section/ township/ range information. Key locations include Kibukashen and several points marked with letters (A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z). The map also shows contour lines and other geographical features. A scale bar at the bottom right indicates a distance of 350m.

Legend	
	Tenure Application
	Tenure Road Application
	Retired Tenure Road
	P of C
	P of T
	Tenure Feature
	Range
	TFL
	Provincial Forest
	Forest Service Road
	Highway
	Municipal Road
	Non Status Road
	Recreation Trails
	Road Permit
	SUP Road
	Right of Way
	Schedule B CP Road
	Mineral Tenure Points
	Cities
	Waterbodies
	River/Stream
	Coastline / Island

(18,066 Ha)
 PolC1 UTM11 503163, 5679155
 PolC2 UTM11 500992, 5679890
 01 (18,066 Ha)
 PolC3 UTM11 503163, 5679155
 PolC4 UTM11 500992, 5679890