

ENDORSEMENT SCHEDULE

Endorsement No. 1

August 21, 2007

Assigned unto Elko Hilltop Service Ltd. from John Mindek dated August 3, 2007.



LICENCE OF OCCUPATION

Licence No.:

403879

File No.: 4401720

Disposition No.: 857839

THIS AGREEMENT is dated for reference June 1, 2007 and is made under the *Land Act*.

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, represented by the minister responsible for the *Land Act*, Parliament Buildings, Victoria, British Columbia

(the "Province")

AND:

JOHN MINDEK
PO Box 1000
Elko, BC V0B 1J0

ASSIGNED Aug 3, 2007

(the "Licensee")

The parties agree as follows:

ARTICLE 1 - INTERPRETATION

1.1 In this Agreement,

"Actual Production" means the amount of material measured in metric tonnes removed from the Land during a licence Period, as verified in the Production Report for that licence Period;

"Agreement" means this licence of occupation;

"Commencement Date" means June 1, 2007;

“disposition” has the meaning given to it in the *Land Act* and includes a licence of occupation;

“Fees” means the fees set out in Article 3;

“Improvements” includes anything made, constructed, erected, built, altered, repaired or added to, in, on or under the Land, and attached to it or intended to become a part of it, and also includes any clearing, excavating, digging, drilling, tunnelling, filling, grading or ditching of, in, on or under the Land;

“Land” means that part or those parts of the following described land shown outlined by bold line on the schedule attached to this Agreement entitled “Legal Description Schedule”:

Those parts of Lots 1-20 inclusive of Block 50, Lots 1-10 inclusive of Block 55, Lots 1-4 inclusive of Block 57A, Lot 1 of Block 57B, and Lots 1-3 inclusive of Block 57; those parts of Lots 4-6 inclusive of Block 57, together with adjoining streets and lanes, all of District Lot 3054, Kootenay District, Plan 1138, as shown on the attached sketch and containing 2.19 hectares, more or less

except for those parts of the land that, on the Commencement Date, consist of highways (as defined in the *Transportation Act*) and land covered by water;

“Licence Period” means the first 12 months period of the Term beginning on the Commencement Date and each successive 12 months period thereafter.

“Operating Record” means a record of all material removed from the Land and includes weigh scale data, quantity surveyor’s reports, production and shipping schedules, income statements and all other documents and records kept by you in connection with your quarrying operation on the Land;

“Production Report” means a report that contains

- (a) a detailed statement showing the quantity of material removed from the Land during the licence Period covered by the report, and
- (b) your Statutory Declaration in a form satisfactory to us confirming without qualification that the statement contained in the Production Report is true;

“Realty Taxes” means all taxes, rates, levies, duties, charges and assessments levied or charged, at any time, by any government authority having jurisdiction which relate to the Land, the Improvements or both of them and which you are liable to pay under applicable laws;

“Royalty Fee” means the royalty fee referred to in Article 3;

“Security” means the security referred to in section 6.1 or 6.2, as replaced or supplemented in accordance with section 6.5;

“Term” means the period of time set out in section 2.2;

“we”, “us” or “our” refers to the Province alone and never refers to the combination of the Province and the Licensee: that combination is referred to as **“the parties”**; and

“you” or “your” refers to the Licensee.

- 1.2 In this Agreement, “person” includes a corporation, firm or association and wherever the singular or masculine form is used in this Agreement it will be construed as the plural or feminine or neuter form, as the case may be, and vice versa where the context or parties require.
- 1.3 The captions and headings contained in this Agreement are for convenience only and do not define or in any way limit the scope or intent of this Agreement.
- 1.4 This Agreement will be interpreted according to the laws of the Province of British Columbia.
- 1.5 Where there is a reference to an enactment of the Province of British Columbia or of Canada in this Agreement, that reference will include a reference to every amendment to it, every regulation made under it and any subsequent enactment of like effect and, unless otherwise indicated, all enactments referred to in this Agreement are enactments of the Province of British Columbia.
- 1.6 If any section of this Agreement, or any part of a section, is found to be illegal or unenforceable, that section or part of a section, as the case may be, will be considered separate and severable and the remainder of this Agreement will not be affected and this Agreement will be enforceable to the fullest extent permitted by law.
- 1.7 Each schedule to this Agreement is an integral part of this Agreement as if set out at length in the body of this Agreement.
- 1.8 This Agreement constitutes the entire agreement between the parties and no understanding or agreement, oral or otherwise, exists between the parties with respect to the subject matter of this Agreement except as expressly set out in this Agreement and this Agreement may not be modified except by subsequent agreement in writing between the parties.
- 1.9 Each party will, upon the request of the other, do or cause to be done all lawful acts necessary for the performance of the provisions of this Agreement.
- 1.10 All provisions of this Agreement in our favour and all of our rights and remedies, either at law

or equity, will survive the termination of this Agreement.

1.11 Time is of the essence of this Agreement.

1.12 Wherever this Agreement provides that an action may be taken, a consent or approval must be obtained or a determination must be made, then you or we, as the case may be, will act reasonably in taking such action, deciding whether to provide such consent or approval or making such determination; but where this Agreement states that you or we have sole discretion to take an action, provide a consent or approval or make a determination, there will be no requirement to show reasonableness or to act reasonably in taking that action, providing that consent or approval or making that determination.

ARTICLE 2 - GRANT AND TERM

- 2.1 On the terms and conditions set out in this Agreement, we grant you a licence of occupation of the Land for the purpose of quarrying, digging or removing gravel and uses ancillary to quarrying such as sorting, crushing, stockpiling, washing and the operation of a temporary asphalt plant, and you acknowledge this licence of occupation does not grant you exclusive use and occupancy of the Land.
- 2.2 The term of this Agreement commences on the Commencement Date and terminates on the tenth anniversary of that date, or such earlier date provided for in this Agreement.

ARTICLE 3 - FEES

- 3.1 You will pay to us:
- (a) for the first year of the Term, Fees of \$1,124.00, payable in advance on the Commencement Date; and
 - (b) for the first year of the Term, a royalty fee in an amount equal to \$2.00 per cubic metre of Actual Production payable at the times and in the manner specified in section 3.4 of this Article; and
 - (c) for each year during the remainder of the Term, the Fees either determined by us under section 3.2 or established under section 3.3, payable in advance on each anniversary of the Commencement Date; and
 - (d) for each year during the remainder of the Term, the Royalty Fee, either determined by us under section 3.5 or established under section 3.6 and payable at the times and in the manner specified in section 3.4 of this Article.

- 3.2 We will, not later than 15 days before each anniversary of the Commencement Date during the Term, give written notice to you specifying in our sole discretion the Fees payable by you under subsection 3.1(c) for the subsequent year of the Term.
- 3.3 If we do not give notice to you under section 3.2, the Fees payable by you under section 3.1(c) for the year for which notice was not given will be the same as the Fees payable by you for the preceding year of the Term.
- 3.4 You will within 15 days after the end of each licence Period deliver to us a Production Report for that licence Period together with a certified cheque in a sum equal to the Royalty Fee payable under sections 3.1 (b) or (d) for the Actual Production for that licence Period.
- 3.5 We may, by notice in writing to you not less than 15 days before the start of a licence Period, increase the Royalty Fee payable under sections 3.1 (b) or (d) for that licence Period, and where such an increase is made, the Royalty Fee shall be calculated and paid accordingly.
- 3.6 If we do not give you notice under section 3.5 with respect to any licence Period, the Royalty Fee payable for that licence Period shall be equal to the Royalty Fee payable for the immediately preceding licence Period.
- 3.7 You will, notwithstanding any other provision of this Agreement, not levy a Royalty Fee for any material removed from the Land used by us in the construction and maintenance of public works projects.

ARTICLE 4 - COVENANTS

- 4.1 You must
- (a) pay, when due,
 - (i) the Fees to us at the address set out in Article 10,
 - (ii) the Realty Taxes, and
 - (iii) all charges for electricity, gas, water and other utilities supplied to the Land for use by you or on your behalf or with your permission;
 - (b) deliver to us, immediately upon demand, receipts or other evidence of the payment of Realty Taxes and all other money required to be paid by you under this Agreement;
 - (c) observe, abide by and comply with

- (i) all applicable laws, bylaws, orders, directions, ordinances and regulations of any government authority having jurisdiction in any way affecting your use or occupation of the Land or the Improvements, and
- (ii) the provisions of this Agreement;
- (d) in respect of the use of the Land by you or by anyone you permit to use the Land, keep the Land and the Improvements in a safe, clean and sanitary condition satisfactory to us, and at our written request, rectify any failure to comply with such a covenant by making the Land and the Improvements safe, clean and sanitary;
- (e) not commit any wilful or voluntary waste, spoil or destruction on the Land or do anything on the Land that may be or become a nuisance or annoyance to an owner or occupier of land in the vicinity of the Land;
- (f) use and occupy the Land only in accordance with and for the purposes set out in section 2.1;
- (g) not construct, place or affix any Improvement on or to the Land except as necessary for the purposes set out in section 2.1;
- (h) pay all accounts and expenses as they become due for work performed on or materials supplied to the Land at your request, on your behalf or with your permission, except for money that you are required to hold back under the *Builders Lien Act*;
- (i) if any claim of lien over the Land is made under the *Builders Lien Act* for work performed on or materials supplied to the Land at your request, on your behalf or with your permission, immediately take all steps necessary to have the lien discharged, unless the claim of lien is being contested in good faith by you and you have taken the steps necessary to ensure that the claim of lien will not subject the Land or any interest of yours under this Agreement to sale or forfeiture;
- (j) not cut or remove timber on or from the Land without
 - (i) our prior written consent, and
 - (ii) being granted the right under the *Forest Act* to harvest Crown timber on the Land;
- (k) during the Term of this licence maintain the Operating Record in such form and containing such information as we may reasonably require, and
 - (i) permit us to attend at your offices to examine the Operating Record during normal office hours, and

- (ii) within 10 days of receiving a written request from us, deliver to us copies of the Operating Record;
- (l) establish and maintain proper books of account, making true entries of all dealings and transactions in relation to your quarrying operation on the Land, and at all reasonable times furnish us such information relating to your quarrying operation as we may reasonably require;
- (m) upon receipt of our written request, cause an independent quantity survey to be undertaken by a qualified Professional Engineer or British Columbia Land Surveyor, to confirm the actual amount of material removed from the Land during the preceding licence Period;
- (n) reclaim the Land to the post extraction land use approved by us in accordance with the reclamation plan approved by the Ministry of Energy, Mines and Petroleum Resources;
- (o) maintain the quarry in a safe and orderly manner in accordance with the provisions of the *Mines Act*;
- (p) take all reasonable precautions to avoid disturbing or damaging any archaeological material found on or under the Land and, upon discovering any archaeological material on or under the Land, you must immediately notify the ministry responsible for administering the *Heritage Conservation Act*;
- (q) carry out a noxious weed treatment program annually over the License area, as may be required to control the spread of noxious weeds;
- (r) apply a suitable grass seed mix over any areas reclaimed, at a minimum application rate of ten kilograms per hectare, to our satisfaction;
- (s) not interfere with existing roads and trails;
- (t) not excavate more than two metres below the elevation of Helena Avenue, without the prior written consent of the Ministry of Transportation;
- (u) restrict extraction activities between May 15th and October 15, annually;
- (v) permit us, or our authorized representatives, to enter on the Land at any time to inspect the Land and the Improvements, provided that in regard to our inspection of the Improvements we take reasonable steps to minimize any disruption of your operations;
- (w) indemnify and save us and our servants, employees and agents harmless against all claims, actions, causes of action, losses, damages, costs and liabilities, including fees of

solicitors and other professional advisors, arising out of

- (i) your breach, violation or nonperformance of a provision of this Agreement, and
- (ii) any personal injury, bodily injury (including death) or property damage occurring or happening on or off the Land by virtue of your entry upon, use or occupation of the Land,

and the amount of all such losses, damages, costs and liabilities will be payable to us immediately upon demand; and

- (x) on the termination of this Agreement,
 - (i) peaceably quit and deliver to us possession of the Land and, subject to paragraphs (ii), (iii) and (iv), the Improvements in a safe, clean and sanitary condition,
 - (ii) within 60 days, remove from the Land any Improvement you want to remove, if the Improvement was placed on or made to the Land by you and you are not in default of this Agreement,
 - (iii) not remove any Improvement from the Land if you are in default of this Agreement, unless we direct or permit you to do so under paragraph (iv),
 - (iv) remove from the Land any Improvement that we, in writing, direct or permit you to remove, other than any Improvement permitted to be placed on or made to the Land under another disposition, and
 - (v) restore the surface of the Land as nearly as may reasonably be possible to the same condition as it was on the Commencement Date, to our satisfaction, but if you are not directed or permitted to remove an Improvement under paragraph (iv), this paragraph will not apply to that part of the surface of the Land on which that Improvement is located,

and all of your right, interest and estate in the Land will be absolutely forfeited to us, and to the extent necessary, this covenant will survive the termination of this Agreement.

4.2 You will not permit any person to do anything you are restricted from doing under this Article.

ARTICLE 5 - LIMITATIONS

5.1 You agree with us that

- (a) we are under no obligation to provide access or services to the Land or to maintain or improve existing access roads;
- (b) this Agreement is subject to
 - (i) all subsisting dispositions and subsisting grants to or rights of any person made or acquired under the *Coal Act*, *Forest Act*, *Mineral Tenure Act*, *Petroleum and Natural Gas Act*, *Range Act*, *Wildlife Act* or *Water Act*, or any extension or renewal of the same, whether or not you have actual notice of them, and
 - (ii) the exceptions and reservations of interests, rights, privileges and titles referred to in section 50 of the *Land Act*;
- (c) without limiting subsection 4.1(w), you must indemnify and save us and our servants, employees and agents harmless from and against all claims, actions, causes of action, losses, damages, costs and liabilities, including fees of solicitors and other professional advisors, arising out of any conflict between your rights under this Agreement and the rights of any person under a disposition or under a subsisting grant to or right of any person made or acquired under the *Coal Act*, *Forest Act*, *Mineral Tenure Act*, *Petroleum and Natural Gas Act*, *Range Act*, *Wildlife Act* or *Water Act* (or any prior or subsequent enactment of the Province of British Columbia of like effect), or any extension or renewal of the same, whether or not you have actual notice of them, and the amount of all such losses, damages, costs and liabilities will be payable to us immediately upon demand;
- (d) you release us from all claims, actions, causes of action, suits, debts and demands that you now have or may at any time in the future have against us arising out of any conflict between your rights under this Agreement and the rights of any person under a disposition or under a subsisting grant to or right made or acquired under the enactments referred to in subsection (c), and you acknowledge that this Agreement and your rights under this Agreement are subject to those grants and rights referred to in subsection (c) whether or not you have actual notice of them.
- (e) we may make other dispositions of or over the Land;
- (f) you will make no claim for compensation, in damages or otherwise, in respect of a disposition made under subsection (e), where such disposition does not materially affect the exercise of your rights under this Agreement;
- (g) subject to subsection (f), all of your costs and expenses, direct or indirect, that arise out of any lawful interference with your rights under this Agreement as a result of the exercise or operation of the interests, rights, privileges and titles reserved to us in subsections (b) and (e) will be borne solely by you;

- (h) you will not commence or maintain proceedings under section 65 of the *Land Act* in respect of any lawful interference with your rights under this Agreement that arises as a result of the exercise or operation of the interests, rights, privileges and titles described in subsections (b) and (e);
- (i) we may impose hours of operation restrictions, at any time, if complaints are received from adjacent landowners concerning noise from the quarry operations;
- (j) we may require a quantity survey or a geotechnical review to be undertaken by a Professional Engineer, at the Licensee's expense, to examine erosion hazard and slope stability or to assess volumes removed;
- (k) you will not remove or permit the removal of any Improvement from the Land except as expressly permitted or required under this Agreement;
- (l) any interest you may have in the Improvements ceases to exist and becomes our property upon the termination of this Agreement, except where an Improvement may be removed under paragraph 4.1(x)(ii), (iii) or (iv) in which case any interest you may have in that Improvement ceases to exist and becomes our property if the Improvement is not removed from the Land within the time period set out in paragraph 4.1(x)(ii) or the time period provided for in the direction or permission given under paragraph 4.1(x)(iii); and
- (m) if, after the termination of this Agreement, we permit you to remain in possession of the Land and we accept money from you in respect of such possession, a tenancy from year to year will not be created by implication of law and you will be deemed to be a monthly occupier only subject to all of the provisions of this Agreement, except as to duration, in the absence of a written agreement to the contrary.

ARTICLE 6 - SECURITY AND INSURANCE

- 6.1 On the Commencement Date, you will deliver to us security in the amount of \$0.00 which will
- (a) guarantee the performance of your obligations under this Agreement;
 - (b) be in the form required by us; and
 - (c) remain in effect until we certify, in writing, that you have fully performed your obligations under this Agreement.
- 6.2 Despite section 6.1, your obligations under that section are suspended for so long as you maintain in good standing other security acceptable to us to guarantee the performance of your obligations under this Agreement and all other dispositions held by you.

- 6.3 We may use the Security for the payment of any costs and expenses incurred by us to perform any of your obligations under this Agreement that are not performed by you or to pay any overdue Fees and, if such event occurs, you will, within 30 days of that event, deliver further Security to us in an amount equal to the amount drawn down by us.
- 6.4 After we certify, in writing, that you have fully performed your obligations under this Agreement, we will return to you the Security maintained under section 6.1, less all amounts drawn down by us under section 6.3.

- 6.5 You acknowledge that we may, from time to time, notify you to

- (a) change the form or amount of the Security; and
- (b) provide and maintain another form of Security in replacement of or in addition to the Security posted by you under this Agreement;

and you will, within 60 days of receiving such notice, deliver to us written confirmation that the change has been made or the replacement or additional form of Security has been provided by you.

- 6.6 You must

- (a) without limiting your obligations or liabilities under this Agreement, at your expense, effect and keep in force during the Term Comprehensive/Commercial General Liability insurance protecting us as an additional insured in an amount of not less than \$1,000,000.00 inclusive per occurrence insuring against liability for personal injury, bodily injury (including death) or property damage, and claims for liability assumed under contract, arising from all accidents or occurrences on the Land or the Improvements;
- (b) on the Commencement Date and immediately upon demand, deliver to us a completed "Province of British Columbia Certificate of Insurance" for all insurance required to be maintained by you under this Agreement;
- (c) ensure that all insurance required to be maintained by you under this Agreement is
 - (i) placed with insurers licensed in British Columbia,
 - (ii) primary and does not require the sharing of any loss by any insurer that insures us, and
 - (iii) endorsed to provide us with 30 days' advance written notice of cancellation or material change; and

- (d) deliver or cause to be delivered to us, immediately upon demand, certified copies of all policies of insurance required to be maintained by you under this Agreement.

6.7 You acknowledge that we may, from time to time, notify you to

- (a) change the amount of insurance set out in subsection 6.6(a); and
- (b) provide and maintain another type or types of insurance in replacement of or in addition to the insurance previously required to be maintained by you under this Agreement;

and you will, within 60 days of receiving such notice, cause the amounts and types to be changed and deliver to us a completed "Province of British Columbia Certificate of Insurance" for all insurance then required to be maintained by you under this Agreement.

ARTICLE 7 - ASSIGNMENT

- 7.1 You must not sublicense, assign, mortgage or transfer this Agreement, or permit any person to use or occupy the Land, without our prior written consent, which consent we may withhold in our sole discretion.
- 7.2 For the purpose of section 7.1, if you are a corporation, a change in control (as that term is defined in subsection 2(3) of the *Business Corporations Act*) will be deemed to be a transfer of this Agreement.
- 7.3 Section 7.2 does not apply to a corporation if the shares of the corporation which carry votes for the election of the directors of the corporation trade on a stock exchange located in Canada.
- 7.4 Prior to considering a request for our consent under section 7.1, we may require you to meet certain conditions, including without limitation, that you submit to us a "site profile", "preliminary site investigation" or "detailed site investigation" (as those terms are defined in the *Environmental Management Act*) for the Land or other similar type of investigation of the Land.

ARTICLE 8 - TERMINATION

8.1 You agree with us that

- (a) if you
 - (i) default in the payment of any money payable by you under this Agreement, or

- (ii) fail to observe, abide by and comply with the provisions of this Agreement (other than the payment of any money payable by you under this Agreement),

and your default or failure continues for 60 days after we give written notice of the default or failure to you;
- (b) if, in our opinion, you fail to make diligent use of the Land for the purposes set out in this Agreement, and your failure continues for 60 days after we give written notice of the failure to you;
- (c) if you
 - (i) become insolvent or make an assignment for the general benefit of your creditors,
 - (ii) commit an act which entitles a person to take action under the *Bankruptcy and Insolvency Act* (Canada) or a bankruptcy petition is filed or presented against you or you consent to the filing of the petition or a decree is entered by a court of competent jurisdiction adjudging you bankrupt under any law relating to bankruptcy or insolvency, or
 - (iii) voluntarily enter into an arrangement with your creditors;
- (d) if you are a corporation,
 - (i) a receiver or receiver-manager is appointed to administer or carry on your business, or
 - (ii) an order is made, a resolution passed or a petition filed for your liquidation or winding up;
- (e) if you are a society, you convert into a company in accordance with the *Society Act* without our prior written consent;
- (f) if this Agreement is taken in execution or attachment by any person; or
- (g) if we require the Land for our own use or, in our opinion, it is in the public interest to cancel this Agreement and we have given you 60 days' written notice of such requirement or opinion;

this Agreement will, at our option and with or without entry, terminate and your right to use and occupy the Land will cease.

8.2 If the condition complained of (other than the payment of any money payable by you under this

Agreement) reasonably requires more time to cure than 60 days, you will be deemed to have complied with the remedying of it if you commence remedying or curing the condition within 60 days and diligently complete the same.

8.3 You agree with us that

- (a) you will make no claim for compensation, in damages or otherwise, upon the lawful termination of this Agreement under section 8.1; and
- (b) our remedies under this Article are in addition to those available to us under the *Land Act*.

ARTICLE 9 - DISPUTE RESOLUTION

- 9.1 If any dispute arises under this Agreement, the parties will make all reasonable efforts to resolve the dispute within 60 days of the dispute arising (or within such other time period agreed to by the parties) and, subject to applicable laws, provide candid and timely disclosure to each other of all relevant facts, information and documents to facilitate those efforts.
- 9.2 Subject to section 9.5, if a dispute under this Agreement cannot be resolved under section 9.1, we or you may refer the dispute to arbitration conducted by a sole arbitrator appointed pursuant to the *Commercial Arbitration Act*.
- 9.3 The cost of the arbitration referred to in section 9.2 will be shared equally by the parties and the arbitration will be governed by the laws of the Province of British Columbia.
- 9.4 The arbitration will be conducted at our offices (or the offices of our authorized representative) in Cranbrook, British Columbia, and if we or our authorized representative have no office in Cranbrook, British Columbia, then our offices (or the offices of our authorized representative) that are closest to Cranbrook, British Columbia.
- 9.5 A dispute under this Agreement in respect of a matter within our sole discretion cannot, unless we agree, be referred to arbitration as set out in section 9.2.

ARTICLE 10 - NOTICE

- 10.1 Any notice required to be given by either party to the other will be deemed to be given if mailed by prepaid registered mail in Canada or delivered to the address of the other as follows:

to us

MINISTRY OF AGRICULTURE AND LANDS
1902 Theatre Road

493879

C^obrook, BC V1C 7G1;

to you

JOHN MINDEK
Po Box 1000
Elko, BC V0B 1J0;

or at such other address as a party may, from time to time, direct in writing, and any such notice will be deemed to have been received if delivered, on the day of delivery, and if mailed, 7 days after the time of mailing, except in the case of mail interruption in which case actual receipt is required.

- 10.2 In order to expedite the delivery of any notice required to be given by either party to the other, a concurrent facsimile copy of any notice will, where possible, be provided to the other party but nothing in this section, and specifically the lack of delivery of a facsimile copy of any notice, will affect the deemed delivery provided in section 10.1.
- 10.3 The delivery of all money payable to us under this Agreement will be effected by hand, courier or prepaid regular mail to the address specified above, or by any other payment procedure agreed to by the parties, such deliveries to be effective on actual receipt.

ARTICLE 11 - MISCELLANEOUS

- 11.1 No provision of this Agreement will be considered to have been waived unless the waiver is in writing, and a waiver of a breach of a provision of this Agreement will not be construed as or constitute a waiver of any further or other breach of the same or any other provision of this Agreement, and a consent or approval to any act requiring consent or approval will not waive or render unnecessary the requirement to obtain consent or approval to any subsequent same or similar act.
- 11.2 No remedy conferred upon or reserved to us under this Agreement is exclusive of any other remedy in this Agreement or provided by law, but that remedy will be in addition to all other remedies in this Agreement or then existing at law, in equity or by statute.
- 11.3 The grant of a sublicense, assignment or transfer of this Agreement does not release you from your obligation to observe and perform all the provisions of this Agreement on your part to be observed and performed unless we specifically release you from such obligation in our consent to the sublicense, assignment or transfer of this Agreement.
- 11.4 This Agreement extends to, is binding upon and enures to the benefit of the parties, their heirs,

e. utors, administrators, successors and permitted assigns.

11.5 If, due to a strike, lockout, labour dispute, act of God, inability to obtain labour or materials, law, ordinance, rule, regulation or order of a competent governmental authority, enemy or hostile action, civil commotion, fire or other casualty or any condition or cause beyond your reasonable control, other than normal weather conditions, you are delayed in performing any of your obligations under this Agreement, the time for the performance of that obligation will be extended by a period of time equal to the period of time of the delay so long as

- (a) you give notice to us within 30 days of the commencement of the delay setting forth the nature of the delay and an estimated time frame for the performance of your obligation; and
- (b) you diligently attempt to remove the delay.

11.6 You agree with us that

- (a) we are under no obligation, express or implied, to provide financial assistance or to contribute toward the cost of servicing, creating or developing the Land or the Improvements and you are solely responsible for all costs and expenses associated with your use of the Land and the Improvements for the purposes set out in this Agreement; and
- (b) nothing in this Agreement constitutes you as our agent, joint venturer or partner or gives you any authority or power to bind us in any way.

11.7 This Agreement does not override or affect any powers, privileges or immunities to which you are entitled under any enactment of the Province of British Columbia.

The parties have executed this Agreement as of the date of reference of this Agreement.

SIGNED - behalf of **HER MAJESTY
THE QUEEN IN RIGHT OF THE
PROVINCE OF BRITISH COLUMBIA**
by the minister responsible for the *Land Act*
or the minister's authorized representative



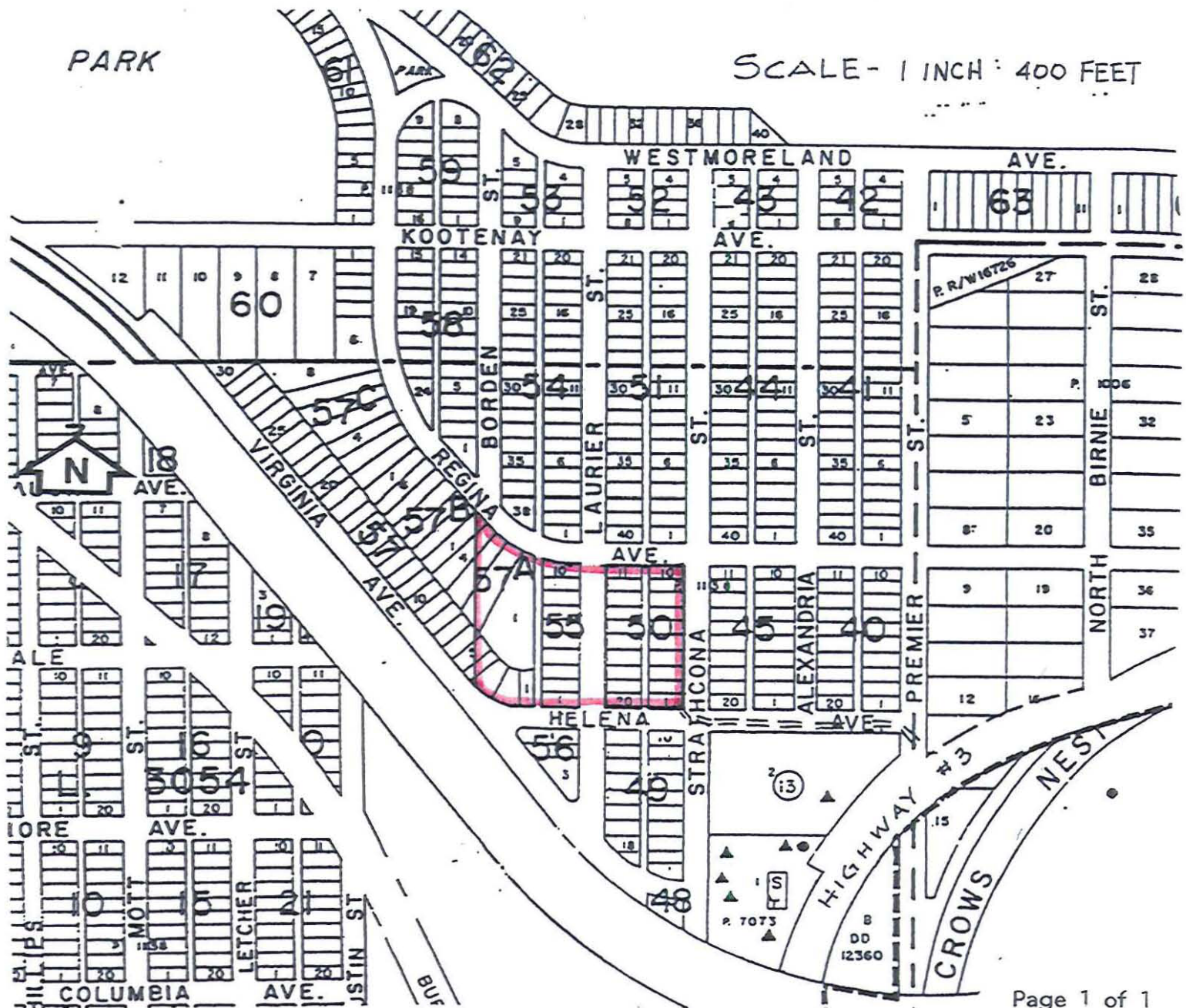
Minister responsible for the *Land Act*
or the minister's authorized representative

SIGNED BY
JOHN MINDEK



LEGAL DESCRIPTION SCHEDULE

Those parts of Lots 1-20 inclusive of Block 50, Lots 1-10 inclusive of Block 55, Lots 1-4 inclusive of Block 57A, Lot 1 of Block 57B, and Lots 1-3 inclusive of Block 57, those parts of Lots 4-6; all of District Lot 3054, Kootenay District, Plan 1138, and containing 2.19 hectares, more or less,





ASSIGNMENT/ASSUMPTION

Licence. No.: 403879

File No.: 4401720

Disposition No.: 857839

THIS AGREEMENT is dated for reference August 3, 2007.

BETWEEN:

JOHN MINDEK
PO Box 1000
Elko, BC V0B 1J0

OF THE FIRST PART

(herein the "Assignor")

AND:

ELKO HILLTOP SERVICE LTD., INC. NO. BC0071378
PO Box 1000
Elko, BC V0B 1J0

OF THE SECOND PART

(herein the "Assignee")

AND:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, represented by the minister responsible for the *Land Act*, Parliament Buildings, Victoria, British Columbia

OF THE THIRD PART

(herein the "Province")

WITNESS THAT WHEREAS:

The Assignor and the Province entered into a License of Occupation dated June 1, 2007 (herein called the "Document") over those lands more particularly known and described as:

Those parts of Lots 1-20 inclusive of Block 50, Lots 1-10 inclusive of Block 55, Lots 1-4 inclusive of Block 57A, Lot 1 of Block 57B, and Lots 1-3 inclusive of Block 57, those parts of Lots 4-6 inclusive of Block 57, all of District Lot 3054, Kootenay District, Plan 1138, as shown on the attached sketch and containing 2.19 hectares, more or less.

NOW THEREFORE THIS AGREEMENT WITNESSETH that for good and valuable consideration paid by the Assignee to the Assignor and by the Assignee and the Assignor to the Province, the receipt and sufficiency of which is hereby acknowledged by both the Assignor and the Province, the parties agree as follows:

ARTICLE I - ASSIGNMENT

- 1.1 The Assignor assigns all of his right, title, interest and estate in and to the Document to the Assignee.

ARTICLE II - ASSUMPTION

- 2.1 The Assignee covenants with the Province to assume and be bound by all the terms, conditions, covenants, obligations and agreements contained in the Document.

ARTICLE III - CONSENT

- 3.1 The Province consents to the execution and delivery of this agreement and the Assignment.
- 3.2 The Province releases and discharges the Assignor from all the terms, conditions, covenants, obligations and agreements contained in the Document.

ARTICLE IV - WARRANTIES AND REPRESENTATIONS

- 4.1 The Assignee warrants and represents to the Province, with the intent that the Province will rely thereon, that the Assignee:
- (a) is a corporation duly formed under laws of the Province of British Columbia and has filed all necessary documents under such laws and has complied with all requirements of the *Business Corporations Act*;
 - (b) has the power, capacity and authority to enter into this agreement and to carry out its

obligations contemplated herein, all of which have been duly and validly authorized by all necessary proceedings; and

- (c) is in good standing with respect to the filing of returns in the Office of the Registrar of Companies of British Columbia.

4.2 The Assignee acknowledges to the Province and to the Assignor that:

- (a) the Assignee has inspected the land, and the improvements (if any) situate thereon, which are the subject of the Document and is fully aware of the condition of that land, and the improvements (if any) situate thereon, and accepts same in its current state;
- (b) the Assignee has reviewed and inspected all municipal and regional by-laws, regulations and policies concerning the use and development of the land which is the subject of the Document; and
- (c) there are no representations, warranties, collateral agreements or conditions affecting this agreement or the land, and the improvements (if any) situate thereon, which are the subject of the Document except as expressed herein and that this agreement constitutes the entire agreement.

ARTICLE V - NOTICE

- 5.1 The address of the Assignee for the service of notices or documents under the Document shall be the address specified for the Assignee on the first page of this agreement.

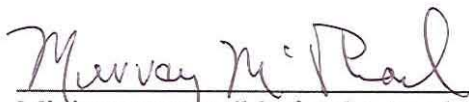
ARTICLE VI - MISCELLANEOUS

- 6.1 This agreement shall enure to the benefit of the parties hereto and their respective successors and permitted assigns.
- 6.2 The parties to this agreement confirm that the terms of the Document remain and continue in full force and effect.
- 6.3 This agreement may not be assigned by the Assignee except in accordance with the provisions of the Document.
- 6.4 This agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia.
- 6.5 In this agreement, unless the context otherwise requires, the singular includes the plural and the masculine includes the feminine gender and corporation as the case may be.


- 6.6 The captions and headings contained in this agreement are for convenience only and are not to be construed as defining or in anyway limiting the scope or intent of the provisions hereof.
- 6.7 Where there is a reference to an enactment of the Province of British Columbia in this agreement, that reference shall include a reference to any subsequent enactment of the Province of British Columbia of like effect, and, unless the context otherwise requires, all statutes referred to herein are enactments of the Province of British Columbia.
- 6.8 If any section of this agreement or any part of a section is found to be illegal or unenforceable, that part or section as the case may be, shall be considered separate and severable and the remaining parts shall be enforceable to the fullest extent permitted by law.
- 6.9 All schedules attached to this agreement form an integral part of this agreement.

IN WITNESS WHEREOF the Assignor and Assignee have executed this agreement, and the Province has consented thereto, the day and year first above written.

SIGNED on behalf of **HER MAJESTY
THE QUEEN IN RIGHT OF THE
PROVINCE OF BRITISH COLUMBIA**
by the minister responsible for the *Land Act*
or the minister's authorized representative


Minister responsible for the *Land Act*
or the minister's authorized representative

SIGNED BY
JOHN MINDEK


Assignor

SIGNED on behalf of **ELKO HILLTOP SERVICE LTD.**
by a duly authorized signatory



Authorized Signatory of Assignee



Integrated Land Management Bureau

Our File: 4401720

August 21, 2007

PRIORITY COURIER

Elko Hilltop Service Ltd.
PO Box 1000
Elko, BC V0B 1J0

Dear John Mindek:

Enclosed is your fully executed copy of the document assigning interest from John Mindek to Elko Hilltop Service Ltd. This assignment for License No. 403879 covers those parts of Lots 1-20 inclusive of Block 50, Lots 1-10 inclusive of Block 55, Lots 1-4 inclusive of Block 57A, Lot 1 of Block 57B, and Lots 1-3 inclusive of Block 57; those parts of Lots 4-6 inclusive of Block 57, together with adjoining streets and lanes, all of District Lot 3054, Kootenay District, Plan 1138, containing 2.19 hectares, more or less.

The License has been endorsed with respect to assignment dated for reference August 3, 2007. I have appended the endorsement schedule and the assignment to the copy of the said License of Occupation, as they form an integral part of that document.

Yours truly,

Jessie Lunan
Senior Portfolio Administrator
Southern Interior Client Services Division

Encl.

pc: BC Assessment Authority, Cranbrook
Regional District of East Kootenay, Cranbrook

Integrated Land
Management
Bureau

Ministry of
Agriculture and Lands

Mailing Address:
1902 Theatre Road
Cranbrook BC V1C 7G1

Location:
1902 Theatre Road
Cranbrook BC
Phone: (250) 426-1766
Fax: (250) 426-1767

Integrated Land
Management Bureau
Ministry of Agriculture & Lands

AUG 15 2007

RECEIVED
CRANBROOK, BC

John Mindek
PO Box 1000
Elko, BC, V0B 1J0

August 15, 2007

Integrated Land Management Bureau
Ministry of Agriculture and Lands
1902, Theatre Road
Cranbrook, BC, V1C 7G1

ATTENTION: Jessie Lunan
 Senior Portfolio Administrator
 Southern Interior Client Services Division


RE: Your File Number: 4401720

Dear Jessie Lunan:

Enclosed are two signed Assignment/ Assumption agreements, a Certificate of Insurance, and the original Licence (No. 403879).

If you require any more information, do not hesitate to contact me.

Yours truly,

A handwritten signature in dark ink, appearing to read 'John Mindek for', is written over the typed name.

John Mindek

JM/jlm

Enclosure



BRITISH
COLUMBIA

CERTIFICATE
OF INSURANCE

Freedom of Information and Protection of Privacy Act

The personal information requested on this form is collected under the authority of and used for the purpose of administering the *Financial Administration Act*. Questions about the collection and use of this information can be directed to the Manager, Consulting and Advisory Services, at 250 356-8915, PO Box 9405 STN PROV GOVT, Victoria BC V8W 9V1.

Please refer all other questions to the contact named in Part 1.

Part 1 To be completed by the Province

THIS CERTIFICATE IS REQUESTED BY and ISSUED TO (Name of office) HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA		AGREEMENT IDENTIFICATION NO. File Number: 4401720
PROVINCE'S CONTACT PERSON NAME & TITLE Ministry responsible for the 'Land Act'		PHONE NO (250) 420-2169
		FAX NO (250) 426-1767
MAILING ADDRESS 1902 Theatre Road, Cranbrook, BC		POSTAL CODE V1C 7G1
CONTRACTOR NAME N/A		
CONTRACTOR ADDRESS N/A		POSTAL CODE

Part 2 To be completed by the Insurance Agent or Broker

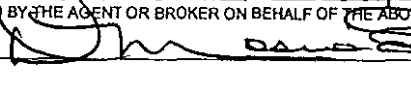
INSURED	NAME 465644 BC LTD. 9/4 ELKO HILLTOP SERVICES LTD.		
	ADDRESS PO Box 1000 Elko, BC,	POSTAL CODE V0B 1J0	
OPERATIONS INSURED	PROVIDE DETAILS Gravel Pit Operations only.		
TYPE OF INSURANCE <i>List each separately</i>	COMPANY NAME, POLICY NO. & BRIEF DESCRIPTION	EXPIRY DATE YYYY/MM/DD	LIMIT OF LIABILITY/AMOUNT
COMMERCIAL	PROPERTY & LIABILITY		

s.21

This certificate certifies that policies of insurance described herein are in full force and effective as of the date of this certificate and comply with the insurance requirements of the Agreement identified above, except as follows:

AGENT OR BROKER COMMENTS:

ADDITIONAL INSURED AS REQUESTED ON POLICY

AGENT OR BROKER Falkins Insurance Group	ADDRESS PO Box 1409 Fernie BC V0B 1M0	PHONE NO (250) 423-6881
SIGNED BY THE AGENT OR BROKER ON BEHALF OF THE ABOVE INSURER(S) 		DATE SIGNED 08/13/07

ING

INSURANCE

Head Office: 1200, 321 - 6th Avenue S.W., Calgary, Alberta T2P 4W7

Business Insurance Policy

Policy Number: **s.21**

GENERAL LIABILITY COVERAGES

FORM	FORM AND COVERAGE(S)	DEDUCTIBLE	LIMIT OF INSURANCE	PREMIUM
LR02	Commercial General Liability Coverage A - Bodily Injury and Property Damage Liability Coverage A - Bodily Injury and Property Damage Liability Coverage A - Products-Completed Operations Coverage A - Property Damage Deductible: Per Occurrence Coverage B - Personal Injury and Advertising Injury Liability Coverage C - Medical Payments Coverage D - Tenants' Legal Liability	s.21 Per Person	Each Occurrence Limit General Aggregate Limit Aggregate Limit	s.21
L154	Additional Insured - Owners, Lessees or Contractors			
L186	Garage Liability Extension Endorsement			
L221	S.E.F. No. 99 Excluding Long term Leased Vehicle Endorsement			
L222	S.P.F. No. 6 - Supplementary Non-Owned Automobile Coverage Section A - Third party Liability			
L232	Total Pollution Exclusion			
GE0001	Name of Insured			
GE0002	Description of Operations			

Form Of Business: Corporation

RATING INFORMATION:

Rating Description: Tire Store, Convenience Store, Liquor Store (as per endorsement)

Rating Base: Receipts
Rating Units: Per \$1000

Rating Base Amount:
Adjustable Rate:
Advance Premium:

RATING INFORMATION:

Rating Description: Rented Dwellings

Rating Base: Units
Rating Units: Per Unit

Rating Base Amount:
Adjustable Rate:
Advance Premium:

Minimum Retained Coverage Premium

Additional Insured(s): Additional Insured

Her Majesty the Queen in Right of the Province of British Columbia
by the Minister of Environment Lands and Parks
205 Industrial G Road
Cranbrook, BC V1C 6H3
With respect to gravel pit operations only.

John Mindek
PO Box 1000
Elko, BC, V0B 1J0

July 19, 2007

Integrated Land Management Bureau
Ministry of Agriculture and Lands
1902, Theatre Road
Cranbrook, BC, V1C 7G1

ATTENTION: Jessie Lunan
Senior Portfolio Administrator
Southern Interior Client Services Division


RE: Your File Number: 4401720

Dear Jessie Lunan:

Enclosed are a completed Assignment Information Sheet, an Assignment Application Form, and a cheque in the amount of Two-hundred-sixty-five dollars (\$265.00) for the Assignment fee.

Please note that the Tenure Number shown on the Assignment Information Sheet is 402783. My Licence Number is 403879.

Yours truly,


John Mindek

Integrated Land
Management Bureau
Ministry of Agriculture & Lands

JUL 19 2007

RECEIVED
CRANBROOK, BC

**ELKO HILLTOP SERVICE LTD.**

BOX 1000
ELKO, B.C. V0B 1J0
Tel: (250) 529-7445

1003

DATE 07 19 2007
M M D D Y Y Y Y

PAY to
the order of J.Z.M.

Minister of Finance

\$ 265.00

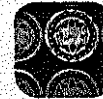
*Two-hundred-sixty-five**xx*
100

DOLLARS



CANADIAN IMPERIAL BANK OF COMMERCE
501 - 2ND AVENUE
BOX 550
FERNIE, B.C. V0B 1M0

RE

Assignment Fee ILMB File # 4401720

ELKO HILLTOP SERVICE LTD.
WITHOUT PREJUDICE, NON ASSUMPSIT, ALL RIGHTS RESERVED

PER

John Z. Middel

s.21

Assignment Information Sheet

Date this package sent out from ILMB:

File Number: 4401720 ✓

Tenure Number: 402783

Licence No: 403879 *gm* *

Legal Description of property covered by this tenure: **See Legal Description Schedule on file**

Commencement Date: June 1, 2007 Term: 10 yrs. Expiry Date: June 1, 2017

Rental on this tenure is currently paid to: June 1, 2008 (\$1,124.00)

Taxes are in good standing

Tenure currently in the name of (*according to ILMB's records*): **John Mindek**

Purpose of the Tenure: **Quarry**

Must hold a minimum of \$1,000,000.00 in liability insurance

In order to qualify to hold this tenure, the assignee(s) must meet the following eligibility requirements

✓ ☒ 19 years of age or older

✓ ☒ Canadian citizen or Landed Immigrant (permanent resident of Canada)

➤➤➤ If applicant meets the above requirements and wishes to proceed with the assignment of this tenure, please complete the enclosed **Application Form** and return with the documentation noted above (if applicable) and the **Assignment fee of \$265.00 payable to Minister of Finance. [non-refundable and non-transferrable]!**

Indicate where future billings/correspondence should be mailed (*name and mailing address*). For multiple names on document, only **one name** and one address is permitted to assume responsibility, and we will take that to be Assignee #1 on the Application Form.

Elko Hilltop Service Ltd 5385 Hwy # 3
PO Box 1000, Elko, BC, V0B 1J0

Integrated Land
Management Bureau
Ministry of Agriculture & Lands

JUL 19 2007

RECEIVED
GRANBROOK, BC

Once we receive the completed Application form and fees, we will prepare the Assignment Assumption Agreement (in triplicate) and return to you for signatures of the assignor(s) and assignee(s).

(Please note that no legal advice can be given by Integrated Land Management Bureau. Questions of this nature should be directed to a lawyer or notary of your choice)

When we send you the Assignment/Assumption Agreement (A/A/A), and once all signatures have been obtained, the following will be required to accompany the A/A/A:

☒ Original or Certified True Copy of Tenure

(If original tenure document is lost or destroyed, a Statutory Declaration provided by this office must be completed and returned together with fees of \$50.00 for issuance of a *Certified True Copy*.)

☒ Certificate of Insurance (form enclosed)

Assignment Application Form

(A transfer document will be prepared from the information provided below)

File No.: 4401720

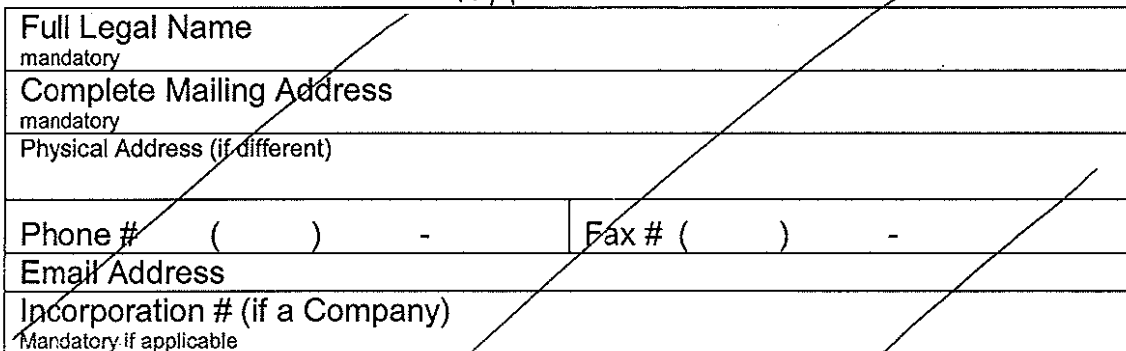
Date of Assignment <u>July 1, 2007</u>	Consideration <u>\$ 1.00</u> (actual selling price for the rights of the tenure)
Billing Responsibility Assignee # (to be entered by ILMB staff)	

Assignee #1

Full Legal Name mandatory	<u>Elko Hilltop Service Ltd.</u>		
Complete Mailing Address mandatory	<u>PO Box 1000, Elko, BC, V0B1J0</u>		
Physical Address (if different)	<u>5385 Hwy # 3 Elko, BC, V0B1J0</u>		
Phone #	<u>(250) 529-7445</u>	Fax #	<u>(250) 529-7277</u>
Email Address	<u>jmindek@hotmail.com</u>		
Incorporation # (if a Company) Mandatory if applicable	<u>71378</u>		

Assignee #2 (if applicable)

NA

Full Legal Name mandatory				
Complete Mailing Address mandatory				
Physical Address (if different)				
Phone # () -				Fax # () -
Email Address				
Incorporation # (if a Company) Mandatory if applicable				

Type of Tenancy (if there is more than 1 assignee)

Joint Tenants NA or Tenants In Common NA

Please note that the Assignment Assumption Agreement will be forwarded to the address below

Submitted by <u>John Mindek</u>	Your Ref / File Number
Mailing Address <u>PO Box 1000 Elko, BC, V0B1J0</u>	
E-mail Address:	

Can the original tenure document be located? ☒ yes ☐ no

(If there are more than 2 assignees, please continue on the next page)

Assignment Application Form

Assignee #3 (if applicable) NA

Full Legal Name <small>mandatory</small>	
Complete Mailing Address <small>mandatory</small>	
Physical Address (if different)	
Phone # () -	Fax # () -
Email Address	
Incorporation # (if a Company) <small>Mandatory if applicable</small>	

Assignee #4 (if applicable) NA

Full Legal Name <small>mandatory</small>	
Complete Mailing Address <small>mandatory</small>	
Physical Address (if different)	
Phone # () -	Fax # () -
Email Address	
Incorporation # (if a Company) <small>Mandatory if applicable</small>	

Joint Tenants NA or Tenants In Common NA

GA1599
GST# R107864738

BRITISH COLUMBIA REVENUE MANAGEMENT SYSTEM
TRANSACTION RECEIPT

PAGE 1

JULY 19, 2007 13:25
03001 FRONTCOUNTER BC - CRANBROOK

TRANSACTION ID: 1000002

SD13555

	ITEM PRICE	QUANT	AMOUNT
1718 CLA-CROWN LAND LIC OCCUPATION LIC OCCUPATION	265.00	1	265.00
CLIENT NUMBER AL035179			
DOCUMENT: FILE # 4401720 (DISP. 857839)			
REFERENCE: CLIENT NAME JOHN MINDEK			
TRANSACTION TOTAL			265.00
0.000 CHQ, MAIL			265.00
TOTAL PAYMENT			265.00
CHANGE			0.00

ELKO HILLTOP SERVICE LTD

file - 4401720

IP - 035179

DID - 857839

INV - 132531

RECEIVED
ENTERED JUL 24 2007
JUL 20 2007
\$ 265 -
BY *pd*

404987

Assign fee - 250 -
GST - 15
\$265

Assignment Information Sheet

Date this package sent out from ILMB:

File Number: 4401720 ✓ Tenure Number: 402783

Licence No: 403879 *gm* *

Legal Description of property covered by this tenure: **See Legal Description Schedule on file**

Commencement Date: June 1, 2007 Term: 10 yrs. Expiry Date: June 1, 2017

Rental on this tenure is currently paid to: June 1, 2008 (\$1,124.00)

Taxes are in good standing

Tenure currently in the name of (according to ILMB's records): **John Mindek**

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Must hold a minimum of \$1,000,000.00 in liability insurance

In order to qualify to hold this tenure, the assignee(s) must meet the following eligibility requirements

✓ ☒ 19 years of age or older

✓ ☒ Canadian citizen or Landed Immigrant (permanent resident of Canada)

➤➤➤ If applicant meets the above requirements and wishes to proceed with the assignment of this tenure, please complete the enclosed **Application Form** and return with the documentation noted above (if applicable) and the **Assignment fee of \$265.00 payable to Minister of Finance.** [non-refundable and non-transferrable]

Indicate where future billings/correspondence should be mailed (name and mailing address). For multiple names on document, only **one name** and one address is permitted to assume responsibility, and we will take that to be Assignee #1 on the Application Form.

Elko Hilltop Service Ltd 5385 Hwy # 3
PO Box 1000, Elko, BC, V0B 1J0

404987

Integrated Land
Management Bureau
Ministry of Agriculture & Lands

JUL 19 2007

RECEIVED
GRANBROOK, BC

MAL-40-1718

DISP-857839

IP-35179.

JOHN MINDEK

102608329 FILE-4401720 ASSIGNMENT.

From Expéditeur Jessie Lunan		Telephone No. N° de téléphone 250 426 1766	
Customer No. N° du client 7246766		Agreement No. N° de convention 40063363	
WIN AL FRONT COUNTER BC			
Address Adresse 1902 THEATRE RD			
City Ville CRAMERBROOK	Prov. BC	Postal Code Code postal V1C 7G1	
To Destinataire JOHN MINDEK		Telephone No. N° de téléphone	
PO Box 1000			
ELKO		BC V0B 1J0	

☒ Signature Required
Signature requise

Sender warrants no dangerous
goods enclosed and agrees to
terms and conditions on reverse.

L'expéditeur garantit que cet envoi ne
contient pas de matières dangereuses et
accepte les conditions indiquées au verso.

CANADA POST DATA ENTRY -1

TRAITEMENT DES DONNÉES DE POSTES CANADA

P

1469

TM 080 675 049 CA

ITEM REFERENCE NO.
N° DE RÉF. DE L'ARTICLE

CANADA POSTES
POST CANADA

PRIORITY MESSAGERIES
COURIER PRIORITAIRES

Bill of Lading

Connaissance

Billed Facturé <input checked="" type="checkbox"/>	Paid by meter Payé par compteur <input type="checkbox"/>	Weight Poids	Total Meter Amount	Valueur totale de l'empreinte
Oversize/Unpackaged Surdimensionné / Sans emballage <input type="checkbox"/>		Mailing Tube Tube d'expédition <input type="checkbox"/>	Volumetric Weight Poids Volumétrique	
Sender's Ref. Réf. de l'expéditeur LC892		Declared Value for Coverage Valeur déclarée pour couverture		
Sender's Signature Signature de l'expéditeur		Site No. N° du bureau		
Accepted by Accepté par		Date		
		YA YA YA YA MM MM DJ BJ		
FOR DELIVERY CONFIRMATION		POUR CONFIRMER LA LIVRAISON		
		www.canadapost.ca www.postescanada.ca or/ou 1 888 550-6333		



TM 080 675 049 CA

PLEASE DETACH PRIOR TO MAILING
+
ENLEVER AVANT DE POSTER S.V.P.



Date: 2007/07/17

Dear Sir or Madam:

Madame, Monsieur,

Please find below the scanned delivery date and signature of the recipient of the item identified below:

Vous trouverez ci-dessous la date de la livraison et la signature de la personne qui a accepté l'envoi sous mentionné:

Item Number

Numéro d'article

TM080675049CA

Product Name

Nom de produit

Priority Courier/Messageries prioritaires

Reference Number 1

Numéro de référence 1

Not Applicable/Sans objet

Reference Number 2

Numéro de référence 2

Not Applicable/Sans objet

Delivery Date (yyyy/mm/dd)

Date de livraison (aaaa/mm/jj)

2007/06/07

Signatory Name

Nom du signataire

JIM MINDER

Signature

Signature

A scanned image showing a handwritten signature 'Jim Minder' in black ink over a greyed-out delivery receipt stamp. The stamp contains various fields and checkboxes, some of which are marked with 'X' or 'K'. The signature is written in a cursive style.

Yours sincerely,

Salutations distinguées,

Customer Relationship Network
1-888-550-6333

(from outside of Canada 1 416 979-8822)

Réseau des relations avec la clientèle
1 888 550-6333

(de l'extérieur du Canada 1 416 979-8822)

This copy conforms to the delivery date and signature of the individual who accepted and signed for the item in question. This information has been extracted from the Canada Post data warehouse.

Cette copie est conforme à la date de livraison et à l'image de signature de la personne qui a accepté les envois susmentionnés. Ces informations ont été extraites de la banque de données de Postes Canada.

CERTIFICATE OF INSURANCE

Freedom of Information and Protection of Privacy Act

The personal information requested on this form is collected under the authority of and used for the purpose of administering the *Financial Administration Act*. Questions about the collection and use of this information can be directed to the Director, Client Services, Core Government and Crowns at 250 356-8915, PO Box 9405 Stn Prov Govt, Victoria BC V8W 9V1. Please refer all other questions to the contact named in Part 1.

Part 1 – To be completed by the Province

THIS CERTIFICATE IS REQUESTED BY AND ISSUED TO (Name of office)

Her Majesty the Queen in Right of the Province of British Columbia

AGREEMENT IDENTIFICATION NO.

File: 4403748

PROVINCE'S CONTACT PERSON

NAME	TITLE	PHONE NO.	FAX NO.
Ministry Responsible for the 'Land Act'		(250) 426-1756	(250) 426-1767
MAILING ADDRESS			POSTAL CODE
1902 Theatre Road, Cranbrook, BC			V1C 7G1
CONTRACTOR NAME			

CONTRACTOR ADDRESS	POSTAL CODE
--------------------	-------------

Part 2 – To be completed by Insurance Agent or Broker

INSURED	NAME		
	ADDRESS	POSTAL CODE	
OPERATIONS INSURED	PROVIDE DETAILS		

TYPE OF INSURANCE (List each separately)	COMPANY NAME, POLICY NO. AND BRIEF DESCRIPTION	EXPIRY DATE YYYY / MM / DD	LIMIT OF LIABILITY/AMOUNT

This certificate certifies that policies of insurance described herein are in full force and effective as of the date of this certificate and comply with the insurance requirements of the Agreement identified above, except as follows:

AGENT OR BROKER COMMENTS

AGENT OR BROKER	ADDRESS – include postal code	PHONE NO. () 426-1756
SIGNED BY THE AGENT OR BROKER ON BEHALF OF THE ABOVE INSURER(S)		DATE SIGNED YYYY MM DD
X		

Licence. No.: 403879

File No.: 4401720

Disposition No.: 857839

THIS AGREEMENT is dated for reference **August 3, 2007**.

BETWEEN:

JOHN MINDEK
PO Box 1000
Elko, BC V0B 1J0

OF THE FIRST PART

(herein the "Assignor")

AND:

ELKO HILLTOP SERVICE LTD., INC. NO. BC0071378
PO Box 1000
Elko, BC V0B 1J0

OF THE SECOND PART

(herein the "Assignee")

AND:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, represented by the minister responsible for the *Land Act*, Parliament Buildings, Victoria, British Columbia

OF THE THIRD PART

(herein the "Province")

WITNESS THAT WHEREAS:

The Assignor and the Province entered into a **License of Occupation dated June 1, 2007** (herein called the "Document") over those lands more particularly known and described as:

Those parts of Lots 1-20 inclusive of Block 50, Lots 1-10 inclusive of Block 55, Lots 1-4 inclusive of Block 57A, Lot 1 of Block 57B, and Lots 1-3 inclusive of Block 57, those parts of Lots 4-6 inclusive of Block 57, all of District Lot 3054, Kootenay District, Plan 1138, as shown on the attached sketch and containing 2.19 hectares, more or less.

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- 1.1 The Assignor assigns all of his right, title, interest and estate in and to the Document to the Assignee.

ARTICLE II - ASSUMPTION

- 2.1 The Assignee covenants with the Province to assume and be bound by all the terms, conditions, covenants, obligations and agreements contained in the Document.

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- 3.1 The Province consents to the execution and delivery of this agreement and the Assignment.
- 3.2 The Province releases and discharges the Assignor from all the terms, conditions, covenants, obligations and agreements contained in the Document.

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- 4.1 The Assignee warrants and represents to the Province, with the intent that the Province will rely thereon, that the Assignee:
- (a) is a corporation duly formed under laws of the Province of British Columbia and has filed all necessary documents under such laws and has complied with all requirements of the *Business Corporations Act*;
 - (b) has the power, capacity and authority to enter into this agreement and to carry out its

obligations contemplated herein, all of which have been duly and validly authorized by all necessary proceedings; and

- (c) is in good standing with respect to the filing of returns in the Office of the Registrar of Companies of British Columbia.

4.2 The Assignee acknowledges to the Province and to the Assignor that:

- (a) the Assignee has inspected the land, and the improvements (if any) situate thereon, which are the subject of the Document and is fully aware of the condition of that land, and the improvements (if any) situate thereon, and accepts same in its current state;
- (b) the Assignee has reviewed and inspected all municipal and regional by-laws, regulations and policies concerning the use and development of the land which is the subject of the Document; and
- (c) there are no representations, warranties, collateral agreements or conditions affecting this agreement or the land, and the improvements (if any) situate thereon, which are the subject of the Document except as expressed herein and that this agreement constitutes the entire agreement.

ARTICLE V - NOTICE

- 5.1 The address of the Assignee for the service of notices or documents under the Document shall be the address specified for the Assignee on the first page of this agreement.

ARTICLE VI - MISCELLANEOUS

- 6.1 This agreement shall enure to the benefit of the parties hereto and their respective successors and permitted assigns.
- 6.2 The parties to this agreement confirm that the terms of the Document remain and continue in full force and effect.
- 6.3 This agreement may not be assigned by the Assignee except in accordance with the provisions of the Document.
- 6.4 This agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia.
- 6.5 In this agreement, unless the context otherwise requires, the singular includes the plural and the masculine includes the feminine gender and corporation as the case may be.

- 6.6 The captions and headings contained in this agreement are for convenience only and are not to be construed as defining or in anyway limiting the scope or intent of the provisions hereof.
- 6.7 Where there is a reference to an enactment of the Province of British Columbia in this agreement, that reference shall include a reference to any subsequent enactment of the Province of British Columbia of like effect, and, unless the context otherwise requires, all statutes referred to herein are enactments of the Province of British Columbia.
- 6.8 If any section of this agreement or any part of a section is found to be illegal or unenforceable, that part or section as the case may be, shall be considered separate and severable and the remaining parts shall be enforceable to the fullest extent permitted by law.
- 6.9 All schedules attached to this agreement form an integral part of this agreement.

IN WITNESS WHEREOF the Assignor and Assignee have executed this agreement, and the Province has consented thereto, the day and year first above written.

SIGNED on behalf of **HER MAJESTY
THE QUEEN IN RIGHT OF THE
PROVINCE OF BRITISH COLUMBIA**
by the minister responsible for the *Land Act*
or the minister's authorized representative

Minister responsible for the *Land Act*
or the minister's authorized representative

SIGNED BY
JOHN MINDEK

Assignor

SIGNED on behalf of **ELKO HILLTOP SERVICE LTD.**
by a duly authorized signatory

Authorized Signatory of Assignee

Licence. No.: 403879

File No.: 4401720

Disposition No.: 857839

THIS AGREEMENT is dated for reference **August 3, 2007**.

BETWEEN:

JOHN MINDEK
PO Box 1000
Elko, BC V0B 1J0

OF THE FIRST PART

(herein the "Assignor")

AND:

ELKO HILLTOP SERVICE LTD., INC. NO. BC0071378
PO Box 1000
Elko, BC V0B 1J0

OF THE SECOND PART

(herein the "Assignee")

AND:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, represented by the minister responsible for the *Land Act*, Parliament Buildings, Victoria, British Columbia

OF THE THIRD PART

(herein the "Province")

WITNESS THAT WHEREAS:

The Assignor and the Province entered into a **License of Occupation dated June 1, 2007** (herein called the "Document") over those lands more particularly known and described as:

Those parts of Lots 1-20 inclusive of Block 50, Lots 1-10 inclusive of Block 55, Lots 1-4 inclusive of Block 57A, Lot 1 of Block 57B, and Lots 1-3 inclusive of Block 57, those parts of Lots 4-6 inclusive of Block 57, all of District Lot 3054, Kootenay District, Plan 1138, as shown on the attached sketch and containing 2.19 hectares, more or less.

NOW THEREFORE THIS AGREEMENT WITNESSETH that for good and valuable consideration paid by the Assignee to the Assignor and by the Assignee and the Assignor to the Province, the receipt and sufficiency of which is hereby acknowledged by both the Assignor and the Province, the parties agree as follows:

ARTICLE I - ASSIGNMENT

- 1.1 The Assignor assigns all of his right, title, interest and estate in and to the Document to the Assignee.

ARTICLE II - ASSUMPTION

- 2.1 The Assignee covenants with the Province to assume and be bound by all the terms, conditions, covenants, obligations and agreements contained in the Document.

ARTICLE III - CONSENT

- 3.1 The Province consents to the execution and delivery of this agreement and the Assignment.
- 3.2 The Province releases and discharges the Assignor from all the terms, conditions, covenants, obligations and agreements contained in the Document.

ARTICLE IV - WARRANTIES AND REPRESENTATIONS

- 4.1 The Assignee warrants and represents to the Province, with the intent that the Province will rely thereon, that the Assignee:
- (a) is a corporation duly formed under laws of the Province of British Columbia and has filed all necessary documents under such laws and has complied with all requirements of the *Business Corporations Act*;
 - (b) has the power, capacity and authority to enter into this agreement and to carry out its

obligations contemplated herein, all of which have been duly and validly authorized by all necessary proceedings; and

- (c) is in good standing with respect to the filing of returns in the Office of the Registrar of Companies of British Columbia.

4.2 The Assignee acknowledges to the Province and to the Assignor that:

- (a) the Assignee has inspected the land, and the improvements (if any) situate thereon, which are the subject of the Document and is fully aware of the condition of that land, and the improvements (if any) situate thereon, and accepts same in its current state;
- (b) the Assignee has reviewed and inspected all municipal and regional by-laws, regulations and policies concerning the use and development of the land which is the subject of the Document; and
- (c) there are no representations, warranties, collateral agreements or conditions affecting this agreement or the land, and the improvements (if any) situate thereon, which are the subject of the Document except as expressed herein and that this agreement constitutes the entire agreement.

ARTICLE V - NOTICE

- 5.1 The address of the Assignee for the service of notices or documents under the Document shall be the address specified for the Assignee on the first page of this agreement.

ARTICLE VI - MISCELLANEOUS

- 6.1 This agreement shall enure to the benefit of the parties hereto and their respective successors and permitted assigns.
- 6.2 The parties to this agreement confirm that the terms of the Document remain and continue in full force and effect.
- 6.3 This agreement may not be assigned by the Assignee except in accordance with the provisions of the Document.
- 6.4 This agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia.
- 6.5 In this agreement, unless the context otherwise requires, the singular includes the plural and the masculine includes the feminine gender and corporation as the case may be.

- 6.6 The captions and headings contained in this agreement are for convenience only and are not to be construed as defining or in anyway limiting the scope or intent of the provisions hereof.
- 6.7 Where there is a reference to an enactment of the Province of British Columbia in this agreement, that reference shall include a reference to any subsequent enactment of the Province of British Columbia of like effect, and, unless the context otherwise requires, all statutes referred to herein are enactments of the Province of British Columbia.
- 6.8 If any section of this agreement or any part of a section is found to be illegal or unenforceable, that part or section as the case may be, shall be considered separate and severable and the remaining parts shall be enforceable to the fullest extent permitted by law.
- 6.9 All schedules attached to this agreement form an integral part of this agreement.

IN WITNESS WHEREOF the Assignor and Assignee have executed this agreement, and the Province has consented thereto, the day and year first above written.

SIGNED on behalf of **HER MAJESTY
THE QUEEN IN RIGHT OF THE
PROVINCE OF BRITISH COLUMBIA**
by the minister responsible for the *Land Act*
or the minister's authorized representative

Minister responsible for the *Land Act*
or the minister's authorized representative

SIGNED BY
JOHN MINDEK

Assignor

SIGNED on behalf of **ELKO HILLTOP SERVICE LTD.**
by a duly authorized signatory

Authorized Signatory of Assignee



Integrated Land Management Bureau

Our File: 4401720

March 25, 2014

PRIORITY COURIER

Elko Hilltop Service Ltd.
PO Box 1000
Elko, BC V0B 1J0

Dear John Mindek:

Enclosed is your fully executed copy of the document assigning interest from John Mindek to Elko Hilltop Service Ltd. This assignment for License No. 403879 covers those parts of Lots 1-20 inclusive of Block 50, Lots 1-10 inclusive of Block 55, Lots 1-4 inclusive of Block 57A, Lot 1 of Block 57B, and Lots 1-3 inclusive of Block 57; those parts of Lots 4-6 inclusive of Block 57, together with adjoining streets and lanes, all of District Lot 3054, Kootenay District, Plan 1138, containing 2.19 hectares, more or less.

The License has been endorsed with respect to assignment dated for reference August 3, 2007. I have appended the endorsement schedule and the assignment to the copy of the said License of Occupation, as they form an integral part of that document.

Yours truly,

Jessie Lunan
Senior Portfolio Administrator
Southern Interior Client Services Division

Encl.

pc: BC Assessment Authority, Cranbrook
Regional District of East Kootenay, Cranbrook

**Integrated Land
Management
Bureau**

Ministry of
Agriculture and Lands

Mailing Address:
1902 Theatre Road
Cranbrook BC V1C 7G1

Location:
1902 Theatre Road
Cranbrook BC
Phone: (250) 426-1766
Fax: (250) 426-1767

ENDORSEMENT SCHEDULE

Endorsement No. 1

August 21, 2007

Assigned unto Elko Hilltop Service Ltd. from John Mindek dated August 3, 2007.



Integrated Land Management Bureau

Our File: 4401720

March 25, 2014

John Mindek
PO Box 1000
Elko, BC V0B 1J0

Dear John Mindek:

Further to your letter dated July 19, 2007, I am enclosing the Assignment/Assumption Agreement as requested. Please examine the entire document and ensure that:

1. the full legal names and spellings appear correctly
2. the address on the document is where all future correspondence will be sent (in the case of shared tenancy, correspondence and billings will only be sent to one name and address)
3. the assignee(s) meets all the requirements of **Article IV** of the Assignment/Assumption Agreement

When you are satisfied that the document is accurate, please have the assignor(s) and the assignee(s) sign both copies and then forward the copies back to us together with the original of tenure document no. 403879 by September 30, 2007 and a completed Certificate of Insurance in the name of Elko Hilltop Service Ltd.

Once we have determined that all the requirements have been met, we will provide our consent by executing the Assignment/Assumption Agreement and endorsing the tenure document. We will then return your copy of the agreement together with the original tenure document. Should you have any questions regarding the above, please do not hesitate to contact me at (250)420-2169.

Yours truly,

Jessie Lunan
Senior Portfolio Administrator
Southern Interior Client Services Division

Enclosure

**Integrated Land
Management
Bureau**

Ministry of
Agriculture and Lands

Mailing Address:
1902 Theatre Road
Cranbrook BC V1C 7G1

Location:
1902 Theatre Road
Cranbrook BC
Phone: (250) 426-1766
Fax: (250) 426-1767

Assignment Information Sheet

Date this package sent out from ILMB:

File Number: **4401720** *Tenure Number:* **402783**

Legal Description of property covered by this tenure: **See Legal Description Schedule on file**

Commencement Date: June 1, 2007 *Term:* 10 yrs. *Expiry Date:* June 1, 2017

Rental on this tenure is currently paid to: June 1, 2008 (\$1,124.00)

Taxes are in good standing

Tenure currently in the name of (*according to ILMB's records*): **John Mindek**

Purpose of the Tenure: **Quarry**

Must hold a minimum of \$1,000,000.00 in liability insurance

In order to qualify to hold this tenure, the assignee(s) must meet the following eligibility requirements

☒ 19 years of age or older

☒ Canadian citizen or Landed Immigrant (permanent resident of Canada)



If applicant meets the above requirements and wishes to proceed with the assignment of this tenure, please complete the enclosed **Application Form** and return with the documentation noted above (if applicable) and the **Assignment fee of \$265.00 payable to Minister of Finance.** [non-refundable and non-transferrable]!

Indicate where future billings/correspondence should be mailed (*name and mailing address*). For multiple names on document, only **one name** and one address is permitted to assume responsibility, and we will take that to be Assignee #1 on the Application Form.

Once we receive the completed Application form and fees, we will prepare the Assignment Assumption Agreement (in triplicate) and return to you for signatures of the assignor(s) and assignee(s).

(Please note that no legal advice can be given by Integrated Land Management Bureau. Questions of this nature should be directed to a lawyer or notary of your choice)

When we send you the Assignment/Assumption Agreement (A/A/A), and once all signatures have been obtained, the following will be required to accompany the A/A/A:

☒ Original or Certified True Copy of Tenure

(If original tenure document is lost or destroyed, a Statutory Declaration provided by this office must be completed and returned together with fees of \$50.00 for issuance of a *Certified True Copy*.)

☒ Certificate of Insurance (form enclosed)

Assignment Application Form

(A transfer document will be prepared from the information provided below)

File No.: 4401720

Date of Assignment	Consideration (actual selling price for the rights of the tenure)
Billing Responsibility Assignee # (to be entered by ILMB staff)	

Assignee #1

Full Legal Name <small>mandatory</small>	
Complete Mailing Address <small>mandatory</small>	
Physical Address (if different)	
Phone # () -	Fax # () -
Email Address	
Incorporation # (if a Company) <small>Mandatory if applicable</small>	

Assignee #2 (if applicable)

Full Legal Name <small>mandatory</small>	
Complete Mailing Address <small>mandatory</small>	
Physical Address (if different)	
Phone # () -	Fax # () -
Email Address	
Incorporation # (if a Company) <small>Mandatory if applicable</small>	

Type of Tenancy (if there is more than 1 assignee)

Joint Tenants _____ **or** **Tenants In Common** _____

Please note that the Assignment Assumption Agreement will be forwarded to the address below

Submitted by	Your Ref / File Number
Mailing Address	
E-mail Address:	

Can the original tenure document be located? _____ yes _____ no

(If there are more than 2 assignees, please continue on the next page)

Assignment Application Form

Assignee #3 (if applicable)

Full Legal Name <small>mandatory</small>	
Complete Mailing Address <small>mandatory</small>	
Physical Address (if different)	
Phone # () -	Fax # () -
Email Address	
Incorporation # (if a Company) <small>Mandatory if applicable</small>	

Assignee #4 (if applicable)

Full Legal Name <small>mandatory</small>	
Complete Mailing Address <small>mandatory</small>	
Physical Address (if different)	
Phone # () -	Fax # () -
Email Address	
Incorporation # (if a Company) <small>Mandatory if applicable</small>	

Joint Tenants _____ **or** **Tenants In Common** _____



Freedom of Information and Protection of Privacy Act
The personal information requested on this form is collected under the authority of and used for the purpose of administering the *Financial Administration Act*. Questions about the collection and use of this information can be directed to the Manager, Consulting and Advisory Services, at 250 356-8915, PO Box 9405 STN PROV GOVT, Victoria BC V8W 9V1.

Please refer all other questions to the contact named in Part 1.

THIS CERTIFICATE IS REQUESTED BY and ISSUED TO <i>(Name of office)</i> HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA		AGREEMENT IDENTIFICATION NO. File Number: 4401720
PROVINCE'S CONTACT PERSON NAME & TITLE Ministry responsible for the 'Land Act'		PHONE NO (250) 420-2169 FAX NO (250) 426-1767
MAILING ADDRESS 1902 Theatre Road, Cranbrook, BC		POSTAL CODE V1C 7G1
CONTRACTOR NAME N/A		
CONTRACTOR ADDRESS N/A		POSTAL CODE

INSURED		NAME			
		ADDRESS			POSTAL CODE
OPERATIONS INSURED		PROVIDE DETAILS			
TYPE OF INSURANCE <i>List each separately</i>		COMPANY NAME, POLICY NO. & BRIEF DESCRIPTION		EXPIRY DATE YYYY/MM/DD	LIMIT OF LIABILITY/AMOUNT

AGENT OR BROKER COMMENTS:

AGENT OR BROKER	ADDRESS	PHONE NO ()
SIGNED BY THE AGENT OR BROKER ON BEHALF OF THE ABOVE INSURER(S)		DATE SIGNED

ENDORSEMENT SCHEDULE

Endorsement No. 2

May 3, 2011

Assigned unto Canyon Development Co. Ltd., Inc. No. BC0028551 effective March 18, 2011.

Endorsement No. 1

July 24, 2007

Assigned unto Galena Contractors Ltd., Inc. No. BC0091601 effective June 28, 2007.

ENDORSEMENT SCHEDULE

Endorsement No. 1

July 24, 2007

Assigned unto Galena Contractors Ltd., Inc. No. BC0091601 effective June 28, 2007.



LICENCE OF OCCUPATION

Licence No.:

403886

File No.: 4403748

Disposition No.: 859331

THIS AGREEMENT is dated for reference November 1, 2006 and is made under the *Land Act*.

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, represented by the minister responsible for the *Land Act*, Parliament Buildings, Victoria, British Columbia

(the "Province")

AND:

601866 B.C. LTD.
PO Box 43
Nakusp, BC V0G 1R0

(the "Licensee")

ASSIGNED
07-06-28
11-03-18

The parties agree as follows:

ARTICLE 1 - INTERPRETATION

1.1 In this Agreement,

"Actual Production" means the amount of material measured in cubic metres removed from the Land during a licence Period, as verified in the Production Report for that licence Period;

"Agreement" means this licence of occupation;

"Commencement Date" means November 1, 2006;

"disposition" has the meaning given to it in the *Land Act* and includes a licence of occupation;

"Fees" means the fees set out in Article 3;

"Improvements" includes anything made, constructed, erected, built, altered, repaired or

added to, in, on or under the Land, and attached to it or intended to become a part of it, and also includes any clearing, excavating, digging, drilling, tunnelling, filling, grading or ditching of, in, on or under the Land;

"Land" means that part or those parts of the following described land shown outlined by bold line on the schedule attached to this Agreement entitled "Legal Description Schedule":

All that unsurveyed Crown land north of Cape Horn Creek, Kootenay District, containing 2.1 hectares, more or less,

except for those parts of the land that, on the Commencement Date, consist of highways (as defined in the *Transportation Act*) and land covered by water;

"Licence Period" means the first twelve period of the Term beginning on the Commencement Date and each successive twelve period thereafter.

"Operating Record" means a record of all material removed from the Land and includes weigh scale data, quantity surveyor's reports, production and shipping schedules, income statements and all other documents and records kept by you in connection with your quarrying operation on the Land;

"Production Report" means a report that contains

- (a) a detailed statement showing the quantity of material removed from the Land during the licence Period covered by the report, and
- (b) your Statutory Declaration in a form satisfactory to us confirming without qualification that the statement contained in the Production Report is true;

"Realty Taxes" means all taxes, rates, levies, duties, charges and assessments levied or charged, at any time, by any government authority having jurisdiction which relate to the Land, the Improvements or both of them and which you are liable to pay under applicable laws;

"Royalty Fee" means the royalty fee referred to in Article 3;

"Security" means the security referred to in section 6.1 or 6.2, as replaced or supplemented in accordance with section 6.5;

"Term" means the period of time set out in section 2.2;

"we", "us" or "our" refers to the Province alone and never refers to the combination of the Province and the Licensee: that combination is referred to as **"the parties"**; and

"you" or "your" refers to the Licensee.

- 1.2 In this Agreement, "person" includes a corporation, firm or association and wherever the singular or masculine form is used in this Agreement it will be construed as the plural or feminine or neuter form, as the case may be, and vice versa where the context or parties require.
- 1.3 The captions and headings contained in this Agreement are for convenience only and do not define or in any way limit the scope or intent of this Agreement.
- 1.4 This Agreement will be interpreted according to the laws of the Province of British Columbia.
- 1.5 Where there is a reference to an enactment of the Province of British Columbia or of Canada in this Agreement, that reference will include a reference to every amendment to it, every regulation made under it and any subsequent enactment of like effect and, unless otherwise indicated, all enactments referred to in this Agreement are enactments of the Province of British Columbia.
- 1.6 If any section of this Agreement, or any part of a section, is found to be illegal or unenforceable, that section or part of a section, as the case may be, will be considered separate and severable and the remainder of this Agreement will not be affected and this Agreement will be enforceable to the fullest extent permitted by law.
- 1.7 Each schedule to this Agreement is an integral part of this Agreement as if set out at length in the body of this Agreement.
- 1.8 This Agreement constitutes the entire agreement between the parties and no understanding or agreement, oral or otherwise, exists between the parties with respect to the subject matter of this Agreement except as expressly set out in this Agreement and this Agreement may not be modified except by subsequent agreement in writing between the parties.
- 1.9 Each party will, upon the request of the other, do or cause to be done all lawful acts necessary for the performance of the provisions of this Agreement.
- 1.10 All provisions of this Agreement in our favour and all of our rights and remedies, either at law or in equity, will survive the termination of this Agreement.
- 1.11 Time is of the essence of this Agreement.
- 1.12 Wherever this Agreement provides that an action may be taken, a consent or approval must be obtained or a determination must be made, then you or we, as the case may be, will act reasonably in taking such action, deciding whether to provide such consent or approval or making such determination; but where this Agreement states that you or we have sole discretion to take an action, provide a consent or approval or make a determination, there will be no requirement to show reasonableness or to act reasonably in taking that action, providing

that consent or approval or making that determination.

ARTICLE 2 - GRANT AND TERM

- 2.1 On the terms and conditions set out in this Agreement, we grant you a licence of occupation of the Land for sand and gravel quarrying purposes, and you acknowledge this licence of occupation does not grant you exclusive use and occupancy of the Land.
- 2.2 The term of this Agreement commences on the Commencement Date and terminates on the fifth anniversary of that date, or such earlier date provided for in this Agreement.

ARTICLE 3 - FEES

- 3.1 You will pay to us:
- (a) for the first year of the Term, Fees of \$500.00, payable in advance on the Commencement Date; and
 - (b) for the first year of the Term, a royalty fee in an amount equal to \$2.00 per cubic metre of Actual Production payable at the times and in the manner specified in section 3.4 of this Article; and
 - (c) for each year during the remainder of the Term, the Fees either determined by us under section 3.2 or established under section 3.3, payable in advance on each anniversary of the Commencement Date; and
 - (d) for each year during the remainder of the Term, the Royalty Fee, either determined by us under section 3.5 or established under section 3.6 and payable at the times and in the manner specified in section 3.4 of this Article.
- 3.2 We will, not later than 15 days before each anniversary of the Commencement Date during the Term, give written notice to you specifying in our sole discretion the Fees payable by you under subsection 3.1(c) for the subsequent year of the Term.
- 3.3 If we do not give notice to you under section 3.2, the Fees payable by you under section 3.1(c) for the year for which notice was not given will be the same as the Fees payable by you for the preceding year of the Term.
- 3.4 You will within 15 days after the end of each licence Period deliver to us a Production Report for that licence Period together with a certified cheque in a sum equal to the Royalty Fee payable under sections 3.1 (b) or (d) for the Actual Production for that licence Period.

- 3.5 We may, by notice in writing to you not less than 15 days before the start of a licence Period, increase the Royalty Fee payable under sections 3.1 (b) or (d) for that licence Period, and where such an increase is made, the Royalty Fee shall be calculated and paid accordingly.
- 3.6 If we do not give you notice under section 3.5 with respect to any licence Period, the Royalty Fee payable for that licence Period shall be equal to the Royalty Fee payable for the immediately preceding licence Period.
- 3.7 You will, notwithstanding any other provision of this Agreement, not levy a Royalty Fee for any material removed from the Land used by us in the construction and maintenance of public works projects.

ARTICLE 4 - COVENANTS

- 4.1 You must
- (a) pay, when due,
 - (i) the Fees to us at the address set out in Article 10,
 - (ii) the Realty Taxes, and
 - (iii) all charges for electricity, gas, water and other utilities supplied to the Land for use by you or on your behalf or with your permission;
 - (b) deliver to us, immediately upon demand, receipts or other evidence of the payment of Realty Taxes and all other money required to be paid by you under this Agreement;
 - (c) observe, abide by and comply with
 - (i) all applicable laws, bylaws, orders, directions, ordinances and regulations of any government authority having jurisdiction in any way affecting your use or occupation of the Land or the Improvements, and
 - (ii) the provisions of this Agreement;
 - (d) in respect of the use of the Land by you or by anyone you permit to use the Land, keep the Land and the Improvements in a safe, clean and sanitary condition satisfactory to us, and at our written request, rectify any failure to comply with such a covenant by making the Land and the Improvements safe, clean and sanitary;
 - (e) not commit any wilful or voluntary waste, spoil or destruction on the Land or do

anything on the Land that may be or become a nuisance or annoyance to an owner or occupier of land in the vicinity of the Land;

- (f) use and occupy the Land only in accordance with and for the purposes set out in section 2.1;
- (g) not construct, place or affix any Improvement on or to the Land except as necessary for the purposes set out in section 2.1;
- (h) pay all accounts and expenses as they become due for work performed on or materials supplied to the Land at your request, on your behalf or with your permission, except for money that you are required to hold back under the *Builders Lien Act*;
- (i) if any claim of lien over the Land is made under the *Builders Lien Act* for work performed on or materials supplied to the Land at your request, on your behalf or with your permission, immediately take all steps necessary to have the lien discharged, unless the claim of lien is being contested in good faith by you and you have taken the steps necessary to ensure that the claim of lien will not subject the Land or any interest of yours under this Agreement to sale or forfeiture;
- (j) not cut or remove timber on or from the Land without
 - (i) our prior written consent, and
 - (ii) being granted the right under the *Forest Act* to harvest Crown timber on the Land;
- (k) during the Term of this licence maintain the Operating Record in such form and containing such information as we may reasonably require, and
 - (i) permit us to attend at your offices to examine the Operating Record during normal office hours, and
 - (ii) within 10 days of receiving a written request from us, deliver to us copies of the Operating Record;
- (l) establish and maintain proper books of account, making true entries of all dealings and transactions in relation to your quarrying operation on the Land, and at all reasonable times furnish us such information relating to your quarrying operation as we may reasonably require;
- (m) upon receipt of our written request, cause an independent quantity survey to be undertaken by a qualified Professional Engineer or British Columbia Land Surveyor, to confirm the actual amount of material removed from the Land during the preceding

licence Period;

- (n) reclaim the Land to the post extraction land use approved by us in accordance with the reclamation plan approved by the Ministry of Energy, Mines and Petroleum Resources;
- (o) maintain the quarry in a safe and orderly manner in accordance with the provisions of the *Mines Act*;
- (p) take all reasonable precautions to avoid disturbing or damaging any archaeological material found on or under the Land and, upon discovering any archaeological material on or under the Land, you must immediately notify the ministry responsible for administering the *Heritage Conservation Act*;
- (q) not alter, repair or add to any Improvement without our prior written consent;
- (r) permit us, or our authorized representatives, to enter on the Land at any time to inspect the Land and the Improvements, provided that in regard to our inspection of the Improvements we take reasonable steps to minimize any disruption of your operations;
- (s) indemnify and save us and our servants, employees and agents harmless against all claims, actions, causes of action, losses, damages, costs and liabilities, including fees of solicitors and other professional advisors, arising out of
 - (i) your breach, violation or nonperformance of a provision of this Agreement, and
 - (ii) any personal injury, bodily injury (including death) or property damage occurring or happening on or off the Land by virtue of your entry upon, use or occupation of the Land,and the amount of all such losses, damages, costs and liabilities will be payable to us immediately upon demand; and
- (t) on the termination of this Agreement,
 - (i) peaceably quit and deliver to us possession of the Land and, subject to paragraphs (ii), (iii) and (iv), the Improvements in a safe, clean and sanitary condition,
 - (ii) within 90 days, remove from the Land any Improvement you want to remove, if the Improvement was placed on or made to the Land by you and you are not in default of this Agreement,
 - (iii) not remove any Improvement from the Land if you are in default of this Agreement, unless we direct or permit you to do so under paragraph (iv),

- (iv) remove from the Land any Improvement that we, in writing, direct or permit you to remove, other than any Improvement permitted to be placed on or made to the Land under another disposition, and
- (v) restore the surface of the Land as nearly as may reasonably be possible to the same condition as it was on the Commencement Date, to our satisfaction, but if you are not directed or permitted to remove an Improvement under paragraph (iv), this paragraph will not apply to that part of the surface of the Land on which that Improvement is located,

and all of your right, interest and estate in the Land will be absolutely forfeited to us, and to the extent necessary, this covenant will survive the termination of this Agreement.

4.2 You will not permit any person to do anything you are restricted from doing under this Article.

ARTICLE 5 - LIMITATIONS

5.1 You agree with us that

- (a) we are under no obligation to provide access or services to the Land or to maintain or improve existing access roads;
- (b) this Agreement is subject to
 - (i) all subsisting dispositions and subsisting grants to or rights of any person made or acquired under the *Coal Act, Forest Act, Mineral Tenure Act, Petroleum and Natural Gas Act, Range Act, Wildlife Act or Water Act*, or any extension or renewal of the same, whether or not you have actual notice of them, and
 - (ii) the exceptions and reservations of interests, rights, privileges and titles referred to in section 50 of the *Land Act*;
- (c) without limiting subsection 4.1(s), you must indemnify and save us and our servants, employees and agents harmless from and against all claims, actions, causes of action, losses, damages, costs and liabilities, including fees of solicitors and other professional advisors, arising out of any conflict between your rights under this Agreement and the rights of any person under a disposition or under a subsisting grant to or right of any person made or acquired under the *Coal Act, Forest Act, Mineral Tenure Act, Petroleum and Natural Gas Act, Range Act, Wildlife Act or Water Act* (or any prior or subsequent enactment of the Province of British Columbia of like effect), or any extension or renewal of the same, whether or not you have actual notice of them, and the amount of

all such losses, damages, costs and liabilities will be payable to us immediately upon demand;

- (d) you release us from all claims, actions, causes of action, suits, debts and demands that you now have or may at any time in the future have against us arising out of any conflict between your rights under this Agreement and the rights of any person under a disposition or under a subsisting grant to or right made or acquired under the enactments referred to in subsection (c), and you acknowledge that this Agreement and your rights under this Agreement are subject to those grants and rights referred to in subsection (c) whether or not you have actual notice of them.
- (e) we may make other dispositions of or over the Land;
- (f) you will make no claim for compensation, in damages or otherwise, in respect of a disposition made under subsection (e), where such disposition does not materially affect the exercise of your rights under this Agreement;
- (g) subject to subsection (f), all of your costs and expenses, direct or indirect, that arise out of any lawful interference with your rights under this Agreement as a result of the exercise or operation of the interests, rights, privileges and titles reserved to us in subsections (b) and (e) will be borne solely by you;
- (h) you will not commence or maintain proceedings under section 65 of the *Land Act* in respect of any lawful interference with your rights under this Agreement that arises as a result of the exercise or operation of the interests, rights, privileges and titles described in subsections (b) and (e);
- (i) you will not remove or permit the removal of any Improvement from the Land except as expressly permitted or required under this Agreement;
- (j) any interest you may have in the Improvements ceases to exist and becomes our property upon the termination of this Agreement, except where an Improvement may be removed under paragraph 4.1(t)(ii), (iii) or (iv) in which case any interest you may have in that Improvement ceases to exist and becomes our property if the Improvement is not removed from the Land within the time period set out in paragraph 4.1(t)(ii) or the time period provided for in the direction or permission given under paragraph 4.1(t)(iii); and
- (k) if, after the termination of this Agreement, we permit you to remain in possession of the Land and we accept money from you in respect of such possession, a tenancy from year to year will not be created by implication of law and you will be deemed to be a monthly occupier only subject to all of the provisions of this Agreement, except as to duration, in the absence of a written agreement to the contrary.

ARTICLE 6 - SECURITY AND INSURANCE

- 6.1 On the Commencement Date, you will deliver to us security in the amount of \$0.00 which will
- (a) guarantee the performance of your obligations under this Agreement;
 - (b) be in the form required by us; and
 - (c) remain in effect until we certify, in writing, that you have fully performed your obligations under this Agreement.
- 6.2 Despite section 6.1, your obligations under that section are suspended for so long as you maintain in good standing other security acceptable to us to guarantee the performance of your obligations under this Agreement and all other dispositions held by you.
- 6.3 We may use the Security for the payment of any costs and expenses incurred by us to perform any of your obligations under this Agreement that are not performed by you or to pay any overdue Fees and, if such event occurs, you will, within 30 days of that event, deliver further Security to us in an amount equal to the amount drawn down by us.
- 6.4 After we certify, in writing, that you have fully performed your obligations under this Agreement, we will return to you the Security maintained under section 6.1, less all amounts drawn down by us under section 6.3.
- 6.5 You acknowledge that we may, from time to time, notify you to
- (a) change the form or amount of the Security; and
 - (b) provide and maintain another form of Security in replacement of or in addition to the Security posted by you under this Agreement;
- and you will, within 60 days of receiving such notice, deliver to us written confirmation that the change has been made or the replacement or additional form of Security has been provided by you.
- 6.6 You must
- (a) without limiting your obligations or liabilities under this Agreement, at your expense, effect and keep in force during the Term Comprehensive/Commercial General Liability insurance protecting us as an additional insured in an amount of not less than \$1,000,000.00 inclusive per occurrence insuring against liability for personal injury, bodily injury (including death) or property damage, and claims for liability assumed under contract, arising from all accidents or occurrences on the Land or the Improvements;

- (b) on the Commencement Date and immediately upon demand, deliver to us a completed "Province of British Columbia Certificate of Insurance" for all insurance required to be maintained by you under this Agreement;
- (c) ensure that all insurance required to be maintained by you under this Agreement is
 - (i) placed with insurers licensed in British Columbia,
 - (ii) primary and does not require the sharing of any loss by any insurer that insures us, and
 - (iii) endorsed to provide us with 30 days' advance written notice of cancellation or material change; and
- (d) deliver or cause to be delivered to us, immediately upon demand, certified copies of all policies of insurance required to be maintained by you under this Agreement.

6.7 You acknowledge that we may, from time to time, notify you to

- (a) change the amount of insurance set out in subsection 6.6(a); and
- (b) provide and maintain another type or types of insurance in replacement of or in addition to the insurance previously required to be maintained by you under this Agreement;

and you will, within 60 days of receiving such notice, cause the amounts and types to be changed and deliver to us a completed "Province of British Columbia Certificate of Insurance" for all insurance then required to be maintained by you under this Agreement.

ARTICLE 7 - ASSIGNMENT

- 7.1 You must not sublicense, assign, mortgage or transfer this Agreement, or permit any person to use or occupy the Land, without our prior written consent, which consent we may withhold in our sole discretion.
- 7.2 For the purpose of section 7.1, if you are a corporation, a change in control (as that term is defined in subsection 2(3) of the *Business Corporations Act*) will be deemed to be a transfer of this Agreement.
- 7.3 Section 7.2 does not apply to a corporation if the shares of the corporation which carry votes for the election of the directors of the corporation trade on a stock exchange located in Canada.
- 7.4 Prior to considering a request for our consent under section 7.1, we may require you to meet

certain conditions, including without limitation, that you submit to us a "site profile", "preliminary site investigation" or "detailed site investigation" (as those terms are defined in the *Environmental Management Act*) for the Land or other similar type of investigation of the Land.

ARTICLE 8 - TERMINATION

8.1 You agree with us that

- (a) if you
 - (i) default in the payment of any money payable by you under this Agreement, or
 - (ii) fail to observe, abide by and comply with the provisions of this Agreement (other than the payment of any money payable by you under this Agreement),and your default or failure continues for 60 days after we give written notice of the default or failure to you,
- (b) if, in our opinion, you fail to make diligent use of the Land for the purposes set out in this Agreement, and your failure continues for 60 days after we give written notice of the failure to you;
- (c) if you
 - (i) become insolvent or make an assignment for the general benefit of your creditors,
 - (ii) commit an act which entitles a person to take action under the *Bankruptcy and Insolvency Act* (Canada) or a bankruptcy petition is filed or presented against you or you consent to the filing of the petition or a decree is entered by a court of competent jurisdiction adjudging you bankrupt under any law relating to bankruptcy or insolvency, or
 - (iii) voluntarily enter into an arrangement with your creditors;
- (d) if you are a corporation,
 - (i) a receiver or receiver-manager is appointed to administer or carry on your business, or
 - (ii) an order is made, a resolution passed or a petition filed for your liquidation or winding up;

- (e) if you are a society, you convert into a company in accordance with the *Society Act* without our prior written consent;
- (f) if this Agreement is taken in execution or attachment by any person; or
- (g) if we require the Land for our own use or, in our opinion, it is in the public interest to cancel this Agreement and we have given you 60 days' written notice of such requirement or opinion;

this Agreement will, at our option and with or without entry, terminate and your right to use and occupy the Land will cease.

8.2 If the condition complained of (other than the payment of any money payable by you under this Agreement) reasonably requires more time to cure than 60 days, you will be deemed to have complied with the remedying of it if you commence remedying or curing the condition within 60 days and diligently complete the same.

8.3 You agree with us that

- (a) you will make no claim for compensation, in damages or otherwise, upon the lawful termination of this Agreement under section 8.1; and
- (b) our remedies under this Article are in addition to those available to us under the *Land Act*.

ARTICLE 9 - DISPUTE RESOLUTION

- 9.1 If any dispute arises under this Agreement, the parties will make all reasonable efforts to resolve the dispute within 60 days of the dispute arising (or within such other time period agreed to by the parties) and, subject to applicable laws, provide candid and timely disclosure to each other of all relevant facts, information and documents to facilitate those efforts.
- 9.2 Subject to section 9.5, if a dispute under this Agreement cannot be resolved under section 9.1, we or you may refer the dispute to arbitration conducted by a sole arbitrator appointed pursuant to the *Commercial Arbitration Act*.
- 9.3 The cost of the arbitration referred to in section 9.2 will be shared equally by the parties and the arbitration will be governed by the laws of the Province of British Columbia.
- 9.4 The arbitration will be conducted at our offices (or the offices of our authorized representative) in Cranbrook, British Columbia, and if we or our authorized representative have no office in Cranbrook, British Columbia, then our offices (or the offices of our authorized representative) that are closest to Cranbrook, British Columbia.

- 9.5 A dispute under this Agreement in respect of a matter within our sole discretion cannot, unless we agree, be referred to arbitration as set out in section 9.2.

ARTICLE 10 - NOTICE

- 10.1 Any notice required to be given by either party to the other will be deemed to be given if mailed by prepaid registered mail in Canada or delivered to the address of the other as follows:

to us

MINISTRY OF AGRICULTURE AND LANDS

1902 Theatre Road
Cranbrook, BC V1C 7G1;

to you

601866 B.C. LTD.

PO Box 43
Nakusp, BC V0G 1R0;

or at such other address as a party may, from time to time, direct in writing, and any such notice will be deemed to have been received if delivered, on the day of delivery, and if mailed, 7 days after the time of mailing, except in the case of mail interruption in which case actual receipt is required.

- 10.2 In order to expedite the delivery of any notice required to be given by either party to the other, a concurrent facsimile copy of any notice will, where possible, be provided to the other party but nothing in this section, and specifically the lack of delivery of a facsimile copy of any notice, will affect the deemed delivery provided in section 10.1.
- 10.3 The delivery of all money payable to us under this Agreement will be effected by hand, courier or prepaid regular mail to the address specified above, or by any other payment procedure agreed to by the parties, such deliveries to be effective on actual receipt.

ARTICLE 11 - MISCELLANEOUS

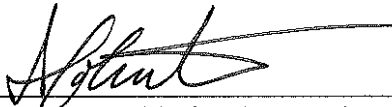
- 11.1 No provision of this Agreement will be considered to have been waived unless the waiver is in writing, and a waiver of a breach of a provision of this Agreement will not be construed as or constitute a waiver of any further or other breach of the same or any other provision of this

Agreement, and a consent or approval to any act requiring consent or approval will not waive or render unnecessary the requirement to obtain consent or approval to any subsequent same or similar act.

- 11.2 No remedy conferred upon or reserved to us under this Agreement is exclusive of any other remedy in this Agreement or provided by law, but that remedy will be in addition to all other remedies in this Agreement or then existing at law, in equity or by statute.
- 11.3 The grant of a sublicense, assignment or transfer of this Agreement does not release you from your obligation to observe and perform all the provisions of this Agreement on your part to be observed and performed unless we specifically release you from such obligation in our consent to the sublicense, assignment or transfer of this Agreement.
- 11.4 This Agreement extends to, is binding upon and enures to the benefit of the parties, their heirs, executors, administrators, successors and permitted assigns.
- 11.5 If, due to a strike, lockout, labour dispute, act of God, inability to obtain labour or materials, law, ordinance, rule, regulation or order of a competent governmental authority, enemy or hostile action, civil commotion, fire or other casualty or any condition or cause beyond your reasonable control, other than normal weather conditions, you are delayed in performing any of your obligations under this Agreement, the time for the performance of that obligation will be extended by a period of time equal to the period of time of the delay so long as
- (a) you give notice to us within 30 days of the commencement of the delay setting forth the nature of the delay and an estimated time frame for the performance of your obligation; and
 - (b) you diligently attempt to remove the delay.
- 11.6 You agree with us that
- (a) we are under no obligation, express or implied, to provide financial assistance or to contribute toward the cost of servicing, creating or developing the Land or the Improvements and you are solely responsible for all costs and expenses associated with your use of the Land and the Improvements for the purposes set out in this Agreement; and
 - (b) nothing in this Agreement constitutes you as our agent, joint venturer or partner or gives you any authority or power to bind us in any way.
- 11.7 This Agreement does not override or affect any powers, privileges or immunities to which you are entitled under any enactment of the Province of British Columbia.

The parties have executed this Agreement as of the date of reference of this Agreement.

SIGNED on behalf of **HER MAJESTY
THE QUEEN IN RIGHT OF THE
PROVINCE OF BRITISH COLUMBIA**
by the minister responsible for the *Land Act*
or the minister's authorized representative



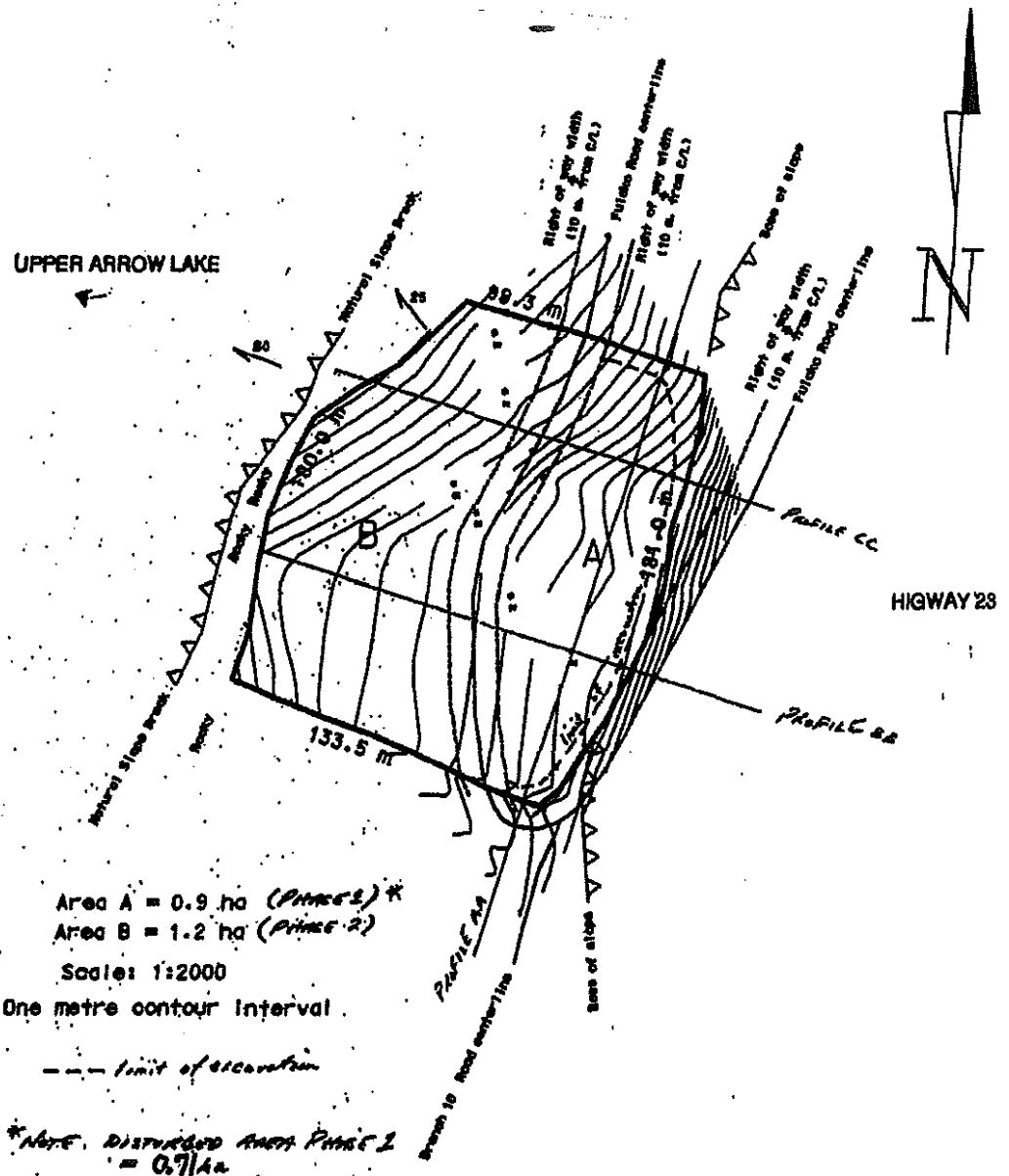
Minister responsible for the *Land Act*
or the minister's authorized representative

SIGNED on behalf of **601866 B.C. LTD.**
by a duly authorized signatory


Authorized Signatory

LEGAL DESCRIPTION SCHEDULE

All that unsurveyed Crown land north of Cape Horn Creek, Kootenay District, containing 2.1 hectares, more or less.





ASSIGNMENT/ASSUMPTION

Licence. No.: 403886

File No.: 4403748

Disposition No.: 859331

THIS AGREEMENT is dated for reference June 28, 2007.

BETWEEN:

601866 B.C. LTD.
PO Box 43
Nakusp, BC V0G 1R0

OF THE FIRST PART

(herein the "Assignor")

AND:

GALENA CONTRACTORS LTD., INC. NO. BC0091601
PO Box 70
Nakusp, BC V0G 1R0

OF THE SECOND PART

(herein the "Assignee")

AND:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, represented by the minister responsible for the *Land Act*, Parliament Buildings, Victoria, British Columbia

OF THE THIRD PART

(herein the "Province")

WITNESS THAT WHEREAS:

The Assignor and the Province entered into a Licence of Occupation dated November 1, 2006 (herein called the "Document") over those lands more particularly known and described as:

All that unsurveyed Crown land north of Cape Horn Creek, Kootenay District, containing 2.1

hectares, more or less

NOW THEREFORE THIS AGREEMENT WITNESSETH that for good and valuable consideration paid by the Assignee to the Assignor and by the Assignee and the Assignor to the Province, the receipt and sufficiency of which is hereby acknowledged by both the Assignor and the Province, the parties agree as follows:

ARTICLE I - ASSIGNMENT

- 1.1 The Assignor assigns all of his right, title, interest and estate in and to the Document to the Assignee.

ARTICLE II - ASSUMPTION

- 2.1 The Assignee covenants with the Province to assume and be bound by all the terms, conditions, covenants, obligations and agreements contained in the Document.

ARTICLE III - CONSENT

- 3.1 The Province consents to the execution and delivery of this agreement and the Assignment.
- 3.2 The Province releases and discharges the Assignor from all the terms, conditions, covenants, obligations and agreements contained in the Document.

ARTICLE IV - WARRANTIES AND REPRESENTATIONS

- 4.1 The Assignee warrants and represents to the Province, with the intent that the Province will rely thereon, that the Assignee:
- (a) is a corporation duly formed under laws of the Province of British Columbia and has filed all necessary documents under such laws and has complied with all requirements of the *Business Corporations Act*;
 - (b) has the power, capacity and authority to enter into this agreement and to carry out its obligations contemplated herein, all of which have been duly and validly authorized by all necessary proceedings; and
 - (c) is in good standing with respect to the filing of returns in the Office of the Registrar of

Companies of British Columbia.

- 4.2 The Assignee acknowledges to the Province and to the Assignor that:
- (a) the Assignee has inspected the land, and the improvements (if any) situate thereon, which are the subject of the Document and is fully aware of the condition of that land, and the improvements (if any) situate thereon, and accepts same in its current state;
 - (b) the Assignee has reviewed and inspected all municipal and regional by-laws, regulations and policies concerning the use and development of the land which is the subject of the Document; and
 - (c) there are no representations, warranties, collateral agreements or conditions affecting this agreement or the land, and the improvements (if any) situate thereon, which are the subject of the Document except as expressed herein and that this agreement constitutes the entire agreement.

ARTICLE V - NOTICE

- 5.1 The address of the Assignee for the service of notices or documents under the Document shall be the address specified for the Assignee on the first page of this agreement.

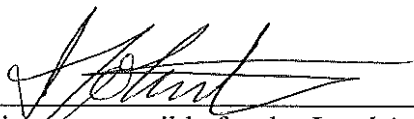
ARTICLE VI - MISCELLANEOUS

- 6.1 This agreement shall enure to the benefit of the parties hereto and their respective successors and permitted assigns.
- 6.2 The parties to this agreement confirm that the terms of the Document remain and continue in full force and effect.
- 6.3 This agreement may not be assigned by the Assignee except in accordance with the provisions of the Document.
- 6.4 This agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia.
- 6.5 In this agreement, unless the context otherwise requires, the singular includes the plural and the masculine includes the feminine gender and corporation as the case may be.
- 6.6 The captions and headings contained in this agreement are for convenience only and are not to be construed as defining or in anyway limiting the scope or intent of the provisions hereof.

- 6.7 Where there is a reference to an enactment of the Province of British Columbia in this agreement, that reference shall include a reference to any subsequent enactment of the Province of British Columbia of like effect, and, unless the context otherwise requires, all statutes referred to herein are enactments of the Province of British Columbia.
- 6.8 If any section of this agreement or any part of a section is found to be illegal or unenforceable, that part or section as the case may be, shall be considered separate and severable and the remaining parts shall be enforceable to the fullest extent permitted by law.
- 6.9 All schedules attached to this agreement form an integral part of this agreement.

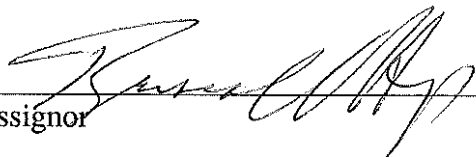
IN WITNESS WHEREOF the Assignor and Assignee have executed this agreement, and the Province has consented thereto, the day and year first above written.

SIGNED on behalf of **HER MAJESTY
THE QUEEN IN RIGHT OF THE
PROVINCE OF BRITISH COLUMBIA**
by the minister responsible for the *Land Act*
or the minister's authorized representative



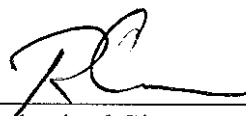
Minister responsible for the *Land Act*
or the minister's authorized representative

SIGNED BY
601866 B.C. LTD.



Assignor

SIGNED on behalf of GALENA CONTRACTORS LTD.
by a duly authorized signatory



Authorized Signatory

ASSIGNMENT/ASSUMPTION

Page 4 of 4



ASSIGNMENT/ASSUMPTION

Licence. No.: 403886

File No.: 4403748

Disposition No.: 859331

THIS AGREEMENT is dated for reference March 18, 2011.

BETWEEN:

GALENA CONTRACTORS LTD.
INCORPORATION NO. BC0091601
PO Box 70
Nakusp, BC V0G 1R0

OF THE FIRST PART

(herein the "Assignor")

AND:

CANYON DEVELOPMENT CO. LTD.
INCORPORATION NO. BC0028551
PO Box 404
Nakusp, BC V0G 1R0

OF THE SECOND PART

(herein the "Assignee")

AND:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, represented by the minister responsible for the *Land Act*, Parliament Buildings, Victoria, British Columbia

OF THE THIRD PART

(herein the "Province")

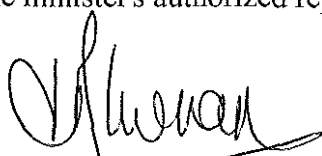
WITNESS THAT WHEREAS:

601866 B.C. Ltd. and the Province entered into a Licence of Occupation agreement dated November 1, 2006, which was subsequently assigned to the Assignor on June 28, 2007 (herein called the

- 6.6 The captions and headings contained in this agreement are for convenience only and are not to be construed as defining or in anyway limiting the scope or intent of the provisions hereof.
- 6.7 Where there is a reference to an enactment of the Province of British Columbia in this agreement, that reference shall include a reference to any subsequent enactment of the Province of British Columbia of like effect, and, unless the context otherwise requires, all statutes referred to herein are enactments of the Province of British Columbia.
- 6.8 If any section of this agreement or any part of a section is found to be illegal or unenforceable, that part or section as the case may be, shall be considered separate and severable and the remaining parts shall be enforceable to the fullest extent permitted by law.
- 6.9 All schedules attached to this agreement form an integral part of this agreement.

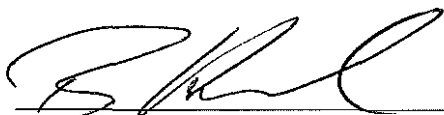
IN WITNESS WHEREOF the Assignor and Assignee have executed this agreement, and the Province has consented thereto, the day and year first above written.

SIGNED on behalf of **HER MAJESTY
THE QUEEN IN RIGHT OF THE
PROVINCE OF BRITISH COLUMBIA**
by the minister responsible for the *Land Act*
or the minister's authorized representative




Minister responsible for the *Land Act*
or the minister's authorized representative

SIGNED BY
GALENA CONTRACTORS LTD.



Assignor

SIGNED on behalf of **CANYON DEVELOPMENT CO. LTD.**
by a duly authorized signatory



Authorized Signatory



Our File: 4403748

March 18, 2011

Canyon Development Co. Ltd.
PO Box 404
Nakusp, BC V0G 1R0

Ministry of Natural Resources
Operations
Kootenay Boundary

Attention: Robert Murphy, President

APR 27 2011

Dear Robert Murphy:

RECEIVED
CRANBROOK, BC

Further to your enquiry of October 1, 2010, I am enclosing the Assignment/Assumption Agreement as requested. Please examine the entire document and ensure that:

1. the full legal names and spellings appear correctly
2. the address on the document is where all future correspondence will be sent (in the case of shared tenancy, correspondence and billings will only be sent to one name and address)
3. the assignee(s) meets all the requirements of Article IV of the Assignment/Assumption Agreement

When you are satisfied that the documents are accurate, please have the assignor(s) and the assignee(s) sign both copies of the Assignment Assumption Agreement and then forward with the following back to us by May 18, 2011.

1. Original or Certified True Copy of Tenure Number 403886. If this cannot be located we can supply a Certified True Copy for \$50.00.
2. Certificate of Insurance (blank form enclosed). \$2,000,000.00 insurance required. This form must be filled out by your Insurance Company.

Once we have determined that all the requirements have been met, we will provide our consent by executing the Assignment/Assumption Agreement and endorsing the tenure document. We will then return your copy of the agreement together with the original tenure document.

.../2

over please.

✓ RETURNED.

Should you have any questions regarding the above, please do not hesitate to contact me at 250-426-1756.

Yours truly,

Kathy Pasqua

Kathy Pasqua
Portfolio Administrator

Enclosure

KATHY:

SORRY FOR DELAY IN RETURN OF

DOCUMENTS

s.22

- #1 ENCLOSED: COPY OF TENURE #403886
 - 2 CERTIFICATE OF INSURANCE \$,000,000.00
- WOULD LIKE IF POSSIBLE RETURN OF
COPIES OF TENURES FOR OUR RECORDS.

THANK YOU FOR YOUR TIME

ROBERT MORPHY
CANTON DEV. CO. LTD.



Date: October 14, 2010

Assignment Process Checklist

File No. 4403748

- X PA receives request for Assignment
- X PA sends out AAA package (does not request fees)
- X Application received back from applicant

X File assigned to *Sharon*

LO reviews file and will determine if Assignment requires Notification Letter Spectrum Level 3 and indicate which Bands/Council receives the Notification/Referral below and return to PA by *Feb. 28, 2011*

PA to BF Task in Tantalus when sending out letters *March 17, 2011*

Once the deadline has past the file is to be given back to LO to make a decision ON CONSENT

NOTE: In the case of a referral LO to follow-up with FNs to enquire about the status and if they will be responding to our letter (LO to document time and date of call on the file) LO responsible for any further correspondence after the initial notification/referral by PA

LO to create AICR report for file and returns file to PA to complete task *[Signature]*

PA notifies client, creates AAA and requests fees

- | | | |
|--|--|--|
| <input checked="" type="checkbox"/> Ktunaxa Nation Council | <input checked="" type="checkbox"/> Okanagan Nation Alliance | <input type="checkbox"/> Secwepemc (Shuswap) Nation |
| <input type="checkbox"/> Akisq'nuk First Nation
(Columbia Lake) | <input checked="" type="checkbox"/> Lower Similkameen | <input type="checkbox"/> Shuswap Nation Tribal Council |
| <input type="checkbox"/> St. Mary's Band | <input checked="" type="checkbox"/> Okanagan Indian Band | <input type="checkbox"/> Adams Lake Band (Sexqeltq'i'n) |
| <input type="checkbox"/> Tobacco Plains Band | <input type="checkbox"/> Osoyoos Band | <input type="checkbox"/> Bonaparte Band (St'uxwtews) |
| <input checked="" type="checkbox"/> Lower Kootenay Indian Band | <input checked="" type="checkbox"/> Penticton Band | <input type="checkbox"/> Kamloops Band (Tk'emlups) |
| | <input type="checkbox"/> Upper Similkameen Band | <input type="checkbox"/> Neskonlith Band (Sk'emtsin) |
| | <input type="checkbox"/> Westbank First Nation | <input checked="" type="checkbox"/> Shuswap Band |
| | | <input type="checkbox"/> Simpcw First Nation |
| | | <input type="checkbox"/> Skeetchestn |
| | | <input type="checkbox"/> Whispering Pines (Peltiq'tin) |
| | | <input checked="" type="checkbox"/> Splats'in (Spallumcheen) |



Project Name Gravel Quarry located North of Nakusp

MoNRO Land File: 4403748

February 25, 2011

Ktunaxa Lands & Resources Agency
7468 Mission Road
Cranbrook BC V1C 7E5

Dear Ray Warden, Director, Lands & Resources:

This letter was also sent to Lower Kootenay Band.

The Province of British Columbia has received an application for the above-noted project and is initiating consultation with you to inform our decision making process. We invite your input on how this proposal may impact Aboriginal interests you may have in the area.

Table 1: Project Overview

ACTIVITY TYPE: Mining: Aggregate and Quarry
PROJECT DESCRIPTION: The Quarry Licence has been in existence since November 1, 2001. The licence was renewed in 2006 for a term of 5 years. The assignment does not provide for any changes to the existing tenure.
Provincial approach: Single-agency decision <input checked="" type="checkbox"/>
ASSIGNOR: Galena Contractors Ltd.
ASSIGNEE: Canyon Development Co. Ltd.
LOCATION: North of Nakusp
BCGS Map Ref (1:20,000): 82K.031
AREA Size: 2.1 hectares
Provincial Government CONTACT PERSON: Sharon Dailey
RESPONSE TIME: Please respond within 15 days from the date of this letter so that your interests can be fully considered in the decision making process.

.../page 2

Authorizations required for the proposal are as follows:

TABLE 2: Provincial Authorizations

Activity	Legislation, Tenure Type and Term	Area Size	Agency Responsible & Decision Maker (position)	File Number & Application Status
Tenure over Crown land	Land Act: <i>Licence</i>	2.1 HECTARES	MoNRO, Crown Land Adjudication	<i>Accepted/anticipated</i> March 14, 2011 File # 4403748

Background Information:

Given the nature of the proposed decision and our initial review of readily available information, we are of the view that potential to adversely affect aboriginal interests is unlikely and consultation at the notification level is appropriate.

The Province intends to proceed with a decision on March 14, 2011. If you have any information that may inform how the proposal might impact aboriginal interests you may have in the area, please contact: Sharon Dailey (250) 426-1779 email sharon.dailey@gov.bc.ca before March 14, 2011 to enable the Province to consider such information in the decision-making process.

Sincerely,

Kathy Pasqua

for: Sharon Dailey
Land Officer
Kootenay Boundary Region

Attachments: Map



Project Name Gravel Quarry located North of Nakusp

MoNRO Land File: 4403748

February 25, 2011

Lower Kootenay Band Chief & Council
830 Simon Road
Creston, B.C. V0B 1G2

Attention: Curtis Wullum, Director of Development Services

The Province of British Columbia has received an application for the above-noted project and is initiating consultation with you to inform our decision making process. We invite your input on how this proposal may impact Aboriginal interests you may have in the area.

Table 1: Project Overview

ACTIVITY TYPE: Mining: Aggregate and Quarry
PROJECT DESCRIPTION: The Quarry Licence has been in existence since November 1, 2001. The licence was renewed in 2006 for a term of 5 years. The assignment does not provide for any changes to the existing tenure.
Provincial approach: Single-agency decision <input checked="" type="checkbox"/>
ASSIGNOR: Galena Contractors Ltd.
ASSIGNEE: Canyon Development Co. Ltd.
LOCATION: North of Nakusp
BCGS Map Ref (1:20,000): 82K.031
AREA Size: 2.1 hectares
Provincial Government CONTACT PERSON: Sharon Dailey
RESPONSE TIME: Please respond within 15 days from the date of this letter so that your interests can be fully considered in the decision making process.

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Sincerely,

Kathy Pasqua

for : Sharon Dailey
Land Officer
Kootenay Boundary Region

Attachments: Map



Project Name Gravel Quarry located North of Nakusp

MoNRO Land File: 4403748

February 25, 2011

Okanagan Nation Alliance
106 3500 Carrington Road
Westbank, BC V4T 3C1

Attn: Gwen Bridge, Natural Resource Land Use Team Coordinator

Dear Chief Stewart Phillip and Council:

The Province of British Columbia has received an application for the above-noted project and is initiating consultation with you to inform our decision making process. We invite your input on how this proposal may impact Aboriginal interests you may have in the area.

Table 1: Project Overview

ACTIVITY TYPE: Mining: Aggregate and Quarry
PROJECT DESCRIPTION: The Quarry Licence has been in existence since November 1, 2001. The licence was renewed in 2006 for a term of 5 years. The assignment does not provide for any changes to the existing tenure.
Provincial approach: Single-agency decision <input checked="" type="checkbox"/>
ASSIGNOR: Galena Contractors Ltd.
ASSIGNEE: Canyon Development Co. Ltd.
LOCATION: North of Nakusp
BCGS Map Ref (1:20,000): 82K.031
AREA Size: 2.1 hectares
Provincial Government CONTACT PERSON: Sharon Dailey
RESPONSE TIME: Please respond within 15 days from the date of this letter so that your interests can be fully considered in the decision making process.

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Sincerely,



for: Sharon Dailey
Land Officer
Kootenay Boundary Region

Attachments: Map



Project Name Gravel Quarry located North of Nakusp

MoNRO Land File: 4403748

February 25, 2011

Lower Similkameen Indian Band
PO Box 100
Keremeos BC V0X 1N0

Dear Chief Robert Edward and Council:

The Province of British Columbia has received an application for the above-noted project and is initiating consultation with you to inform our decision making process. We invite your input on how this proposal may impact Aboriginal interests you may have in the area.

Table 1: Project Overview

ACTIVITY TYPE: Mining: Aggregate and Quarry
PROJECT DESCRIPTION: The Quarry Licence has been in existence since November 1, 2001. The licence was renewed in 2006 for a term of 5 years. The assignment does not provide for any changes to the existing tenure.
Provincial approach: Single-agency decision <input checked="" type="checkbox"/>
ASSIGNOR: Galena Contractors Ltd.
ASSIGNEE: Canyon Development Co. Ltd.
LOCATION: North of Nakusp
BCGS Map Ref (1:20,000): 82K.031
AREA Size: 2.1 hectares
Provincial Government CONTACT PERSON: Sharon Dailey
RESPONSE TIME: Please respond within 15 days from the date of this letter so that your interests can be fully considered in the decision making process.

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Sincerely,

Kathy Pasqua

for:

Sharon Dailey
Land Officer
Kootenay Boundary Region

Attachments: Map



Project Name Gravel Quarry located North of Nakusp

MoNRO Land File: 4403748

February 25, 2011

Okanagan Indian Band
12420 Westside Road
Vernon, BC V1H 2A4

Attn: Colleen Marchand, Head of Forestry Unit/Research – Arch and Cultural Heritage

Dear Chief Fabien Alexis and Council:

The Province of British Columbia has received an application for the above-noted project and is initiating consultation with you to inform our decision making process. We invite your input on how this proposal may impact Aboriginal interests you may have in the area.

Table 1: Project Overview

ACTIVITY TYPE: Mining: Aggregate and Quarry
PROJECT DESCRIPTION: The Quarry Licence has been in existence since November 1, 2001. The licence was renewed in 2006 for a term of 5 years. The assignment does not provide for any changes to the existing tenure.
Provincial approach: Single-agency decision <input checked="" type="checkbox"/>
ASSIGNOR: Galena Contractors Ltd.
ASSIGNEE: Canyon Development Co. Ltd.
LOCATION: North of Nakusp
BCGS Map Ref (1:20,000): 82K.031
AREA Size: 2.1 hectares
Provincial Government CONTACT PERSON: Sharon Dailey
RESPONSE TIME: Please respond within 15 days from the date of this letter so that your interests can be fully considered in the decision making process.

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Sincerely,

Kathy Pasqua

for: Sharon Dailey
Land Officer
Kootenay Boundary Region

Attachments: Map



Project Name Gravel Quarry located North of Nakusp

MoNRO Land File: 4403748

February 25, 2011

Penticton Indian Band
R.R. 2, Site 80, Comp. 19
Penticton, BC V2A 6J7

Attention: Joan Phillip, Lands Manager

Dear Chief Jonathan Kruger and Council:

The Province of British Columbia has received an application for the above-noted project and is initiating consultation with you to inform our decision making process. We invite your input on how this proposal may impact Aboriginal interests you may have in the area.

Table 1: Project Overview

ACTIVITY TYPE: Mining: Aggregate and Quarry
PROJECT DESCRIPTION: The Quarry Licence has been in existence since November 1, 2001. The licence was renewed in 2006 for a term of 5 years. The assignment does not provide for any changes to the existing tenure.
Provincial approach: Single-agency decision <input checked="" type="checkbox"/>
ASSIGNOR: Galena Contractors Ltd.
ASSIGNEE: Canyon Development Co. Ltd.
LOCATION: North of Nakusp
BCGS Map Ref (1:20,000): 82K.031
AREA Size: 2.1 hectares
Provincial Government CONTACT PERSON: Sharon Dailey
RESPONSE TIME: Please respond within 15 days from the date of this letter so that your interests can be fully considered in the decision making process.

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Sincerely,



for: Sharon Dailey
Land Officer
Kootenay Boundary Region

Attachments: Map



Project Name Gravel Quarry located North of Nakusp

MoNRO Land File: 4403748

February 25, 2011

Shuswap Band Chief & Council
c/o Kinbasket Group of Companies
Unit 3A – 492 Arrow Road
PO Box 2847
Invermere, B.C. V0A 1K0

Attention: Robert (Hawk) Martin

The Province of British Columbia has received an application for the above-noted project and is initiating consultation with you to inform our decision making process. We invite your input on how this proposal may impact Aboriginal interests you may have in the area.

Table 1: Project Overview

ACTIVITY TYPE: Mining: Aggregate and Quarry
PROJECT DESCRIPTION: The Quarry Licence has been in existence since November 1, 2001. The licence was renewed in 2006 for a term of 5 years. The assignment does not provide for any changes to the existing tenure.
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ASSIGNEE: Canyon Development Co. Ltd.
LOCATION: North of Nakusp
BCGS Map Ref (1:20,000): 82K.031
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Sincerely,

Kathy Pasqua

for: Sharon Dailey
Land Officer
Kootenay Boundary Region

Attachments: Map



Project Name Gravel Quarry located North of Nakusp

MoNRO Land File: 4403748

February 25, 2011

Splats'in First Nation
PO Box 460
Enderby, BC V0E 1V0

Attn: Loretta Eustache, Title and Rights Director

Dear Chief Wayne Christian and Council:

The Province of British Columbia has received an application for the above-noted project and is initiating consultation with you to inform our decision making process. We invite your input on how this proposal may impact Aboriginal interests you may have in the area.

Table 1: Project Overview

ACTIVITY TYPE: Mining: Aggregate and Quarry
PROJECT DESCRIPTION: The Quarry Licence has been in existence since November 1, 2001. The licence was renewed in 2006 for a term of 5 years. The assignment does not provide for any changes to the existing tenure.
Provincial approach: Single-agency decision <input checked="" type="checkbox"/>
ASSIGNOR: Galena Contractors Ltd.
ASSIGNEE: Canyon Development Co. Ltd.
LOCATION: North of Nakusp
BCGS Map Ref (1:20,000): 82K.031
AREA Size: 2.1 hectares
Provincial Government CONTACT PERSON: Sharon Dailey
RESPONSE TIME: Please respond within 15 days from the date of this letter so that your interests can be fully considered in the decision making process.

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Tenure over Crown land	Land Act: <i>Licence</i>	2.1 HECTARES	MoNRO, Crown Land Adjudication	<i>Accepted/anticipated</i> March 14, 2011 File # 4403748

Background Information:

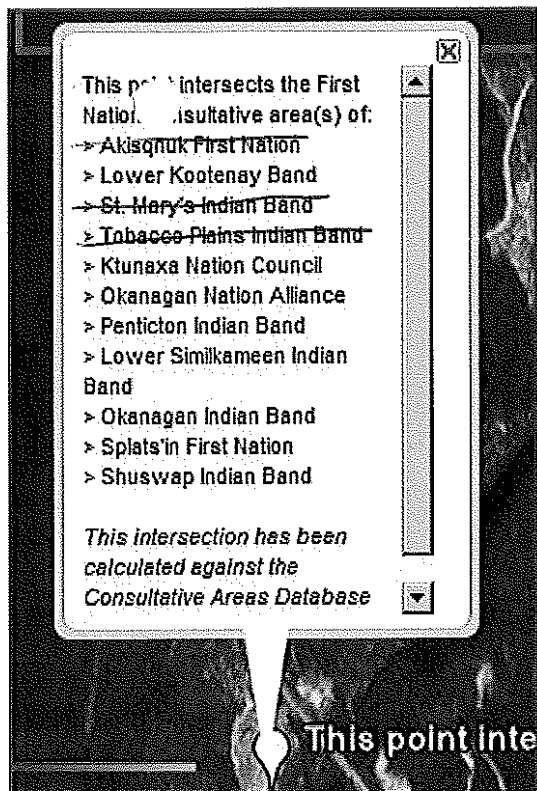
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Sincerely,


for Sharon Dailey
Land Officer
Kootenay Boundary Region

Attachments: Map



Assignment Information Sheet

Date this package sent out: October 14, 2010 Prepared by: Kathy Pasqua

File Number: 4403748 Tenure Number: 403886

Legal Description of Property: **All that unsurveyed Crown land north of Cape Horn Creek, Kootenay District, containing 2.1 hectares more or less.**

Current Tenure Holder's Name: **Galena Contractors Ltd.**

Purpose: **Sand and Gravel Quarry**

Commencement Date: **November 1, 2006** Term: 5 yrs. Expiry Date: **November 1, 2011**

Rental on this tenure is due on November 1, 2010 (\$560.00)

Taxes are currently in good standing

✓ Must hold a minimum of \$2,000,000.00 in liability insurance

In order to qualify to hold this tenure, the assignee(s) must meet the following eligibility requirements

- ☐ 19 years of age or older and Canadian citizen or Landed Immigrant (permanent residents of Canada)
- ✓ ☒ Corporation registered in the Province of British Columbia or incorporated under the laws of Canada and must be a company in good standing
- ☐ Non-Canadians who own the adjacent upland or are in the process of becoming the upland owner and are 19 years of age or older
- ☐ Canadians who own the adjacent upland or are in the process of becoming the upland owner and are 19 years of age or older

If you meet the above requirements and are sure you want to proceed with the assignment of this tenure, please complete the enclosed **Application Form**. The name(s) on the application form is to be identical to the way the private upland is registered in the Land Title Office.

** Please circle whether you have the original tenure document

YES NO

Also, indicate where future billings/correspondence should be mailed to (Billing Responsibility) CANYON DEVELOPMENT CO. LTD

Box 404 NAKUSP B.C. VOGIRO.

We will then prepare the Assignment Assumption Agreement (in duplicate) and return to you for signatures of behalf of the assignor(s) and assignee(s) (Please note that no legal advice cannot be given by Integrated Land Management Bureau. Questions of this nature should be directed to a lawyer or notary of your choice)

Ministry of Natural Resource
Operations
Kootenay Boundary

FEB 17 2011

RECEIVED
CRANBROOK, BC

Assignment Application Form

(A transfer document will be prepared from the information provided below)

File # 4403748

Tenure No.: 403886

Date of Assignment FEB 11 / 11	Consideration 20,000.00 (actual selling price for the rights of the tenure)
Billing Responsibility Assignee # (to be entered by ILMB staff)	

Assignee #1

Full Legal Name mandatory CAUTION DEVELOPMENT CO. LTD.	
Complete Mailing Address mandatory Box 404 WAKUSP B.C. V0G1R0.	
Physical Address (if different)	
Phone # (250) 265-4192	Fax # (250) 265-4266
Email Address	
Incorporation # (if a Company) # 28551	
Mandatory if applicable	

Assignee #2 (if applicable)

Full Legal Name mandatory	
Complete Mailing Address mandatory	
Physical Address (if different)	
Phone # () -	Fax # () -
Email Address	
Incorporation # (if a Company)	
Mandatory if applicable	

Type of Tenancy (if there is more than 1 assignee)

Joint Tenants _____ or Tenants In Common _____

If Tenants in Common, indicate the interest held for each party

Can the original tenure document be located? yes no

Please note that the Assignment Assumption Agreement will be forwarded to the address below

Submitted by ROBERT MURPHY Pres	Your Ref / File Number 403886
Mailing Address CAUTION DEVELOPMENT CO LTD Box 404 WAKUSP. B.C.	
E-mail Address:	

(If there are more than 2 assignees, please continue on the next page)

CANYON DEVELOPMENT CO. LTD.

BOX 404
NAKUSP, B.C. V0G 1R0
Tel: (250) 265-4192

1671

Feb 11/11
DATE

PAY to
the order of

Minister of Finance

\$ 280.00

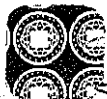
Two Hundred eighty

XX DOLLARS



CIBC CANADIAN IMPERIAL BANK OF COMMERCE
402 BROADWAY STREET
NAKUSP, B.C. V0G 1R0

CANYON DEVELOPMENT CO. LTD.



ASSESSMENT FEE
* 4403748

RE

PER

s.21

KL

GA1500
HST# R107864738

GOVERNMENT AGENTS REVENUE MANAGEMENT SYSTEM
TRANSACTION RECEIPT

RECEIVED

FEBRUARY 17, 2011 13:19 TRANSACTION ID: 1000006 (DUPLICATE RECEIPT) SD42344
03001 FCBC CRANBROOK
NOTES: ASSIGN T FEES
DESCRIPTION: LICENCE OF OCCUPATION REFERENCE:

		ITEM PRICE	QUANT	AMOUNT
		-----	-----	-----
1718	CLA-CROWN LAND LIC OCCUPATION LIC OCCUPATION	280.00	1	280.00
	CLIENT NUMBER AL003925			
DOCUMENT:	FILE # 4403748 (DISP 859331)			
REFERENCE:	CLIENT NAME CANYON DEVELOPMENTS LTD			
SUBTOTAL				280.00
HST CHARGED ON				0.00
TRANSACTION TOTAL				280.00
CANYON DEVELOPMENT CO LTD				
CHQ, MAIL				280.00
TOTAL PAYMENT				280.00
CHANGE				0.00

KB FNCCT Consultation Record Template

DATE: March 15, 2011	CONSULTATION RECORD (Short Form)		FILE:4403748
DECISION/AUTHORIZATION: Assignment of an existing quarry			
TABLE 5: ANALYSIS OF FIRST NATION CONSULTATION			
First Nation			
	<p>This point intersects the First Nation consultative area(s) of:</p> <p>Ktunaxa nation Council Lower Kootenay Indian Band Okanagan Nation Alliance Lower Similkameen Okanagan Indian Band Penticton Band Shuswap Band Splatstin</p> <p>This intersection has been calculated against the Consultative Areas Database layer.</p>		
Preparation - Phase 1			
Suggested Level of Consultation	Notification <input checked="" type="checkbox"/> Normal <input type="checkbox"/> Deep <input type="checkbox"/> Other <input type="checkbox"/> _____		
Engagement - Phase 2			
Level of Consultation	Notification Letter – see attached		
Accommodation - Phase 3			
Accommodation Required	No accommodation required – no response from any of the First Nations listed above.		
Decision and Follow-up - Phase 4			
Consultation Sufficient	Consultation is sufficient. The subject is an assignment of an existing quarry. The assignee must abide by all the terms and conditions of the existing tenure. No changes to the area or operations without written permission from the Crown.		
Other Issues			
Other Issues	n/a		
Recommendation for Decision Maker(s)			
Consultation and Accommodation Sufficient	Consultation requirements are considered to be sufficient for the decision - no accommodation required.		
Signature			
Prepared By:	Sharon Dailey, Land Officer Ministry of Forests, Lands and Natural Resource Operations		
Prepared For:	Lorraine Schmidt, Decision Maker Ministry of Natural Resource Operations		

Assignment Information Sheet

Date this package sent out: October 14, 2010 Prepared by: Kathy Pasqua

File Number: **4403748** Tenure Number: **403886**

Legal Description of Property: **All that unsurveyed Crown land north of Cape Horn Creek, Kootenay District, containing 2.1 hectares more or less.**

Current Tenure Holder's Name: **Galena Contractors Ltd.**

Purpose: **Sand and Gravel Quarry**

Commencement Date: **November 1, 2006** Term: 5 yrs. Expiry Date: **November 1, 2011**

Rental on this tenure is due on November 1, 2010 (\$560.00)

Taxes are currently in good standing

Must hold a minimum of \$2,000,000.00 in liability insurance

In order to qualify to hold this tenure, the assignee(s) must meet the following eligibility requirements

- ☐ 19 years of age or older and Canadian citizen or Landed Immigrant (permanent residents of Canada)
- ☐ Corporation registered in the Province of British Columbia or incorporated under the laws of Canada and must be a company in good standing
- ☐ Non-Canadians who own the adjacent upland or are in the process of becoming the upland owner and are 19 years of age or older
- ☐ Canadians who own the adjacent upland or are in the process of becoming the upland owner and are 19 years of age or older

If you meet the above requirements and are sure you want to proceed with the assignment of this tenure, please complete the enclosed **Application Form**. The name(s) on the application form is to be identical to the way the private upland is registered in the Land Title Office.

** Please circle whether you have the original tenure document **YES NO**

Also, indicate where future billings/correspondence should be mailed to (Billing Responsibility) _____

We will then prepare the Assignment Assumption Agreement (in duplicate) and return to you for signatures of behalf of the assignor(s) and assignee(s) (Please note that no legal advice cannot be given by Integrated Land Management Bureau. Questions of this nature should be directed to a lawyer or notary of your choice)

Assignment Application Form

(A transfer document will be prepared from the information provided below)

File No.: 4403748

Tenure No.: 403886

Date of Assignment	Consideration (actual selling price for the rights of the tenure)
Billing Responsibility Assignee # (to be entered by ILMB staff)	

Assignee #1

Full Legal Name <small>mandatory</small>	
Complete Mailing Address <small>mandatory</small>	
Physical Address (if different)	
Phone # () -	Fax # () -
Email Address	
Incorporation # (if a Company) <small>Mandatory if applicable</small>	

Assignee #2 (if applicable)

Full Legal Name <small>mandatory</small>	
Complete Mailing Address <small>mandatory</small>	
Physical Address (if different)	
Phone # () -	Fax # () -
Email Address	
Incorporation # (if a Company) <small>Mandatory if applicable</small>	

Type of Tenancy (if there is more than 1 assignee)

Joint Tenants _____ **or** **Tenants In Common** _____

If Tenants in Common, indicate the interest held for each party

Can the original tenure document be located? _____ yes _____ no

Please note that the Assignment Assumption Agreement will be forwarded to the address below

Submitted by	Your Ref / File Number
Mailing Address	
E-mail Address:	

(If there are more than 2 assignees, please continue on the next page)

Assignment Application Form

Assignee #3 (if applicable)

Full Legal Name <small>mandatory</small>	
Complete Mailing Address <small>mandatory</small>	
Physical Address (if different)	
Phone # () -	Fax # () -
Email Address	
Incorporation # (if a Company) <small>Mandatory if applicable</small>	

Assignee #4 (if applicable)

Full Legal Name <small>mandatory</small>	
Complete Mailing Address <small>mandatory</small>	
Physical Address (if different)	
Phone # () -	Fax # () -
Email Address	
Incorporation # (if a Company) <small>Mandatory if applicable</small>	

Joint Tenants _____ **or** **Tenants In Common** _____



Our File: 4403748

October 14, 2010

Robert Murphy
PO Box 404
Nakusp, BC V0G 1R0

Dear Robert:

Further to your request of October 1, 2010, enclosed is the Assignment/Assumption Information you asked for.

PLEASE NOTE:

The Integrated Land Management Bureau have a legal obligation to consult with First Nations on *Land Act* decisions that have the potential to adversely impact claims of aboriginal rights and title. We are working to complete this process in a timely manner.

Should you have any questions or require further assistance, please do not hesitate to contact me at 250-426-1756.

Yours truly,

Kathy Pasqua
Portfolio Administrator

Enclosures

Licence. No.: 403886

File No.: 4403748

Disposition No.: 859331

THIS AGREEMENT is dated for reference **June 28, 2007**.

BETWEEN:

601866 B.C. LTD.
PO Box 43
Nakusp, BC V0G 1R0

OF THE FIRST PART

(herein the "Assignor")

AND:

GALENA CONTRACTORS LTD., INC. NO. BC0091601
PO Box 70
Nakusp, BC V0G 1R0

OF THE SECOND PART

(herein the "Assignee")

AND:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, represented by the minister responsible for the *Land Act*, Parliament Buildings, Victoria, British Columbia

OF THE THIRD PART

(herein the "Province")

WITNESS THAT WHEREAS:

The Assignor and the Province entered into a **Licence of Occupation dated November 1, 2006** (herein called the "Document") over those lands more particularly known and described as:

All that unsurveyed Crown land north of Cape Horn Creek, Kootenay District, containing 2.1

hectares, more or less

NOW THEREFORE THIS AGREEMENT WITNESSETH that for good and valuable consideration paid by the Assignee to the Assignor and by the Assignee and the Assignor to the Province, the receipt and sufficiency of which is hereby acknowledged by both the Assignor and the Province, the parties agree as follows:

ARTICLE I - ASSIGNMENT

- 1.1 The Assignor assigns all of his right, title, interest and estate in and to the Document to the Assignee.

ARTICLE II - ASSUMPTION

- 2.1 The Assignee covenants with the Province to assume and be bound by all the terms, conditions, covenants, obligations and agreements contained in the Document.

ARTICLE III - CONSENT

- 3.1 The Province consents to the execution and delivery of this agreement and the Assignment.
- 3.2 The Province releases and discharges the Assignor from all the terms, conditions, covenants, obligations and agreements contained in the Document.

ARTICLE IV - WARRANTIES AND REPRESENTATIONS

- 4.1 The Assignee warrants and represents to the Province, with the intent that the Province will rely thereon, that the Assignee:
- (a) is a corporation duly formed under laws of the Province of British Columbia and has filed all necessary documents under such laws and has complied with all requirements of the *Business Corporations Act*;
 - (b) has the power, capacity and authority to enter into this agreement and to carry out its obligations contemplated herein, all of which have been duly and validly authorized by all necessary proceedings; and
 - (c) is in good standing with respect to the filing of returns in the Office of the Registrar of

Companies of British Columbia.

- 4.2 The Assignee acknowledges to the Province and to the Assignor that:
- (a) the Assignee has inspected the land, and the improvements (if any) situate thereon, which are the subject of the Document and is fully aware of the condition of that land, and the improvements (if any) situate thereon, and accepts same in its current state;
 - (b) the Assignee has reviewed and inspected all municipal and regional by-laws, regulations and policies concerning the use and development of the land which is the subject of the Document; and
 - (c) there are no representations, warranties, collateral agreements or conditions affecting this agreement or the land, and the improvements (if any) situate thereon, which are the subject of the Document except as expressed herein and that this agreement constitutes the entire agreement.

ARTICLE V - NOTICE

- 5.1 The address of the Assignee for the service of notices or documents under the Document shall be the address specified for the Assignee on the first page of this agreement.

ARTICLE VI - MISCELLANEOUS

- 6.1 This agreement shall enure to the benefit of the parties hereto and their respective successors and permitted assigns.
- 6.2 The parties to this agreement confirm that the terms of the Document remain and continue in full force and effect.
- 6.3 This agreement may not be assigned by the Assignee except in accordance with the provisions of the Document.
- 6.4 This agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia.
- 6.5 In this agreement, unless the context otherwise requires, the singular includes the plural and the masculine includes the feminine gender and corporation as the case may be.
- 6.6 The captions and headings contained in this agreement are for convenience only and are not to be construed as defining or in anyway limiting the scope or intent of the provisions hereof.

- 6.7 Where there is a reference to an enactment of the Province of British Columbia in this agreement, that reference shall include a reference to any subsequent enactment of the Province of British Columbia of like effect, and, unless the context otherwise requires, all statutes referred to herein are enactments of the Province of British Columbia.
- 6.8 If any section of this agreement or any part of a section is found to be illegal or unenforceable, that part or section as the case may be, shall be considered separate and severable and the remaining parts shall be enforceable to the fullest extent permitted by law.
- 6.9 All schedules attached to this agreement form an integral part of this agreement.

IN WITNESS WHEREOF the Assignor and Assignee have executed this agreement, and the Province has consented thereto, the day and year first above written.

**SIGNED on behalf of HER MAJESTY
THE QUEEN IN RIGHT OF THE
PROVINCE OF BRITISH COLUMBIA**
by the minister responsible for the *Land Act*
or the minister's authorized representative

Minister responsible for the *Land Act*
or the minister's authorized representative

**SIGNED BY
601866 B.C. LTD.**

Assignor

SIGNED on behalf of GALENA CONTRACTORS LTD.
by a duly authorized signatory

Authorized Signatory



Our File: 4403748

March 18, 2011

Canyon Development Co. Ltd.
PO Box 404
Nakusp, BC V0G 1R0

Attention: Robert Murphy, President

Dear Robert Murphy:

Further to your enquiry of October 1, 2010, I am enclosing the Assignment/Assumption Agreement as requested. Please examine the entire document and ensure that:

1. the full legal names and spellings appear correctly
2. the address on the document is where all future correspondence will be sent (in the case of shared tenancy, correspondence and billings will only be sent to one name and address)
3. the assignee(s) meets all the requirements of Article IV of the Assignment/Assumption Agreement

When you are satisfied that the documents are accurate, please have the assignor(s) and the assignee(s) sign both copies of the Assignment Assumption Agreement and then forward with the following back to us by May 18, 2011.

1. Original or Certified True Copy of Tenure Number 403886. If this cannot be located we can supply a Certified True Copy for \$50.00.
2. Certificate of Insurance (blank form enclosed). \$2,000,000.00 insurance required. This form must be filled out by your Insurance Company.

Once we have determined that all the requirements have been met, we will provide our consent by executing the Assignment/Assumption Agreement and endorsing the tenure document. We will then return your copy of the agreement together with the original tenure document.

.../2

Page 2

Should you have any questions regarding the above, please do not hesitate to contact me at 250-426-1756.

Yours truly,

Kathy Pasqua
Portfolio Administrator

Enclosure

Assignment Process Checklist

File No. 4403748

- X PA receives request for Assignment
- X PA sends out AAA package (does not request fees)
- X Application received back from applicant

File assigned to

LO reviews file and will determine if Assignment requires Notification Letter Spectrum Level 3 and indicate which Bands/Council receives the Notification/Referral below and return to PA by

PA to BF Task in Tantalus when sending out letters

Once the deadline has past the file is to be given back to LO to make a decision ON CONSENT

NOTE: In the case of a referral LO to follow-up with FNs to enquire about the status and if they will be responding to our letter (LO to document time and date of call on the file) LO responsible for any further correspondence after the initial notification/referral by PA

LO to create AICR report for file and returns file to PA to complete task

PA notifies client, creates AAA and requests fees

Ktunaxa Nation Council

Akisq'nuk First Nation
(Columbia Lake)

St. Mary's Band

Tobacco Plains Band

Lower Kootenay Indian Band

Okanagan Nation Alliance

Lower Similkameen

Okanagan Indian Band

Osoyoos Band

Penticton Band

Upper Similkameen Band

Westbank First Nation

Secwepemc (Shuswap) Nation

Shuswap Nation Tribal Council

Adams Lake Band (Sexqeltq'in)

Bonaparte Band (St'uxwtews)

Kamloops Band (Tk'emlups)

Neskonlith Band (Sk'emtsin)

Shuswap Band

Simpco First Nation

Skeetchestn

Whispering Pines (Peltiq'tin)

Splats'in (Spallumcheen)

Licence. No.: 403886

File No.: 4403748

Disposition No.: 859331

THIS AGREEMENT is dated for reference **March 18, 2011**.

BETWEEN:

GALENA CONTRACTORS LTD.
INCORPORATION NO. BC0091601
PO Box 70
Nakusp, BC V0G 1R0

OF THE FIRST PART

(herein the "Assignor")

AND:

CANYON DEVELOPMENT CO. LTD.
INCORPORATION NO. BC0028551
PO Box 404
Nakusp, BC V0G 1R0

OF THE SECOND PART

(herein the "Assignee")

AND:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, represented by the minister responsible for the *Land Act*, Parliament Buildings, Victoria, British Columbia

OF THE THIRD PART

(herein the "Province")

WITNESS THAT WHEREAS:

601866 B.C. Ltd. and the Province entered into a **Licence of Occupation** agreement dated **November 1, 2006**, which was subsequently assigned to the Assignor on **June 28, 2007** (herein called the

“Document”) over those lands more particularly known and described as:

All that unsurveyed Crown land north of Cape Horn Creek, Kootenay District,
containing 2.1 hectares, more or less

NOW THEREFORE THIS AGREEMENT WITNESSETH that for good and valuable consideration paid by the Assignee to the Assignor and by the Assignee and the Assignor to the Province, the receipt and sufficiency of which is hereby acknowledged by both the Assignor and the Province, the parties agree as follows:

ARTICLE I - ASSIGNMENT

- 1.1 The Assignor assigns all of his right, title, interest and estate in and to the Document to the Assignee.

ARTICLE II - ASSUMPTION

- 2.1 The Assignee covenants with the Province to assume and be bound by all the terms, conditions, covenants, obligations and agreements contained in the Document.

ARTICLE III - CONSENT

- 3.1 The Province consents to the execution and delivery of this agreement and the Assignment.
- 3.2 The Province releases and discharges the Assignor from all the terms, conditions, covenants, obligations and agreements contained in the Document.

ARTICLE IV - WARRANTIES AND REPRESENTATIONS

- 4.1 The Assignee warrants and represents to the Province, with the intent that the Province will rely thereon, that the Assignee:
- (a) is a corporation duly formed under laws of the Province of British Columbia and has filed all necessary documents under such laws and has complied with all requirements of the *Business Corporations Act*;
 - (b) has the power, capacity and authority to enter into this agreement and to carry out its obligations contemplated herein, all of which have been duly and validly authorized by

all necessary proceedings; and

- (c) is in good standing with respect to the filing of returns in the Office of the Registrar of Companies of British Columbia.

4.2 The Assignee acknowledges to the Province and to the Assignor that:

- (a) the Assignee has inspected the land, and the improvements (if any) situate thereon, which are the subject of the Document and is fully aware of the condition of that land, and the improvements (if any) situate thereon, and accepts same in its current state;
- (b) the Assignee has reviewed and inspected all municipal and regional by-laws, regulations and policies concerning the use and development of the land which is the subject of the Document; and
- (c) there are no representations, warranties, collateral agreements or conditions affecting this agreement or the land, and the improvements (if any) situate thereon, which are the subject of the Document except as expressed herein and that this agreement constitutes the entire agreement.

ARTICLE V - NOTICE

- 5.1 The address of the Assignee for the service of notices or documents under the Document shall be the address specified for the Assignee on the first page of this agreement.

ARTICLE VI - MISCELLANEOUS

- 6.1 This agreement shall enure to the benefit of the parties hereto and their respective successors and permitted assigns.
- 6.2 The parties to this agreement confirm that the terms of the Document remain and continue in full force and effect.
- 6.3 This agreement may not be assigned by the Assignee except in accordance with the provisions of the Document.
- 6.4 This agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia.
- 6.5 In this agreement, unless the context otherwise requires, the singular includes the plural and the masculine includes the feminine gender and corporation as the case may be.

- 6.6 The captions and headings contained in this agreement are for convenience only and are not to be construed as defining or in anyway limiting the scope or intent of the provisions hereof.
- 6.7 Where there is a reference to an enactment of the Province of British Columbia in this agreement, that reference shall include a reference to any subsequent enactment of the Province of British Columbia of like effect, and, unless the context otherwise requires, all statutes referred to herein are enactments of the Province of British Columbia.
- 6.8 If any section of this agreement or any part of a section is found to be illegal or unenforceable, that part or section as the case may be, shall be considered separate and severable and the remaining parts shall be enforceable to the fullest extent permitted by law.
- 6.9 All schedules attached to this agreement form an integral part of this agreement.

IN WITNESS WHEREOF the Assignor and Assignee have executed this agreement, and the Province has consented thereto, the day and year first above written.

SIGNED on behalf of **HER MAJESTY
THE QUEEN IN RIGHT OF THE
PROVINCE OF BRITISH COLUMBIA**
by the minister responsible for the *Land Act*
or the minister's authorized representative

Minister responsible for the *Land Act*
or the minister's authorized representative

SIGNED BY
GALENA CONTRACTORS LTD.

Assignor

SIGNED on behalf of **CANYON DEVELOPMENT CO. LTD.**
by a duly authorized signatory

Authorized Signatory



Integrated Land Management Bureau

Our File: 4403748

July 24, 2007

PRIORITY COURIER

Galena Contractors Ltd.
PO Box 70
Nakusp BC V0G 1R0

Dear Ralph Allen:

Enclosed is the Original Tenure number 403886 covering all that unsurveyed Crown land north of Cape Horn Creek, Kootenay District containing 2.1 hectares more or less endorsed with respect to an assignment dated June 28, 2007.

from 601866 B.C. Ltd.
to Galena Contractors Ltd., Inc. No. BC0091601
of PO Box 70
Nakusp, BC V0G 1R0

.../2

I have appended the endorsement schedule and the assignment to your copy of the said Licence, as they form an integral part of that document. Please contact me at 250-426-1756 if you have any questions or require assistance.

Yours truly,

Kathy Pasqua
Portfolio Administrator
Southern Interior Client Services Division

Enclosures

Pc: BC Assessment Authority, Nelson
Regional District of Central Kootenay, Nelson
Ministry of Forests, Castlegar
601866 B.C. Ltd., PO Box 43, Nakusp, BC V0G 1R0, Attention: Russell Hopp

ENDORSEMENT SCHEDULE

Endorsement No. 2

May 3, 2011

Assigned unto Canyon Development Co. Ltd., Inc. No. BC0028551 effective March 18, 2011.

Endorsement No. 1

July 24, 2007

Assigned unto Galena Contractors Ltd., Inc. No. BC0091601 effective June 28, 2007.

ENDORSEMENT SCHEDULE

Endorsement No. 1

July 24, 2007

Assigned unto Galena Contractors Ltd., Inc. No. BC0091601 effective June 28, 2007.



Our File: 4403748

May 12, 2011

Canyon Development Co. Ltd.
PO Box 404
Nakusp, BC V0G 1R0

Dear Robert Murphy:

Enclosed is the Original Tenure Number 403886 covering all that unsurveyed Crown land north of Cape Horn Creek, Kootenay District and containing 2.1 hectares, more or less endorsed with respect to an assignment dated March 18, 2011

from Galena Contractors Ltd., Incorporation No. BC0091601
to Canyon Development Co. Ltd., Incorporation No. BC0028551
of PO Box 404
Nakusp, BC V0G 1R0

I have appended the endorsement schedule and the assignment to your copy of the said Licence, as they form an integral part of that document. Please contact me at 250-426-1756 if you have any questions or require assistance.

Yours truly,

Kathy Pasqua
Portfolio Administrator

Enclosure

Pc: BC Assessment Authority, Nelson
Regional District of Central Kootenay, Nelson
Ministry of Forests, Lands and Natural Resource Operations, Selkirk District, Castlegar



BRITISH
COLUMBIA

CERTIFICATE
OF INSURANCE

Freedom of Information and Protection of Privacy Act

The personal information requested on this form is collected under the authority of and used for the purpose of administering the *Financial Administration Act*. Questions about the collection and use of this information can be directed to the Manager, Consulting and Advisory Services, at 250 356-8915, PO Box 9405 STN PROV GOVT, Victoria BC V8W 9V1.

Please refer all other questions to the contact named in Part 1.

Part 1 To be completed by the Province

THIS CERTIFICATE IS REQUESTED BY and ISSUED TO <i>(Name of office)</i> HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA		CONTRACT/PERMIT/LICENCE/ DENTIFICATION NO. FILE NO: 4403748	
PROVINCE'S CONTACT PERSON NAME & TITLE MINISTRY OF AGRICULTURE AND LANDS, C/O PORTFOLIO ADMINISTRATOR		PHONE NO (250) 426-1766	
ADDRESS 1902 THEATRE ROAD, CRANBROOK BC		FAX NO (250) 426-1767	
CONTRACTOR NAME N/A		POSTAL CODE V1C7G1	
CONTRACTOR ADDRESS N/A		POSTAL CODE	

Part 2 To be completed by the Contractor's Agent or Broker

INSURED	NAME		
	ADDRESS		POSTAL CODE
OPERATIONS INSURED	PROVIDE DETAILS		
TYPE OF INSURANCE <i>List each separately</i>	COMPANY NAME, POLICY NO. & BRIEF DESCRIPTION	EXPIRY DATE YYYY/MM/DD	LIMIT OF LIABILITY/AMOUNT

This certificate certifies that policies of insurance as herein described have been issued to the insured(s) named above, are in full force and effective as of the effective date of the contract/permit/licence, and comply with the insurance requirements of the contract/permit/licence except as follows:

AGENT OR BROKER COMMENTS:

SIGNED BY THE AGENT OR BROKER ON BEHALF OF THE ABOVE INSURER(S)

DATE SIGNED



Integrated Land Management Bureau

Our File: 4403748

June 28, 2007

PRIORITY COURIER

601866 B.C. Ltd.
PO Box 43
Nakusp, BC V0G 1R0

Dear Russell:

I am enclosing the Assignment/Assumption Agreement as requested. Please examine the entire document and ensure that:

1. The correct legal names and spelling appear.
2. The address listed is where all future correspondence is to be sent.
3. The assignee(s) meet all the requirements of Article IV of the Assignment/Assumption Agreement.

When you are satisfied that the document is accurate, please have the assignor(s) and the assignee(s) sign both copies and then forward to our office the following:

1. Assignment documents executed in duplicate.
2. Original Licence of Occupation Number 403866.
3. A Province of British Columbia Certificate of Insurance for the Insurance required to be maintained under the Licence which is attached. (\$1,000,000.00 Liability).

Galena Contractors Ltd. will have to have their Insurance Company fill this out.

Please return these documents to us by July 28, 2007. (Please note that if all required documents are not submitted by this date, your application for an assignment will be disallowed and any monies paid on account will be forfeited).

.../2

**Integrated Land
Management
Bureau**

Ministry of
Agriculture and Lands

Mailing Address:
1902 Theatre Road
Cranbrook BC V1C 7G1

Location:
1902 Theatre Road
Cranbrook BC
Phone: (250) 426-1766
Fax: (250) 426-1767

- 2 -

Once we have determined that all the requirements have been met, we will provide our consent by signing the Assignment/Assumption Agreement and endorsing the tenure document. We will then return your copy of agreement with the original tenure document.

Should you have any questions regarding the above, please do not hesitate to contact me at 250-426-1756.

Yours truly,

Kathy Pasqua
Portfolio Administrator
Southern Interior Client Services Division

Enclosures



Province of
British Columbia

Ministry of
Forests



EXHIBIT 'A'

LE: 1954C 1-L45895 - Cape Horn 601866 BC Ltd.

OWN AS A

OLD SOLID LINE

OS Reference Maps:

2K031

NAD 27/83 27

Drawn by SPW

Date 2002-09-11

Reg Compt. L
39 005

Revised by

Date

Planning Cell

ODM Map ID 145895

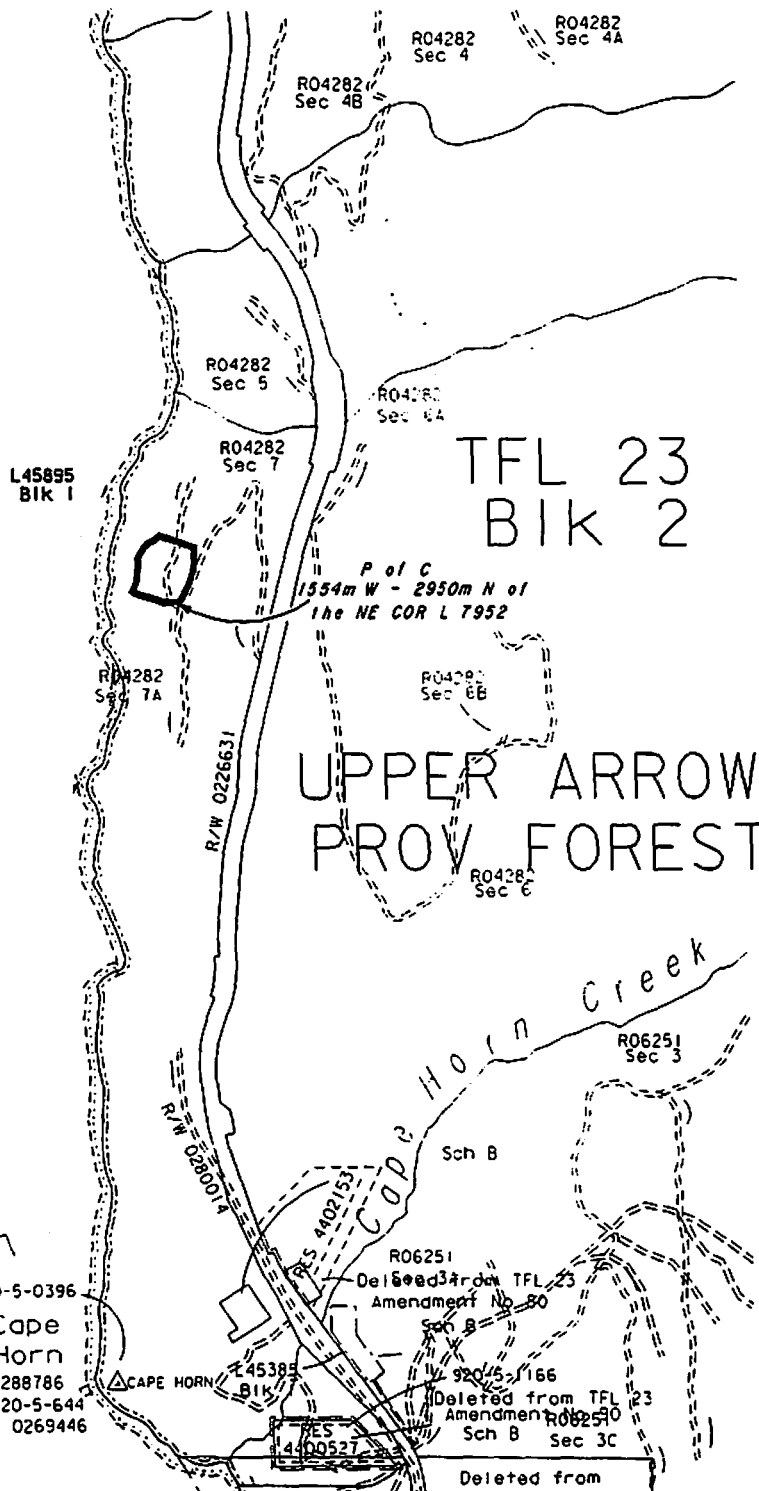
ORCS = 19540-20-

Scale is 20,000

Area
hectares 2.1

excluding Thereout R04282

CASCADES E



4403844

Bisset, Kathy B ILMB:EX

From: Bisset, Kathy B ILMB:EX
Sent: November 14, 2007 11:07 AM
To: Ludwig, Al EMPR:EX
Subject: RE: Licence nos. 339461 and 403661

Al, I have checked into these files -

File#4403844 - License No. 339461 (Quarry)

File#4404091 - License No. 403661 (Quarry)

File#4404142 - (Roadway to Quarry)

All of these files have been assigned from Scarcelli to Interoute Construction. It is OK to issue a Notice of Work to Interoute for the 2 quarries.

-----Original Message-----

From: Ludwig, Al EMPR:EX
Sent: November 14, 2007 10:37 AM
To: Bisset, Kathy B ILMB:EX
Subject: Licence nos. 339461 and 403661

MEMPR has been advised that Interoute Construction Ltd has taken over the operation of these 2 properties and they have applied to have the permits amended into their name. Has the new operator obtained approval from ILMB to operate on these properties under H & J's LOO? If they have had the LOO amended into their name have they applied for an extension of term which is due to expire April 15, 2008 and July 25, 2008?

Regards Al Ludwig

Assignment Application Form

(A transfer document will be prepared from the information provided below)

File Nos. 4404091, 4404142, 4403844

Date of Assignment <i>APRIL 24/07</i>	Consideration <input checked="" type="checkbox"/> (actual selling price for the rights of the tenure)
Billing Responsibility Assignee # (to be entered by ILMB staff)	

Assignee #1

Full Legal Name mandatory <i>INTERROUTE CONSTRUCTION LTD</i> <i>dba H&T READY MIX</i>	
Complete Mailing Address mandatory <i>Box 9897 REVELSTOCK B.C. V0E 3K0</i>	
Physical Address (if different) <i>1021 A SANDSTONE ROAD REVELSTOCK B.C. V0E 2J0</i>	
Phone # <i>(250) 837-4938</i>	Fax # <i>(250) 837-4741</i>
Email Address	
Incorporation # (if a Company) Mandatory if applicable <i>BC0497648</i>	

Assignee #2 (if applicable)

Full Legal Name mandatory <i>INTERROUTE CONSTRUCTION LTD</i> <i>dba H&T READY MIX</i>	
Complete Mailing Address mandatory <i>Box 9297 REVELSTOCK B.C. V0E 3K0</i>	
Physical Address (if different) <i>1021 A SANDSTONE ROAD REVELSTOCK B.C. V0E 2J0</i>	
Phone # <i>(250) 837-4938</i>	Fax # <i>(250) 837-4741</i>
Email Address	
Incorporation # (if a Company) Mandatory if applicable <i>BC0497648</i>	

Type of Tenancy (if there is more than 1 assignee)

Joint Tenants _____ or Tenants in Common _____

Please note that the Assignment Application Agreement will be forwarded to the address below

Submitted by	Your Ref / File Number
Mailing Address	
E-mail Address	

Can the original tenure document be located? ☐ yes ☐ no

(if there are more than 2 assignees, please continue on the next page)

Assignment Application Form

Assignee #3 (if applicable)

Full Legal Name <small>mandatory</small>	INTERROUTE CONSTRUCTION LTD aka H + A READY MIX		
Complete Mailing Address <small>mandatory</small>	BOX 9297 REVELSTOCK, B.C. V0E 2K0		
Physical Address (if different)	1021 A SANDSTONE ROAD REVELSTOCK, B.C. V0E 2S0		
Phone #	(250) 837-4938	Fax #	(250) 837-4741
Email Address			
Incorporation # (if a Company) <small>Mandatory if applicable</small>	BC 0497648		

Assignee #4 (if applicable)

Full Legal Name <small>mandatory</small>			
Complete Mailing Address <small>mandatory</small>			
Physical Address (if different)			
Phone #	() -	Fax #	() -
Email Address			
Incorporation # (if a Company) <small>Mandatory if applicable</small>			

Joint Tenants _____ or _____ Tenants in Common _____

FILE COPY

JA

GA1500
GST# R107864738BRITISH COLUMBIA REVENUE MANAGEMENT SYSTEM
TRANSACTION RECEIPT

PAGE 1

APRIL 30, 2007 14:03

TRANSACTION ID: 1000002

(DUPLICATE RECEIPT)

SD37223

03001 FRONTCOUNTER BC - CRANBROOK

NOTES: FILES 4404091, 4404142 & 4403844

DESCRIPTION: X \$265.00 ASSIGNMENT FEES REFERENCE:

ITEM	PRICE	QUANT	AMOUNT
1718 CLA-CROWN LAND LIC OCCUPATION LIC OCCUPATION	265.00	1	265.00
CLIENT NUMBER AL142768			
DOCUMENT: FILE # 4404091			
REFERENCE: CLIENT NAME HECTOR SCARCELLI			
1718 CLA-CROWN LAND LIC OCCUPATION LIC OCCUPATION	265.00	1	265.00
CLIENT NUMBER AL123695			
DOCUMENT: FILE # 4404142			
REFERENCE: CLIENT NAME H & J RADY-MIX LTD.			
1718 CLA-CROWN LAND LIC OCCUPATION LIC OCCUPATION	265.00	1	265.00
CLIENT NUMBER AL123695			
DOCUMENT: FILE # 4403844			
REFERENCE: CLIENT NAME H & J READY-MIX LTD.			

TRANSACTION TOTAL 795.00

B A BLACKTOP (CRANBROOK)

CHEQUE 795.00

GA1500
GST# R107864738BRITISH COLUMBIA REVENUE MANAGEMENT SYSTEM
TRANSACTION RECEIPT

PAGE 2

APRIL 30, 2007 14:03

TRANSACTION ID: 1000002

(DUPLICATE RECEIPT)

SD37223

03001 FRONTCOUNTER BC - CRANBROOK

TOTAL PAYMENT 795.00

CHANGE 0.00

file - 4403844

IP - 123695

DID - 822708

INV - 130210

404792

RECEIVED
ENTERED MAY 02 2007

MAY 01 2007

\$ 265-

BY RZ.

Assign fee - 250
GST - 15Part 3 - Page 5
NR 2014 09095ATB
JA

BA BLACKTOP (CRANBROOK), DIV. OF INTERROUTE CONSTRUCTION LTD.

006521

Invoice	Date	Amount	Invoice	Date	Amount
200704	Apr 26/07	795.00	<p>Integrated Land Management Bureau Ministry of Agriculture & Lands</p> <p>APR 30 2007</p> <p>RECEIVED CRANBROOK, BC</p>		

: MINISTER OF FINANCE Cheque: 006521 Apr 26/07 Total: 795.00

THIS CHEQUE CONTAINS A MICROLINE BORDER AND SECURITY FEATURES

BA BLACKTOP (CRANBROOK)
DIVISION OF INTERROUTE CONSTRUCTION LTD.

P.O. BOX 466
2200 - THEATRE ROAD
CRANBROOK, B.C. V1C 4H9
250-426-7205

CANADIAN IMPERIAL BANK OF COMMERCE
919 BAKER STREET
CRANBROOK, BC V1C 1A4

006521


DATE	AMOUNT
Apr 26/07	\$795.00


*** Seven Hundred Ninety Five Dollars and 00 Cents

PAY
TO:

MINISTER OF FINANCE

BA BLACKTOP (CRANBROOK)
DIV. OF INTERROUTE CONSTRUCTION LTD.

PER 

PER 

s.21

File 4403894
H+J Ready-Mix Ltd.
DISP 822708
IP 123695
MAL License SC1718

Assignment Information Sheet

Date the package sent out from ILMB: April 25, 2007

File Numbers: **4404091** Tenure Number: **403661**

4404142

339483

4403844

339461

Purpose of the Tenure: **Quarrying and Roadway**

Must hold a minimum of \$1,000,000.00 in liability insurance

In order to qualify to hold this tenure, the assignee(s) must meet the following eligibility requirements

- ☐ 19 years of age or older or
- ☐ Canadian citizen or Landed Immigrant (permanent resident of Canada) or
- ☐ Corporation registered in the Province of British Columbia (indicate Registration Number _____) or incorporated under the laws of Canada and must be a company in good standing

➤➤➤ If applicant meets the above requirements and wishes to proceed with the assignment of this tenure, please complete the enclosed **Application Form** and return with the documentation noted above (if applicable) and the **Assignment fee of \$265.00 for each tenure (3 x \$265) payable to Minister of Finance. [non-refundable and non-transferrable]**

** Please circle whether the original tenure documents are available **YES** **NO**

Indicate where future billings/correspondence should be mailed (*name and mailing address*). For multiple names on document, only **one name** and one address is permitted to assume responsibility, and we will take that to be Assignee #1 on the Application Form.

Once we receive the completed Application form and fees, we will prepare the Assignment Assumption Agreement (in triplicate) and return to you for signatures of the assignor(s) and assignee(s).

(Please note that no legal advice can be given by Integrated Land Management Bureau. Questions of this nature should be directed to a lawyer or notary of your choice)

ENDORSEMENT SCHEDULE

Endorsement No. 1

June 18, 2007

Assigned unto Interoute Construction Ltd. from H & J Ready-Mix Ltd. dated May 9, 2007.



Licence No.:

339461

File No.: 4403844

Disposition No.: 822708

THIS AGREEMENT is dated for reference July 25, 2003 and is made under the *Land Act*.

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, represented by the minister responsible for the *Land Act*, Parliament Buildings, Victoria, British Columbia

(the "Province")

AND:

H & J READY-MIX LTD., Inc. no. 144533
PO Box 1759
Revelstoke, BC V0E 2S0
(the "Licensee")

The parties agree as follows:

ARTICLE 1 - INTERPRETATION

1.1 In this Agreement,

"Actual Production" means the amount of material measured in cubic metre removed from the Land during a licence Period, as verified in the Production Report for that licence Period;

"Agreement" means this licence of occupation;

"Commencement Date" means July 25, 2003;

"disposition" has the meaning given to it in the *Land Act* and includes a licence of occupation;

"Fees" means the fees set out in Article 3;

"Improvements" includes anything made, constructed, erected, built, altered, repaired or added to, in, on or under the Land, and attached to it or intended to become a part of it,

and also includes any clearing, excavating, digging, drilling, tunnelling, filling, grading or ditching of, in, on or under the Land;

"Land" means that part or those parts of the following described land shown outlined by bold line on the schedule attached to this Agreement entitled "Legal Description Schedule":

That part of the Northeast 1/4 of Section 4, Township 24, Range 2, West of the Sixth Meridian, Kootenay District, containing 5.08 hectares, more or less
except for those parts of the land that, on the Commencement Date, consist of highways (as defined in the *Highway Act*) and land covered by water;

"licence Period" means the first 12 months period of the Term beginning on the Commencement Date and each successive 12 months period thereafter.

"Operating Record" means a record of all material removed from the Land and includes weigh scale data, quantity surveyor's reports, production and shipping schedules, income statements and all other documents and records kept by you in connection with your quarrying operation on the Land;

"Production Report" means a report that contains

- (a) a detailed statement showing the quantity of material removed from the Land during the licence Period covered by the report, and
- (b) your Statutory Declaration in a form satisfactory to us confirming without qualification that the statement contained in the Production Report is true;

"Realty Taxes" means all taxes, rates, levies, duties, charges and assessments levied or charged, at any time, by any competent governmental authority which relate to the Land, the Improvements or both of them and which you are liable to pay;

"Royalty Fee" means the royalty fee referred to in Article 3;

"Security" means the security referred to in section 6.1 or 6.2, as replaced or supplemented in accordance with section 6.5;

"Term" means the period of time set out in section 2.2;

"we", "us" or "our" refers to the Province alone and never refers to the combination of the Province and the Licensee: that combination is referred to as **"the parties"**; and

"you" or "your" refers to the Licensee.

1.2 In this Agreement, "person" includes a corporation, firm or association and wherever the singular or masculine form is used in this Agreement it will be construed as the plural or

feminine or neuter form, as the case may be, and vice versa where the context or parties require.

- 1.3 The captions and headings contained in this Agreement are for convenience only and do not define or in any way limit the scope or intent of this Agreement.
- 1.4 This Agreement will be interpreted according to the laws of the Province of British Columbia.
- 1.5 Where there is a reference to an enactment of the Province of British Columbia or of Canada in this Agreement, that reference will include a reference to every amendment to it, every regulation made under it and any subsequent enactment of like effect and, unless otherwise indicated, all enactments referred to in this Agreement are enactments of the Province of British Columbia.
- 1.6 If any section of this Agreement, or any part of a section, is found to be illegal or unenforceable, that section or part of a section, as the case may be, will be considered separate and severable and the remainder of this Agreement will not be affected and this Agreement will be enforceable to the fullest extent permitted by law.
- 1.7 Each schedule to this Agreement is an integral part of this Agreement as if set out at length in the body of this Agreement.
- 1.8 This Agreement constitutes the entire agreement between the parties and no understanding or agreement, oral or otherwise, exists between the parties with respect to the subject matter of this Agreement except as expressly set out in this Agreement and this Agreement may not be modified except by subsequent agreement in writing between the parties.
- 1.9 Each party will, upon the request of the other, do or cause to be done all lawful acts necessary for the performance of the provisions of this Agreement.
- 1.10 All provisions of this Agreement in our favour and all of our rights and remedies, either at law or in equity, will survive the termination of this Agreement.
- 1.11 Time is of the essence of this Agreement.
- 1.12 Wherever this Agreement provides that an action may be taken, a consent or approval must be obtained or a determination must be made, then you or we, as the case may be, will act reasonably in taking such action, deciding whether to provide such consent or approval or making such determination; but where this Agreement states that you or we have sole discretion to take an action, provide a consent or approval or make a determination, there will be no requirement to show reasonableness or to act reasonably in taking that action, providing that consent or approval or making that determination.

ARTICLE 2 - GRANT AND TERM

- 2.1 On the terms and conditions set out in this Agreement, we grant you a licence of occupation of the Land for sand and gravel quarry purposes, and you acknowledge this licence of occupation does not grant you exclusive use and occupancy of the Land.
- 2.2 The term of this Agreement commences on the Commencement Date and terminates on the 5th anniversary of that date, or such earlier date provided for in this Agreement.

ARTICLE 3 - FEES

- 3.1 You will pay to us:
- (a) for the first year of the Term, Fees of \$500.00, payable in advance on the Commencement Date; and
 - (b) for the first year of the Term, a royalty fee in an amount equal to \$2.00 per cubic metre of Actual Production payable at the times and in the manner specified in section 3.4 of this Article; and
 - (c) for each year during the remainder of the Term, the Fees either determined by us under section 3.2 or established under section 3.3, payable in advance on each anniversary of the Commencement Date; and
 - (d) for each year during the remainder of the Term, the Royalty Fee, either determined by us under section 3.5 or established under section 3.6 and payable at the times and in the manner specified in section 3.4 of this Article.
- 3.2 We will, not later than 15 days before each anniversary of the Commencement Date during the Term, give written notice to you specifying in our sole discretion the Fees payable by you under subsection 3.1(c) for the subsequent year of the Term.
- 3.3 If we do not give notice to you under section 3.2, the Fees payable by you under section 3.1(c) for the year for which notice was not given will be the same as the Fees payable by you for the preceding year of the Term.
- 3.4 You will within 15 days after the end of each licence Period deliver to us a Production Report for that licence Period together with a certified cheque in a sum equal to the Royalty Fee payable under sections 3.1 (b) or (d) for the Actual Production for that licence Period.
- 3.5 We may, by notice in writing to you not less than 15 days before the start of a licence Period, increase the Royalty Fee payable under sections 3.1 (b) or (d) for that licence Period, and where

such an increase is made, the Royalty Fee shall be calculated and paid accordingly.

- 3.6 If we do not give you notice under section 3.5 with respect to any licence Period, the Royalty Fee payable for that licence Period shall be equal to the Royalty Fee payable for the immediately preceding licence Period.
- 3.7 You will, notwithstanding any other provision of this Agreement, not levy a Royalty Fee for any material removed from the Land used by us in the construction and maintenance of public works projects.

ARTICLE 4 - COVENANTS

- 4.1 You must
- (a) pay, when due,
 - (i) the Fees to us at the address set out in Article 10,
 - (ii) the Realty Taxes, and
 - (iii) all charges for electricity, gas, water and other utilities supplied to the Land for use by you or on your behalf or with your permission;
 - (b) deliver to us, immediately upon demand, receipts or other evidence of the payment of Realty Taxes and all other money required to be paid by you under this Agreement;
 - (c) observe, abide by and comply with
 - (i) all applicable laws, bylaws, orders, directions, ordinances and regulations of any competent governmental authority in any way affecting your use and occupation of the Land and the Improvements, and
 - (ii) the provisions of this Agreement;
 - (d) in respect of the use of the Land by you or by anyone you permit to use the Land, keep the Land and the Improvements in a safe, clean and sanitary condition satisfactory to us, and at our written request, make the Land and the Improvements safe, clean and sanitary;
 - (e) not commit any wilful or voluntary waste, spoil or destruction on the Land or do anything on the Land that may be or become a nuisance or annoyance to an owner or occupier of land in the vicinity of the Land;

- (f) use and occupy the Land only in accordance with and for the purposes set out in section 2.1;
- (g) not construct, place or affix any Improvement on or to the Land except as necessary for the purposes set out in section 2.1;
- (h) pay all accounts and expenses as they become due for work performed on or materials supplied to the Land at your request, on your behalf or with your permission, except for money that you are required to hold back under the *Builders Lien Act*;
- (i) if any claim of lien over the Land is made under the *Builders Lien Act* for work performed on or materials supplied to the Land at your request, on your behalf or with your permission, immediately take all steps necessary to have the lien discharged, unless the claim of lien is being contested in good faith by you and you have taken the steps necessary to ensure that the claim of lien will not subject the Land or any interest of yours under this Agreement to sale or forfeiture;
- (j) not cut or remove timber on or from the Land without
 - (i) our prior written consent, and
 - (ii) being granted the right under the *Forest Act* to harvest Crown timber on the Land;
- (k) during the Term of this licence maintain the Operating Record in such form and containing such information as we may reasonably require, and
 - (i) permit us to attend at your offices to examine the Operating Record during normal office hours, and
 - (ii) within 10 days of receiving a written request from us, deliver to us copies of the Operating Record;
- (l) establish and maintain proper books of account, making true entries of all dealings and transactions in relation to your quarrying operation on the Land, and at all reasonable times furnish us such information relating to your quarrying operation as we may reasonably require;
- (m) upon receipt of our written request, cause an independent quantity survey to be undertaken by a qualified Professional Engineer or British Columbia Land Surveyor, to confirm the actual amount of material removed from the Land during the preceding licence Period;
- (n) reclaim the Land to the post extraction land use approved by us in accordance with the

reclamation plan approved by the Ministry of Energy and Mines;

- (o) maintain the quarry in a safe and orderly manner in accordance with the provisions of the *Mines Act*;
- (p) take all reasonable precautions to avoid disturbing or damaging any archaeological material found on or under the Land and, upon discovering any archaeological material on or under the Land, you must immediately notify the ministry responsible for administering the *Heritage Conservation Act*;
- (q) not construct any buildings.
- (r) maintain a treed buffer around the excavation area.
- (s) conduct a volumetric survey of the quarry area prior to any excavation and provide a copy to Land and Water British Columbia Inc.
- (t) control noxious weeds.
- (u) permit us, or our authorized representatives, to enter on the Land at any time to inspect the Land and the Improvements;
- (v) indemnify and save us and our servants, employees and agents harmless against all claims, actions, causes of action, losses, damages, costs and liabilities, including fees of solicitors and other professional advisors, arising out of
 - (i) your breach, violation or nonperformance of a provision of this Agreement, and
 - (ii) any personal injury, bodily injury (including death) or property damage occurring or happening on or off the Land by virtue of your entry upon, use or occupation of the Land,and the amount of all such losses, damages, costs and liabilities will be payable to us immediately upon demand; and
- (w) on the termination of this Agreement,
 - (i) peaceably quit and deliver to us possession of the Land and, subject to paragraphs (ii), (iii) and (iv), the Improvements in a safe, clean and sanitary condition,
 - (ii) within 90 days, remove from the Land any Improvement you want to remove, if the Improvement was placed on or made to the Land by you and you are not in default of this Agreement,

- (iii) not remove any Improvement from the Land if you are in default of this Agreement, unless we direct or permit you to do so under paragraph (iv),
- (iv) remove from the Land any Improvement that we, in writing, direct or permit you to remove, other than any Improvement permitted to be placed on or made to the Land under another disposition, and
- (v) restore the surface of the Land as nearly as may reasonably be possible to the same condition as it was on the Commencement Date, to our satisfaction, but if you are not directed or permitted to remove an Improvement under paragraph (iv), this paragraph will not apply to that part of the surface of the Land on which that Improvement is located,

and all of your right, interest and estate in the Land will be absolutely forfeited to us, and to the extent necessary, this covenant will survive the termination of this Agreement.

4.2 You will not permit any person to do anything you are restricted from doing under this Article.

ARTICLE 5 - LIMITATIONS

5.1 You agree with us that

- (a) we are under no obligation to provide access or services to the Land or to maintain or improve existing access roads;
- (b) this Agreement is subject to
 - (i) all subsisting dispositions and subsisting grants to or rights of any person made or acquired under the *Coal Act*, *Forest Act*, *Mineral Tenure Act*, *Petroleum and Natural Gas Act*, *Range Act*, *Wildlife Act* or *Water Act*, or any extension or renewal of the same, whether or not you have actual notice of them, and
 - (ii) the exceptions and reservations of interests, rights, privileges and titles referred to in section 50 of the *Land Act*;
- (c) without limiting subsection 4.1(v), you must indemnify and save us and our servants, employees and agents harmless from and against all claims, actions, causes of action, losses, damages, costs and liabilities, including fees of solicitors and other professional advisors, arising out of any conflict between your rights under this Agreement and the rights of any person under a disposition or under a subsisting grant to or right of any person made or acquired under the *Coal Act*, *Forest Act*, *Mineral Tenure Act*, *Petroleum*

and Natural Gas Act, Range Act, Wildlife Act or Water Act (or any prior or subsequent enactment of the Province of British Columbia of like effect), or any extension or renewal of the same, whether or not you have actual notice of them, and the amount of all such losses, damages, costs and liabilities will be payable to us immediately upon demand;

- (d) you release us from all claims, actions, causes of action, suits, debts and demands that you now have or may at any time in the future have against us arising out of any conflict between your rights under this Agreement and the rights of any person under a disposition or under a subsisting grant to or right made or acquired under the enactments referred to in subsection (c), and you acknowledge that this Agreement and your rights under this Agreement are subject to those grants and rights referred to in subsection (c) whether or not you have actual notice of them.
- (e) we may make other dispositions of or over the Land;
- (f) you will make no claim for compensation, in damages or otherwise, in respect of a disposition made under subsection (e), where such disposition does not materially affect the exercise of your rights under this Agreement;
- (g) subject to subsection (f), all of your costs and expenses, direct or indirect, that arise out of any lawful interference with your rights under this Agreement as a result of the exercise or operation of the interests, rights, privileges and titles reserved to us in subsections (b) and (e) will be borne solely by you;
- (h) you will not commence or maintain proceedings under section 65 of the *Land Act* in respect of any lawful interference with your rights under this Agreement that arises as a result of the exercise or operation of the interests, rights, privileges and titles described in subsections (b) and (e);
- (i) you will not remove or permit the removal of any Improvement from the Land except as expressly permitted or required under this Agreement;
- (j) any interest you may have in the Improvements ceases to exist and becomes our property upon the termination of this Agreement, except where an Improvement may be removed under paragraph 4.1(w)(ii), (iii) or (iv) in which case any interest you may have in that Improvement ceases to exist and becomes our property if the Improvement is not removed from the Land within the time period set out in paragraph 4.1(w)(ii) or the time period provided for in the direction or permission given under paragraph 4.1(w)(iii); and
- (k) if, after the termination of this Agreement, we permit you to remain in possession of the Land and we accept money from you in respect of such possession, a tenancy from year to year will not be created by implication of law and you will be deemed to be a

monthly occupier only subject to all of the provisions of this Agreement, except as to duration, in the absence of a written agreement to the contrary.

ARTICLE 6 - SECURITY AND INSURANCE

- 6.1 On the Commencement Date, you will deliver to us security in the amount of \$0.00 which will
- (a) guarantee the performance of your obligations under this Agreement;
 - (b) be in the form required by us; and
 - (c) remain in effect until we certify, in writing, that you have fully performed your obligations under this Agreement.
- 6.2 Despite section 6.1, your obligations under that section are suspended for so long as you maintain in good standing other security acceptable to us to guarantee the performance of your obligations under this Agreement and all other dispositions held by you.
- 6.3 We may use the Security for the payment of any costs and expenses incurred by us to perform any of your obligations under this Agreement that are not performed by you or to pay any overdue Fees and, if such event occurs, you will, within 30 days of that event, deliver further Security to us in an amount equal to the amount drawn down by us.
- 6.4 After we certify, in writing, that you have fully performed your obligations under this Agreement, we will return to you the Security maintained under section 6.1, less all amounts drawn down by us under section 6.3.
- 6.5 You acknowledge that we may, from time to time, notify you to
- (a) change the form or amount of the Security; and
 - (b) provide and maintain another form of Security in replacement of or in addition to the Security posted by you under this Agreement;
- and you will, within 60 days of receiving such notice, deliver to us written confirmation that the change has been made or the replacement or additional form of Security has been provided by you.
- 6.6 You must
- (a) without limiting your obligations or liabilities under this Agreement, at your expense, effect and keep in force during the Term Comprehensive/Commercial General Liability insurance protecting us as an additional insured in an amount of not less than

\$1,000,000.00 inclusive per occurrence insuring against liability for personal injury, bodily injury (including death) or property damage, and claims for liability assumed under contract, arising from all accidents or occurrences on the Land or the Improvements;

- (b) on the Commencement Date and immediately upon demand, deliver to us a completed "Province of British Columbia Certificate of Insurance" for all insurance required to be maintained by you under this Agreement;
- (c) ensure that all insurance required to be maintained by you under this Agreement is
 - (i) placed with insurers licensed in British Columbia,
 - (ii) primary and does not require the sharing of any loss by any insurer that insures us, and
 - (iii) endorsed to provide us with 30 days' advance written notice of cancellation or material change; and
- (d) deliver to us, immediately upon demand, certified copies of all policies of insurance required to be maintained by you under this Agreement.

6.7 You acknowledge that we may, from time to time, notify you to

- (a) change the amount of insurance set out in subsection 6.6(a); and
- (b) provide and maintain another type or types of insurance in replacement of or in addition to the insurance previously required to be maintained by you under this Agreement;

and you will, within 60 days of receiving such notice, cause the amounts and types to be changed and deliver to us a completed "Province of British Columbia Certificate of Insurance" for all insurance then required to be maintained by you under this Agreement.

ARTICLE 7 - ASSIGNMENT

- 7.1 You must not sublicense, assign, mortgage or transfer this Agreement, or permit any person to use or occupy the Land, without our prior written consent, which consent we may withhold in our sole discretion.
- 7.2 For the purpose of section 7.1, if you are a corporation, a change in control (as that term is defined in subsection 1(4) of the *Company Act*) will be deemed to be a transfer of this Agreement.

- 7.3 Section 7.2 does not apply to a corporation if the shares of the corporation which carry votes for the election of the directors of the corporation trade on a stock exchange located in Canada.
- 7.4 Prior to considering a request for our consent under section 7.1, we may require you to meet certain conditions, including without limitation, that you submit to us a "site profile", "preliminary site investigation" or "detailed site investigation" (as those terms are defined in the *Waste Management Act*) for the Land or other similar type of investigation of the Land.

ARTICLE 8 - TERMINATION

8.1 You agree with us that

- (a) if you
 - (i) default in the payment of any money payable by you under this Agreement, or
 - (ii) fail to observe, abide by and comply with the provisions of this Agreement (other than the payment of any money payable by you under this Agreement),and your default or failure continues for 60 days after we give written notice of the default or failure to you,
- (b) if, in our opinion, you fail to make diligent use of the Land for the purposes set out in this Agreement, and your failure continues for 60 days after we give written notice of the failure to you;
- (c) if you
 - (i) become insolvent or make an assignment for the general benefit of your creditors,
 - (ii) commit an act which entitles a person to take action under the *Bankruptcy and Insolvency Act* (Canada) or a bankruptcy petition is filed or presented against you or you consent to the filing of the petition or a decree is entered by a court of competent jurisdiction adjudging you bankrupt under any law relating to bankruptcy or insolvency, or
 - (iii) voluntarily enter into an arrangement with your creditors;
- (d) if you are a corporation,
 - (i) a receiver or receiver-manager is appointed to administer or carry on your business, or

- (ii) an order is made, a resolution passed or a petition filed for your liquidation or winding up;
- (e) if you are a society, you convert into a company in accordance with the *Society Act* without our prior written consent;
- (f) if this Agreement is taken in execution or attachment by any person; or
- (g) if we require the Land for our own use or, in our opinion, it is in the public interest to cancel this Agreement and we have given you 60 days' written notice of such requirement or opinion;

this Agreement will, at our option and with or without entry, terminate and your right to use and occupy the Land will cease.

8.2 If the condition complained of (other than the payment of any money payable by you under this Agreement) reasonably requires more time to cure than 60 days, you will be deemed to have complied with the remedying of it if you commence remedying or curing the condition within 60 days and diligently complete the same.

8.3 You agree with us that

- (a) you will make no claim for compensation, in damages or otherwise, upon the lawful termination of this Agreement under section 8.1; and
- (b) our remedies under this Article are in addition to those available to us under the *Land Act*.

ARTICLE 9 - DISPUTE RESOLUTION

9.1 If any dispute arises under this Agreement, the parties will attempt to resolve the dispute within 60 days of the dispute arising (or within such other time period agreed to by the parties) and, subject to applicable laws, provide candid and timely disclosure to each other of all relevant facts, information and documents to facilitate those efforts.

9.2 Subject to section 9.5, if a dispute under this Agreement cannot be resolved under section 9.1, we or you may refer the dispute to arbitration conducted by a sole arbitrator appointed pursuant to the *Commercial Arbitration Act*.

9.3 The cost of the arbitration referred to in section 9.2 will be shared equally by the parties and the arbitration will be governed by the laws of the Province of British Columbia.

9.4 The arbitration will be conducted at our offices (or the offices of our authorized representative)

in Kamloops, British Columbia, and if we or our authorized representative have no office in Kamloops, British Columbia, then our offices (or the offices of our authorized representative) that are closest to Kamloops, British Columbia.

- 9.5 A dispute under this Agreement in respect of a matter within our sole discretion cannot, unless we agree, be referred to arbitration as set out in section 9.2.

ARTICLE 10 - NOTICE

- 10.1 Any notice required to be given by either party to the other will be deemed to be given if mailed by prepaid registered mail in Canada or delivered to the address of the other as follows:

to us

Land and Water British Columbia Inc.
3rd Floor 145-3rd Ave
Kamloops, BC V2C 3M1;

to you

H & J READY-MIX LTD.
PO Box 1759
Revelstoke, BC V0E 2S0;

or at such other address as a party may, from time to time, direct in writing, and any such notice will be deemed to have been received if delivered, on the day of delivery, and if mailed, 7 days after the time of mailing, except in the case of mail interruption in which case actual receipt is required.

- 10.2 In order to expedite the delivery of any notice required to be given by either party to the other, a concurrent facsimile copy of any notice will, where possible, be provided to the other party but nothing in this section, and specifically the lack of delivery of a facsimile copy of any notice, will affect the deemed delivery provided in section 10.1.
- 10.3 The delivery of all money payable to us under this Agreement will be effected by hand, courier or prepaid regular mail to the address specified above, or by any other payment procedure agreed to by the parties, such deliveries to be effective on actual receipt.

ARTICLE 11 - MISCELLANEOUS

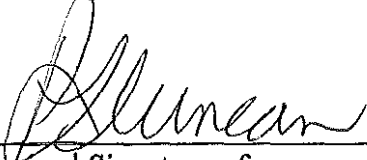
- 11.1 No provision of this Agreement will be considered to have been waived unless the waiver is in

writing, and a waiver of a breach of a provision of this Agreement will not be construed as or constitute a waiver of any further or other breach of the same or any other provision of this Agreement, and a consent or approval to any act requiring consent or approval will not waive or render unnecessary the requirement to obtain consent or approval to any subsequent same or similar act.

- 11.2 No remedy conferred upon or reserved to us under this Agreement is exclusive of any other remedy in this Agreement or provided by law, but that remedy will be in addition to all other remedies in this Agreement or then existing at law, in equity or by statute.
- 11.3 The grant of a sublicense, assignment or transfer of this Agreement does not release you from your obligation to observe and perform all the provisions of this Agreement on your part to be observed and performed unless we specifically release you from such obligation in our consent to the sublicense, assignment or transfer of this Agreement.
- 11.4 This Agreement extends to, is binding upon and enures to the benefit of the parties, their heirs, executors, administrators, successors and permitted assigns.
- 11.5 If, due to a strike, lockout, labour dispute, act of God, inability to obtain labour or materials, law, ordinance, rule, regulation or order of a competent governmental authority, enemy or hostile action, civil commotion, fire or other casualty or any condition or cause beyond your reasonable control, other than normal weather conditions, you are delayed in performing any of your obligations under this Agreement, the time for the performance of that obligation will be extended by a period of time equal to the period of time of the delay so long as
- (a) you give notice to us within 30 days of the commencement of the delay setting forth the nature of the delay and an estimated time frame for the performance of your obligation; and
 - (b) you diligently attempt to remove the delay.
- 11.6 You agree with us that
- (a) we are under no obligation, express or implied, to provide financial assistance or to contribute toward the cost of servicing, creating or developing the Land or the Improvements and you are solely responsible for all costs and expenses associated with your use of the Land and the Improvements for the purposes set out in this Agreement; and
 - (b) nothing in this Agreement constitutes you as our agent, joint venturer or partner or gives you any authority or power to bind us in any way.
- 11.7 This Agreement does not override or affect any powers, privileges or immunities to which you are entitled under any enactment of the Province of British Columbia.

The parties have executed this Agreement as of the date of reference of this Agreement.

SIGNED on behalf of **HER MAJESTY
THE QUEEN IN RIGHT OF THE
PROVINCE OF BRITISH COLUMBIA** by
Land and Water British Columbia Inc.,
authorized representative of the
minister responsible for the *Land Act*



Authorized Signatory of
Land and Water British Columbia Inc.

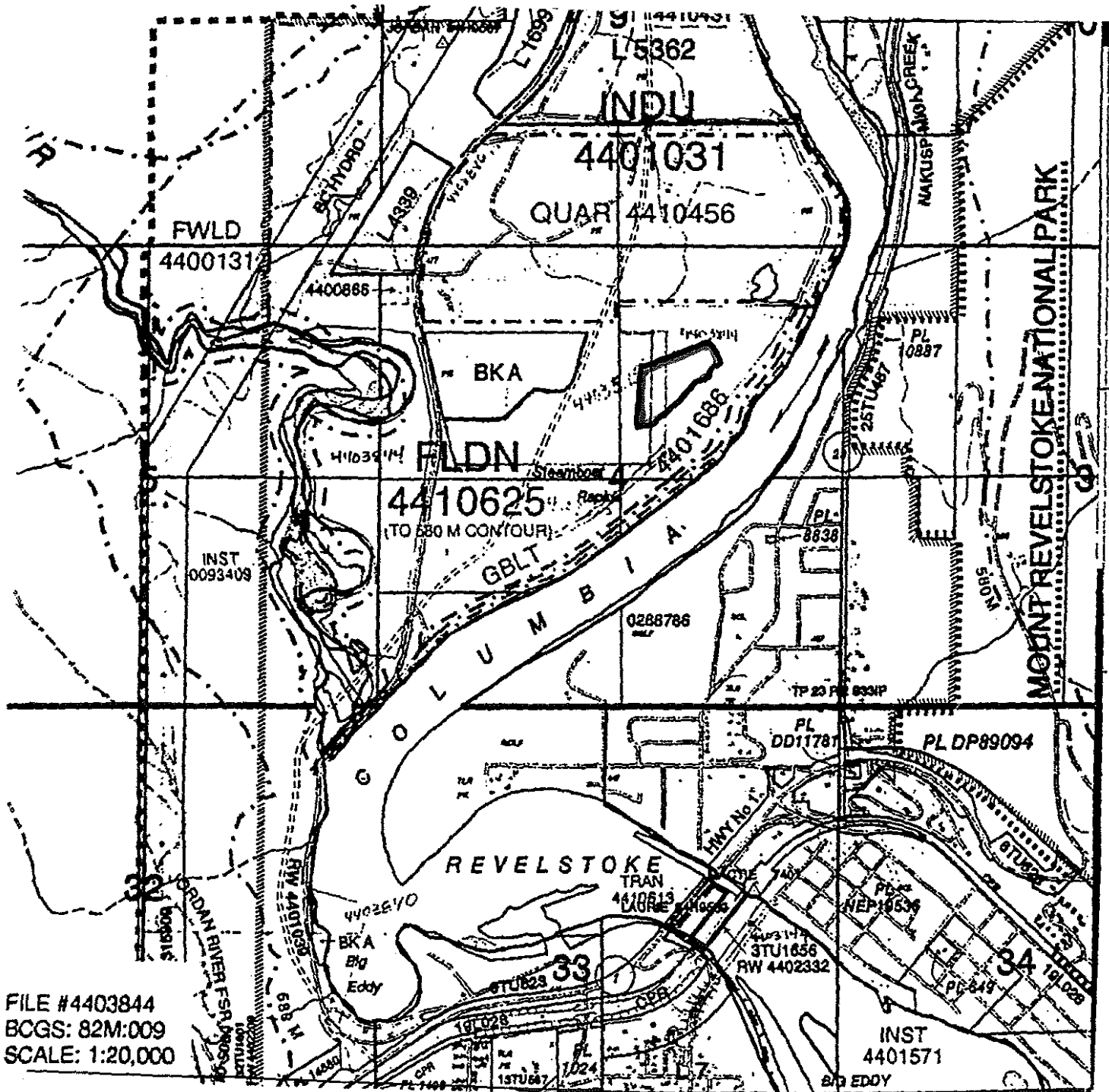
SIGNED on behalf of **H & J READY-MIX LTD.**
by a duly authorized signatory



Authorized Signatory

LEGAL DESCRIPTION SCHEDULE

That part of the Northeast $\frac{1}{4}$ of Section 4, Township 24, Range 2, West of the Sixth Meridian, Kootenay District containing 5.08 hectares, more or less



QUARRYING LICENCE



ASSIGNMENT/ASSUMPTION

Licence. No.: 339461

File No.: 4403844

Disposition No.: 822708

THIS AGREEMENT is dated for reference May 9, 2007.

BETWEEN:

H & J READY-MIX LTD.
PO Box 1759
Revelstoke, BC V0E 2S0

OF THE FIRST PART

(herein the "Assignor")

AND:

INTERROUTE CONSTRUCTION LTD., INC. NO. BC0497648
Dba H & J Ready-Mix Ltd.
PO Box 9297
Revelstoke, BC V0E 3K0

OF THE SECOND PART

(herein the "Assignee")

AND:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, represented by the minister responsible for the *Land Act*, Parliament Buildings, Victoria, British Columbia

OF THE THIRD PART

(herein the "Province")

WITNESS THAT WHEREAS:

The Assignor and the Province entered into a License of Occupation (herein called the "Document") over those lands more particularly known and described as:

That part of the of the Northeast 1/4 of Section 4, Township 24, Range 2, West of the 6th Meridian, Kootenay District, containing 5.08 hectares, more or less.

NOW THEREFORE THIS AGREEMENT WITNESSETH that for good and valuable consideration paid by the Assignee to the Assignor and by the Assignee and the Assignor to the Province, the receipt and sufficiency of which is hereby acknowledged by both the Assignor and the Province, the parties agree as follows:

ARTICLE I - ASSIGNMENT

- 1.1 The Assignor assigns all of his right, title, interest and estate in and to the Document to the Assignee.

ARTICLE II - ASSUMPTION

- 2.1 The Assignee covenants with the Province to assume and be bound by all the terms, conditions, covenants, obligations and agreements contained in the Document.

ARTICLE III - CONSENT

- 3.1 The Province consents to the execution and delivery of this agreement and the Assignment.
- 3.2 The Province releases and discharges the Assignor from all the terms, conditions, covenants, obligations and agreements contained in the Document.

ARTICLE IV - WARRANTIES AND REPRESENTATIONS

- 4.1 The Assignee warrants and represents to the Province, with the intent that the Province will rely thereon, that the Assignee:
 - (a) is a corporation duly formed under laws of the Province of British Columbia and has filed all necessary documents under such laws and has complied with all requirements of the *Business Corporations Act*;
 - (b) has the power, capacity and authority to enter into this agreement and to carry out its obligations contemplated herein, all of which have been duly and validly authorized by all necessary proceedings; and

- (c) is in good standing with respect to the filing of returns in the Office of the Registrar of Companies of British Columbia.

4.2 The Assignee acknowledges to the Province and to the Assignor that:

- (a) the Assignee has inspected the land, and the improvements (if any) situate thereon, which are the subject of the Document and is fully aware of the condition of that land, and the improvements (if any) situate thereon, and accepts same in its current state;
- (b) the Assignee has reviewed and inspected all municipal and regional by-laws, regulations and policies concerning the use and development of the land which is the subject of the Document; and
- (c) there are no representations, warranties, collateral agreements or conditions affecting this agreement or the land, and the improvements (if any) situate thereon, which are the subject of the Document except as expressed herein and that this agreement constitutes the entire agreement.

ARTICLE V - NOTICE

- 5.1 The address of the Assignee for the service of notices or documents under the Document shall be the address specified for the Assignee on the first page of this agreement.

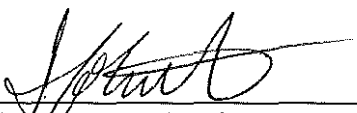
ARTICLE VI - MISCELLANEOUS

- 6.1 This agreement shall enure to the benefit of the parties hereto and their respective successors and permitted assigns.
- 6.2 The parties to this agreement confirm that the terms of the Document remain and continue in full force and effect.
- 6.3 This agreement may not be assigned by the Assignee except in accordance with the provisions of the Document.
- 6.4 This agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia.
- 6.5 In this agreement, unless the context otherwise requires, the singular includes the plural and the masculine includes the feminine gender and corporation as the case may be.
- 6.6 The captions and headings contained in this agreement are for convenience only and are not to be construed as defining or in anyway limiting the scope or intent of the provisions hereof.

- 6.7 Where there is a reference to an enactment of the Province of British Columbia in this agreement, that reference shall include a reference to any subsequent enactment of the Province of British Columbia of like effect, and, unless the context otherwise requires, all statutes referred to herein are enactments of the Province of British Columbia.
- 6.8 If any section of this agreement or any part of a section is found to be illegal or unenforceable, that part or section as the case may be, shall be considered separate and severable and the remaining parts shall be enforceable to the fullest extent permitted by law.
- 6.9 All schedules attached to this agreement form an integral part of this agreement.

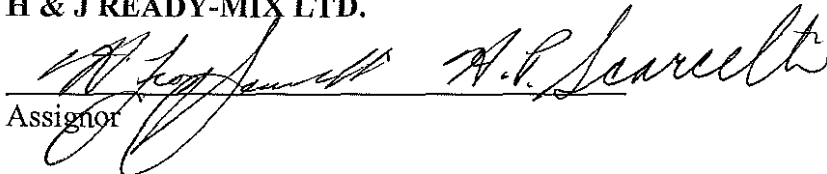
IN WITNESS WHEREOF the Assignor and Assignee have executed this agreement, and the Province has consented thereto, the day and year first above written.

SIGNED on behalf of **HER MAJESTY
THE QUEEN IN RIGHT OF THE
PROVINCE OF BRITISH COLUMBIA**
by the minister responsible for the *Land Act*
or the minister's authorized representative



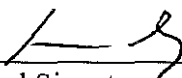
Minister responsible for the *Land Act*
or the minister's authorized representative

SIGNED BY
H & J READY-MIX LTD.



Assignor

SIGNED on behalf of **INTERROUTE CONSTRUCTION LTD.**
by a duly authorized signatory



Authorized Signatory



Integrated Land Management Bureau

Our File: 4403844
4404091
4404142

May 9, 2007

Interoute Construction Ltd.
Dba H & J Ready-Mix Ltd.
PO Box 9297,
Revelstoke, BC V0E 3K0

Dear Troy Scarcelli:

I am enclosing the Assignment/Assumption Agreements as requested. Please examine all three documents carefully and ensure that:

1. The correct legal names and spelling appear.
2. The address listed is where you want all future correspondence to be sent.
3. The assignee(s) meet all the requirements of Article IV of the Assignment/Assumption Agreement.

When you are satisfied that the documents are accurate, please have the assignors and the assignees sign both copies and then forward to our office the following:

1. Assignment documents executed in duplicate.
2. Original or Certified True Copy of Tenure Numbers 339461, 403661 & 339483.
3. A security deposit in the amount of \$3,000.00 to guarantee the performance of the obligations under the Access Road License No. 339483. Once we have received the security deposit for \$3,000.00 we can release the security deposit for \$3,000.00 currently held by H & J Ready-Mix Ltd.
4. A Province of British Columbia Certificate of Insurance for the insurance required to be maintained under the licenses. A sample certificate is enclosed.

.../page 2

**Integrated Land
Management
Bureau**

Ministry of
Agriculture and Lands

Mailing Address:
1902 Theatre Road
Cranbrook BC V1C 7G1

Location:
1902 Theatre Road
Cranbrook BC
Phone: (250) 426-1766
Fax: (250) 426-1767

Interoute Construction Ltd.
May 9, 2007
Page 2

Please return these documents to us by July 9, 2007.

Once we have determined that all the requirements have been met, we will provide our consent by signing the Assignment/Assumption Agreements and endorsing the tenure documents. We will then return your copy of the agreements.

Should you have any questions regarding the above, please do not hesitate to contact me at 250 420-2169.

Yours truly,

Jessie Lunan
Senior Portfolio Administrator
Southern Interior Client Services Division

Enclosures



Integrated Land Management Bureau

Our File: 4403844
4404142

June 18, 2008

Interoute Construction Ltd.
Dba H & J Ready-Mix
PO Box 9297
Revelstoke, BC V0E 3K0

Dear Sirs:

Enclosed are the fully executed copies of your documents assigning interest from H & J Ready-Mix Ltd to Interoute Construction Ltd. These assignments are for License Numbers 339461 and 339483.

The Licenses have been endorsed with respect to assignment dated for reference May 9, 2007. I have appended the endorsement schedules and the assignments to your copy of the said Licenses, as they form an integral part of those documents.

Yours truly,

Jessie Lunan
Senior Portfolio Administrator
Southern Interior Client Services Division

Encl.

pc: BC Assessment Authority, Vernon
Columbia Shuswap Regional District
Ministry of Forests, Revelstoke

ENDORSEMENT SCHEDULE

Endorsement No. 1 June 18, 2007

Assigned unto Interoute Construction Ltd. from H & J Ready-Mix Ltd. dated May 9, 2007.

Licence. No.: 339461

File No.: 4403844

Disposition No.: 822708

THIS AGREEMENT is dated for reference **May 9, 2007**.

BETWEEN:

H & J READY-MIX LTD.
PO Box 1759
Revelstoke, BC V0E 2S0

OF THE FIRST PART

(herein the "Assignor")

AND:

INTERROUTE CONSTRUCTION LTD., INC. NO. BC0497648
Dba H & J Ready-Mix Ltd.
PO Box 9297
Revelstoke, BC V0E 3K0

OF THE SECOND PART

(herein the "Assignee")

AND:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, represented by the minister responsible for the *Land Act*, Parliament Buildings, Victoria, British Columbia

OF THE THIRD PART

(herein the "Province")

WITNESS THAT WHEREAS:

The Assignor and the Province entered into a **License of Occupation** (herein called the "Document") over those lands more particularly known and described as:

That part of the of the Northeast 1/4 of Section 4, Township 24, Range 2, West of the 6th Meridian, Kootenay District, containing 5.08 hectares, more or less.

NOW THEREFORE THIS AGREEMENT WITNESSETH that for good and valuable consideration paid by the Assignee to the Assignor and by the Assignee and the Assignor to the Province, the receipt and sufficiency of which is hereby acknowledged by both the Assignor and the Province, the parties agree as follows:

ARTICLE I - ASSIGNMENT

- 1.1 The Assignor assigns all of his right, title, interest and estate in and to the Document to the Assignee.

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- 2.1 The Assignee covenants with the Province to assume and be bound by all the terms, conditions, covenants, obligations and agreements contained in the Document.

ARTICLE III - CONSENT

- 3.1 The Province consents to the execution and delivery of this agreement and the Assignment.
- 3.2 The Province releases and discharges the Assignor from all the terms, conditions, covenants, obligations and agreements contained in the Document.

ARTICLE IV - WARRANTIES AND REPRESENTATIONS

- 4.1 The Assignee warrants and represents to the Province, with the intent that the Province will rely thereon, that the Assignee:
- (a) is a corporation duly formed under laws of the Province of British Columbia and has filed all necessary documents under such laws and has complied with all requirements of the *Business Corporations Act*;
 - (b) has the power, capacity and authority to enter into this agreement and to carry out its obligations contemplated herein, all of which have been duly and validly authorized by all necessary proceedings; and

- (c) is in good standing with respect to the filing of returns in the Office of the Registrar of Companies of British Columbia.

4.2 The Assignee acknowledges to the Province and to the Assignor that:

- (a) the Assignee has inspected the land, and the improvements (if any) situate thereon, which are the subject of the Document and is fully aware of the condition of that land, and the improvements (if any) situate thereon, and accepts same in its current state;
- (b) the Assignee has reviewed and inspected all municipal and regional by-laws, regulations and policies concerning the use and development of the land which is the subject of the Document; and
- (c) there are no representations, warranties, collateral agreements or conditions affecting this agreement or the land, and the improvements (if any) situate thereon, which are the subject of the Document except as expressed herein and that this agreement constitutes the entire agreement.

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5.1 The address of the Assignee for the service of notices or documents under the Document shall be the address specified for the Assignee on the first page of this agreement.

ARTICLE VI - MISCELLANEOUS

- 6.1 This agreement shall enure to the benefit of the parties hereto and their respective successors and permitted assigns.
- 6.2 The parties to this agreement confirm that the terms of the Document remain and continue in full force and effect.
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- 6.6 The captions and headings contained in this agreement are for convenience only and are not to be construed as defining or in anyway limiting the scope or intent of the provisions hereof.

- 6.7 Where there is a reference to an enactment of the Province of British Columbia in this agreement, that reference shall include a reference to any subsequent enactment of the Province of British Columbia of like effect, and, unless the context otherwise requires, all statutes referred to herein are enactments of the Province of British Columbia.
- 6.8 If any section of this agreement or any part of a section is found to be illegal or unenforceable, that part or section as the case may be, shall be considered separate and severable and the remaining parts shall be enforceable to the fullest extent permitted by law.
- 6.9 All schedules attached to this agreement form an integral part of this agreement.

IN WITNESS WHEREOF the Assignor and Assignee have executed this agreement, and the Province has consented thereto, the day and year first above written.

SIGNED on behalf of **HER MAJESTY
THE QUEEN IN RIGHT OF THE
PROVINCE OF BRITISH COLUMBIA**
by the minister responsible for the *Land Act*
or the minister's authorized representative

Minister responsible for the *Land Act*
or the minister's authorized representative

SIGNED BY
H & J READY-MIX LTD.

Assignor

SIGNED on behalf of **INTERROUTE CONSTRUCTION LTD.**
by a duly authorized signatory

Authorized Signatory

SA1500
IST# R107864738

GOVERNMENT AGENTS REVENUE MANAGEMENT SYSTEM
TRANSACTION RECEIPT

FILE COPY

JUNE 09, 2011 09:58 TRANSACTION ID: 1000004 (DUPLICATE RECEIPT) SD42344
13001 FCBC CRANPOOK
NOTES: FILE 4404602 AND 4403994
DESCRIPTION: ASSIGNMENT/ASSUMPTION FEE REFERENCE:

	ITEM PRICE	QUANT	AMOUNT
717 FCBC CROWN LAND REVENUE CROWN LAND REV	560.00	1	560.00
CLIENT NUMBER AL 003108			
DOCUMENT: FILE # 4404602 (DISP 864102 857321			
REFERENCE: CLIENT NAME INTERROUTE CONSTRUCTION LT			
4403994			
SUBTOTAL			560.00
HST CHARGED ON	0.00		0.00
TRANSACTION TOTAL			560.00
CHQ, MAIL			560.00
TOTAL PAYMENT			560.00
CHANGE			0.00

ERUS CONSTRUCTION LTD

file - 4403994

ENTERED JUN 15 2011

IP - 003108
857321
DID - ~~864~~
INV - 175003

Assign. fee - \$250 -
HST 30 -
\$280 -



Interoute Construction Ltd.

June 3, 2011

British Columbia Government
Ministry of Forests, Lands and Natural Resource Operations
1902 Theatre Road
Cranbrook, BC
V1C 7G1

Attention: Jessica Lunan
Senior Portfolio Administrator

**Re: Assignment/Assumption
File No. 4404602 and 4403994
Marl Sand Pit**

As per your email dated May 31, 2011, Interoute has enclosed the requested Assignment/Assumption fee of \$ 560.00 for the File No. 4404602 and 4403994.

If you require additional information, please contact myself at 604-575-3689.

Respectfully Submitted

A handwritten signature in black ink, appearing to be "ES", written over a horizontal line.

Erwin Spletzer
Aggregate Manger
Interoute Construction Ltd.

**Ministry of Natural Resource
Operations
Kootenay Boundary**

JUN -8 2011

**RECEIVED
CRANBROOK, BC**

TERUS CONSTRUCTION LTD
201 - 5550 152nd Street
Surrey, BC V3S 5J9
Tel: (604) 575-3689 Fax: (604) 575-3691

Canadian Imperial Bank Commerce
Panorama Village
15149 HWY 10, Unit 101
Surrey, B.C. V3S 1B6

012934

*** Five Hundred Sixty Dollars and 00 Cents

PAY
TO:

MINISTER OF FINANCE
C/O FRONTCOUNTR BC
1902 THEATRE ROAD
CRANBROOK, BC V1C 7G1

DATE 2-0-1-1-0-6-0-3
M/M D/J
\$ 560.00
TERUS CONSTRUCTION LTD.
PER *B. El* MP
PER *Greg King* MP

s.21

Invoice	Date	Amount	Invoice	Date	Amount
4403994 & 440460	May 31/11	560.00			
Ministry of Natural Resource Operations Kootenay Boundary JUN - 8 2011 RECEIVED CRANBROOK, BC					

MINFIN2: MINISTER OF FINANCE Cheque: 012934 Jun 03/11 Total: 560.00

TERUS CONSTRUCTION LTD.

SF4001E-1

TO REORDER, CALL YOUR LOCAL SAFEGUARD DISTRIBUTOR AT 604-526-3711

G5MT130010000

S08SF000161

SAFEGUARD CE7508112L6N 1132633

Lunan, Jessie FLNR:EX

From: Lunan, Jessie FLNR:EX
Sent: Wednesday, June 8, 2011 10:43 AM
To: CLRS, Shared CSD:EX
Subject: File 4403994 & 4404602

Please update Oracle – thanks.

File 4403994 New IP 3108 on Disposition 857321

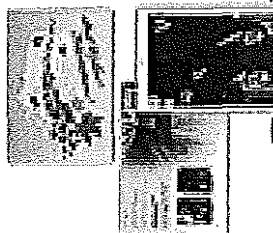
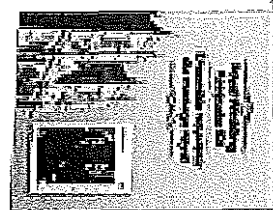
File 4404602 New IP 3108 on Disposition 864102



4403994
Interoute.pptx

Jessie Lunan
Senior Portfolio Administrator
Ministry of Forests, Lands and Natural Resource Operations
1902 Theatre Rd., Cranbrook, BC V1C 7G1
Ph: 250-420-2169 Fax 250-426-1767

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Royal Wedding Keepsake

Buy in-store or
online today



Send a congratulations postcard to the happy couple!

Find an Address



You were looking for

An address within

V3S 5J9



We found 1 result(s)

Please select a Postal Code to continue

The results are based on address ranges and should not be used to validate the existence of individual addrs

Building #	Delivery Mode	Street Name	Search	City	Prov.	P
5390-5580 Even		152 ST		SURREY	BC	W

Report an Error

Tamara System (Production)

File Edit View Special Attachments Queries Help Window

Save Print Test Delete Copy Edit List Find Up Down Help Database Query Create Query Insert Mode

Get Interests Parties - Organizations

Profile Contacts Name Changes Exemptions Billing

P Number P Status Active

Organization Name INTERROUTE CONSTRUCTION LTD.

Alias

Organization Branch

Organization Type

Billing Name

Represented by

Legal Status Going Concern

Line of Business

Incorporation No.

Phone Number

Fax

GST No.

Self Insured? Yes No

Place of Business

Location

Description

TAS Client #

1

GRABEROOK

4

5

SURREY

Address

Type Working & Street Addr.

Address Line 1 201 - 5560 152 ST

Address Line 2

Address Line 3

City SURREY

Country Canada

Province BC

Street Other

Postal Code V3S 5J9

Zip Code

Other



Our File: 4403994

June 3, 2011

Interoute Construction Ltd.
201 – 5550 152 Street
Surrey, BC V3S 5J9

Dear Erwin Spletzer:

Enclosed is your Tenure Number 403873 covering that part of Section 30, Township 29, Range 23, West of the 5th Meridian, Kootenay District and containing 6.0 hectares, more or less endorsed with respect to an assignment dated April 26, 2011

from Golden Concrete Ltd.

to Interoute Construction Ltd.

of 201 – 5550 152 Street
 Surrey, BC V3S 5J9

I have appended the endorsement schedule and the assignment to your copy of the said Licence, as they form an integral part of that document. Please contact me at (250)420-2169 if you have any questions or require assistance.

Yours truly,

Jessie Lunan
Senior Portfolio Administrator

Enclosure

pc: BC Assessment Authority, Nelson
 Columbia Shuswap Regional District
 Ministry of Forests, Lands and Natural Resource Operations,
 Selkirk District, Revelstoke



Interoute Construction Ltd.

June 3, 2011

British Columbia Government
Ministry of Forests, Lands and Natural Resource Operations
1902 Theatre Road
Cranbrook, BC
V1C 7G1

Attention: Jessica Lunan
Senior Portfolio Administrator

Re: **Assignment/Assumption**
File No. 4404602 and 4403994
Marl Sand Pit

As per your email dated May 31, 2011, Interoute has enclosed the requested Assignment/Assumption fee of \$ 560.00 for the File No. 4404602 and 4403994.

If you require additional information, please contact myself at 604-575-3689.

Respectfully Submitted

A handwritten signature in black ink, appearing to read "ES", is written over a horizontal line.

Erwin Spletzer
Aggregate Manger
Interoute Construction Ltd.

**Ministry of Natural Resource
Operations
Kootenay Boundary**

JUN -8 2011

**RECEIVED
CRANBROOK, BC**

Lunan, Jessie FLNR:EX

From: Erwin Spletzer [espletzer@terusconstruction.ca]
Sent: Tuesday, May 31, 2011 11:35 AM
To: Lunan, Jessie FLNR:EX
Subject: Re: From Erwin Spletzer with Interoute Construction

Jessie

We did not send the fee.
Thank you
Erwin

s.22

I will courier the cheque then.

From: Lunan, Jessie FLNR:EX <Jessie.Lunan@gov.bc.ca>
To: Erwin Spletzer
Sent: Tue May 31 10:30:17 2011
Subject: FW: From Erwin Spletzer with Interoute Construction
Erwin – I have received the 2 assignment documents. I don't have any confirmation that you had paid for the assignments. The cost for each assignment is \$250 plus \$30 HST for a total of \$560.00. Did you submit that earlier? Could you send me confirmation or send the fees prior to the completion of the assignments. Thanks.

Jessie Lunan
Senior Portfolio Administrator
Ministry of Forests, Lands and Natural Resource Operations
1902 Theatre Rd., Cranbrook, BC V1C 7G1
Ph: 250-420-2169 Fax 250-426-1767

From: Lunan, Jessie FLNR:EX
Sent: Monday, May 16, 2011 12:01 PM
To: 'Erwin Spletzer'
Subject: RE: From Erwin Spletzer with Interoute Construction

Ministry of Forests, Lands and Natural Resource Operations
1902 Theatre Road
Cranbrook, BC V1C 7G1

Jessie Lunan
Senior Portfolio Administrator
Ministry of Forests, Lands and Natural Resource Operations
1902 Theatre Rd., Cranbrook, BC V1C 7G1
Ph: 250-420-2169 Fax 250-426-1767

From: Erwin Spletzer [<mailto:espletzer@terusconstruction.ca>]
Sent: Thursday, May 12, 2011 11:37 AM
To: Lunan, Jessie FLNR:EX
Subject: From Erwin Spletzer with Interoute Construction

Jessica

Please send me your address so I can send the Assignment/assumption for File No. 4403994 and 4404602. The assignments are signed with the original licenses attached. I do not have your mail or courier address.

Thank you

Erwin Spletzer
Aggregate Manger
Interoute Construction





Interoute Construction Ltd.

Ministry of Natural Resource
Operations
Kootenay Boundary

MAY 17 2011

RECEIVED
CRANBROOK, BC

May 12, 2011

British Columbia Government
Ministry of Forests, Lands and Natural Resource Operations
1902 Theatre Road
Cranbrook, BC
V1C 7G1

Attention: Jessica Lunan
Senior Portfolio Administrator

Re: **Assignment/Assumption**
File No. 4404602 and 4403994
Marl Sand Pit

Enclosed is the signed requested Assignment/Assumption for the File No. 4404602 and 4403994. Also enclosed is the original Licence of Occupation for both Files.

If you require additional information, please contact myself at 604-575-3689.

Respectfully Submitted

A handwritten signature in black ink, appearing to read "Erwin Spletzer", is written over a horizontal line.

Erwin Spletzer
Aggregate Manger
Interoute Construction Ltd.

ENDORSEMENT SCHEDULE

Endorsement No. 1

June 1, 2011

Assigned unto Interoute Construction Ltd., Inc. No. BC0497648 on April 26, 2011.



LICENCE OF OCCUPATION

Licence No.:

403873

File No.: 4403994

Disposition No.: 857321

THIS AGREEMENT is dated for reference June 1, 2007 and is made under the *Land Act*.

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, represented by the minister responsible for the *Land Act*, Parliament Buildings, Victoria, British Columbia

(the "Province")

AND:

GOLDEN CONCRETE LTD. INC. NO. BC0365525

PO Box 599

1019 11th Ave N

Golden, BC V0A 1H0

(the "Licensee")

The parties agree as follows:

ARTICLE 1 - INTERPRETATION

1.1 In this Agreement,

"Actual Production" means the amount of material measured in metric tonnes removed from the Land during a licence Period, as verified in the Production Report for that licence Period;

"Agreement" means this licence of occupation;

"Commencement Date" means June 1, 2007;

"disposition" has the meaning given to it in the *Land Act* and includes a licence of occupation;

"Fees" means the fees set out in Article 3;

"Improvements" includes anything made, constructed, erected, built, altered, repaired or added to, in, on or under the Land, and attached to it or intended to become a part of it, and also includes any clearing, excavating, digging, drilling, tunnelling, filling, grading or ditching of, in, on or under the Land;

"Land" means that part or those parts of the following described land shown outlined by bold line on the schedule attached to this Agreement entitled "Legal Description Schedule":

that part of Section 30, Township 29, Range 23, West of the 5th Meridian, Kootenay District, containing 6.0 hectares, more or less,

except for those parts of the land that, on the Commencement Date, consist of highways (as defined in the *Transportation Act*) and land covered by water;

"Management Plan" means the most recent management plan prepared by you in a form acceptable to us, signed and dated by the parties, and held on file by us;

"Licence Period" means the first twelve months period of the Term beginning on the Commencement Date and each successive twelve months period thereafter.

"Operating Record" means a record of all material removed from the Land and includes weigh scale data, quantity surveyor's reports, production and shipping schedules, income statements and all other documents and records kept by you in connection with your quarrying operation on the Land;

"Production Report" means a report that contains

- (a) a detailed statement showing the quantity of material removed from the Land during the licence Period covered by the report, and
- (b) your Statutory Declaration in a form satisfactory to us confirming without qualification that the statement contained in the Production Report is true;

"Realty Taxes" means all taxes, rates, levies, duties, charges and assessments levied or charged, at any time, by any government authority having jurisdiction which relate to the Land, the Improvements or both of them and which you are liable to pay under applicable laws;

"Royalty Fee" means the royalty fee referred to in Article 3;

"Security" means the security referred to in section 6.1 or 6.2, as replaced or supplemented in accordance with section 6.5;

"Term" means the period of time set out in section 2.2;

2", "us" or "our" refers to the Province alone and never refers to the combination of the Province and the Licensee: that combination is referred to as "the parties"; and

"you" or "your" refers to the Licensee.

- 1.2 In this Agreement, "person" includes a corporation, firm or association and wherever the singular or masculine form is used in this Agreement it will be construed as the plural or feminine or neuter form, as the case may be, and vice versa where the context or parties require.
- 1.3 The captions and headings contained in this Agreement are for convenience only and do not define or in any way limit the scope or intent of this Agreement.
- 1.4 This Agreement will be interpreted according to the laws of the Province of British Columbia.
- 1.5 Where there is a reference to an enactment of the Province of British Columbia or of Canada in this Agreement, that reference will include a reference to every amendment to it, every regulation made under it and any subsequent enactment of like effect and, unless otherwise indicated, all enactments referred to in this Agreement are enactments of the Province of British Columbia.
- 1.6 If any section of this Agreement, or any part of a section, is found to be illegal or unenforceable, that section or part of a section, as the case may be, will be considered separate and severable and the remainder of this Agreement will not be affected and this Agreement will be enforceable to the fullest extent permitted by law.
- 1.7 Each schedule to this Agreement is an integral part of this Agreement as if set out at length in the body of this Agreement.
- 1.8 This Agreement constitutes the entire agreement between the parties and no understanding or agreement, oral or otherwise, exists between the parties with respect to the subject matter of this Agreement except as expressly set out in this Agreement and this Agreement may not be modified except by subsequent agreement in writing between the parties.
- 1.9 Each party will, upon the request of the other, do or cause to be done all lawful acts necessary for the performance of the provisions of this Agreement.
- 1.10 All provisions of this Agreement in our favour and all of our rights and remedies, either at law or in equity, will survive the termination of this Agreement.
- 1.11 Time is of the essence of this Agreement.
- 1.12 Wherever this Agreement provides that an action may be taken, a consent or approval must be obtained or a determination must be made, then you or we, as the case may be, will act

Reasonably in taking such action, deciding whether to provide such consent or approval or making such determination; but where this Agreement states that you or we have sole discretion to take an action, provide a consent or approval or make a determination, there will be no requirement to show reasonableness or to act reasonably in taking that action, providing that consent or approval or making that determination.

ARTICLE 2 - GRANT AND TERM

- 2.1 On the terms and conditions set out in this Agreement, we grant you a licence of occupation of the Land for the purpose of quarrying, digging or removing sand and gravel and uses ancillary to quarrying such as sorting, crushing, stockpiling, washing and the operation of a temporary asphalt plant, as set out in the Management Plan, and you acknowledge this licence of occupation does not grant you exclusive use and occupancy of the Land.
- 2.2 The term of this Agreement commences on the Commencement Date and terminates on the tenth anniversary of that date, or such earlier date provided for in this Agreement.

ARTICLE 3 - FEES

- 3.1 You will pay to us:
- (a) for the first year of the Term, Fees of \$1,140.00, payable in advance on the Commencement Date; and
 - (b) for the first year of the Term, a royalty fee in an amount equal to \$2.00 per cubic metre of Actual Production payable at the times and in the manner specified in section 3.4 of this Article; and
 - (c) for each year during the remainder of the Term, the Fees either determined by us under section 3.2 or established under section 3.3, payable in advance on each anniversary of the Commencement Date; and
 - (d) for each year during the remainder of the Term, the Royalty Fee, either determined by us under section 3.5 or established under section 3.6 and payable at the times and in the manner specified in section 3.4 of this Article.
- 3.2 We will, not later than 15 days before each anniversary of the Commencement Date during the Term, give written notice to you specifying in our sole discretion the Fees payable by you under subsection 3.1(c) for the subsequent year of the Term.
- 3.3 If we do not give notice to you under section 3.2, the Fees payable by you under section 3.1(c)

the year for which notice was not given will be the same as the Fees payable by you for the preceding year of the Term.

- 3.4 You will within 15 days after the end of each licence Period deliver to us a Production Report for that licence Period together with a certified cheque in a sum equal to the Royalty Fee payable under sections 3.1 (b) or (d) for the Actual Production for that licence Period.
- 3.5 We may, by notice in writing to you not less than 15 days before the start of a licence Period, increase the Royalty Fee payable under sections 3.1 (b) or (d) for that licence Period, and where such an increase is made, the Royalty Fee shall be calculated and paid accordingly.
- 3.6 If we do not give you notice under section 3.5 with respect to any licence Period, the Royalty Fee payable for that licence Period shall be equal to the Royalty Fee payable for the immediately preceding licence Period.
- 3.7 You will, notwithstanding any other provision of this Agreement, not levy a Royalty Fee for any material removed from the Land used by us in the construction and maintenance of public works projects.

ARTICLE 4 - COVENANTS

- 4.1 You must
- (a) pay, when due,
 - (i) the Fees to us at the address set out in Article 10,
 - (ii) the Realty Taxes, and
 - (iii) all charges for electricity, gas, water and other utilities supplied to the Land for use by you or on your behalf or with your permission;
 - (b) deliver to us, immediately upon demand, receipts or other evidence of the payment of Realty Taxes and all other money required to be paid by you under this Agreement;
 - (c) observe, abide by and comply with
 - (i) all applicable laws, bylaws, orders, directions, ordinances and regulations of any government authority having jurisdiction in any way affecting your use or occupation of the Land or the Improvements, and
 - (ii) the provisions of this Agreement;

- () in respect of the use of the Land by you or by anyone you permit to use the Land, keep the Land and the Improvements in a safe, clean and sanitary condition satisfactory to us, and at our written request, rectify any failure to comply with such a covenant by making the Land and the Improvements safe, clean and sanitary;
- (e) not commit any wilful or voluntary waste, spoil or destruction on the Land or do anything on the Land that may be or become a nuisance or annoyance to an owner or occupier of land in the vicinity of the Land;
- (f) use and occupy the Land only in accordance with and for the purposes set out in the Management Plan;
- (g) not construct, place or affix any Improvement on or to the Land except as permitted in the Management Plan;
- (h) pay all accounts and expenses as they become due for work performed on or materials supplied to the Land at your request, on your behalf or with your permission, except for money that you are required to hold back under the *Builders Lien Act*;
- (i) if any claim of lien over the Land is made under the *Builders Lien Act* for work performed on or materials supplied to the Land at your request, on your behalf or with your permission, immediately take all steps necessary to have the lien discharged, unless the claim of lien is being contested in good faith by you and you have taken the steps necessary to ensure that the claim of lien will not subject the Land or any interest of yours under this Agreement to sale or forfeiture;
- (j) not cut or remove timber on or from the Land without
- (i) our prior written consent, and
- (ii) being granted the right under the *Forest Act* to harvest Crown timber on the Land;
- (k) during the Term of this licence maintain the Operating Record in such form and containing such information as we may reasonably require, and
- (i) permit us to attend at your offices to examine the Operating Record during normal office hours, and
- (ii) within 10 days of receiving a written request from us, deliver to us copies of the Operating Record;
- (l) establish and maintain proper books of account, making true entries of all dealings and transactions in relation to your quarrying operation on the Land, and at all reasonable

- () times furnish us such information relating to your quarrying operation as we may reasonably require;
- (m) upon receipt of our written request, cause an independent quantity survey to be undertaken by a qualified Professional Engineer or British Columbia Land Surveyor, to confirm the actual amount of material removed from the Land during the preceding licence Period;
- (n) reclaim the Land to the post extraction land use approved by us in accordance with the reclamation plan approved by the Ministry of Energy, Mines and Petroleum Resources;
- (o) maintain the quarry in a safe and orderly manner in accordance with the provisions of the *Mines Act*;
- (p) take all reasonable precautions to avoid disturbing or damaging any archaeological material found on or under the Land and, upon discovering any archaeological material on or under the Land, you must immediately notify the ministry responsible for administering the *Heritage Conservation Act*;
- (q) manage and control noxious weeds. In order to reduce the probability of any noxious weed establishment and to avoid problems with erosion, any exposed mineral soil should be immediately seeded with a dry forest 'grass' mix. You must ensure that noxious weeds, whether they are present now or become established, are treated in an appropriate manner, prior to excavating or travelling over them;
- (r) permit us, or our authorized representatives, to enter on the Land at any time to inspect the Land and the Improvements, provided that in regard to our inspection of the Improvements we take reasonable steps to minimize any disruption of your operations;
- (s) indemnify and save us and our servants, employees and agents harmless against all claims, actions, causes of action, losses, damages, costs and liabilities, including fees of solicitors and other professional advisors, arising out of
- (i) your breach, violation or nonperformance of a provision of this Agreement, and
 - (ii) any personal injury, bodily injury (including death) or property damage occurring or happening on or off the Land by virtue of your entry upon, use or occupation of the Land,
- and the amount of all such losses, damages, costs and liabilities will be payable to us immediately upon demand; and
- (t) on the termination of this Agreement,

- (i) peaceably quit and deliver to us possession of the Land and, subject to paragraphs (ii), (iii) and (iv), the Improvements in a safe, clean and sanitary condition,
- (ii) within 60 days, remove from the Land any Improvement you want to remove, if the Improvement was placed on or made to the Land by you and you are not in default of this Agreement,
- (iii) not remove any Improvement from the Land if you are in default of this Agreement, unless we direct or permit you to do so under paragraph (iv),
- (iv) remove from the Land any Improvement that we, in writing, direct or permit you to remove, other than any Improvement permitted to be placed on or made to the Land under another disposition, and
- (v) restore the surface of the Land as nearly as may reasonably be possible to the same condition as it was on the Commencement Date, to our satisfaction, but if you are not directed or permitted to remove an Improvement under paragraph (iv), this paragraph will not apply to that part of the surface of the Land on which that Improvement is located,

and all of your right, interest and estate in the Land will be absolutely forfeited to us, and to the extent necessary, this covenant will survive the termination of this Agreement.

4.2 You will not permit any person to do anything you are restricted from doing under this Article.

ARTICLE 5 - LIMITATIONS

5.1 You agree with us that

- (a) we are under no obligation to provide access or services to the Land or to maintain or improve existing access roads;
- (b) this Agreement is subject to
 - (i) all subsisting dispositions and subsisting grants to or rights of any person made or acquired under the *Coal Act*, *Forest Act*, *Mineral Tenure Act*, *Petroleum and Natural Gas Act*, *Range Act*, *Wildlife Act* or *Water Act*, or any extension or renewal of the same, whether or not you have actual notice of them, and
 - (ii) the exceptions and reservations of interests, rights, privileges and titles referred to in section 50 of the *Land Act*;

- (c) without limiting subsection 4.1(s), you must indemnify and save us and our servants, employees and agents harmless from and against all claims, actions, causes of action, losses, damages, costs and liabilities, including fees of solicitors and other professional advisors, arising out of any conflict between your rights under this Agreement and the rights of any person under a disposition or under a subsisting grant to or right of any person made or acquired under the *Coal Act, Forest Act, Mineral Tenure Act, Petroleum and Natural Gas Act, Range Act, Wildlife Act or Water Act* (or any prior or subsequent enactment of the Province of British Columbia of like effect), or any extension or renewal of the same, whether or not you have actual notice of them, and the amount of all such losses, damages, costs and liabilities will be payable to us immediately upon demand;
- (d) you release us from all claims, actions, causes of action, suits, debts and demands that you now have or may at any time in the future have against us arising out of any conflict between your rights under this Agreement and the rights of any person under a disposition or under a subsisting grant to or right made or acquired under the enactments referred to in subsection (c), and you acknowledge that this Agreement and your rights under this Agreement are subject to those grants and rights referred to in subsection (c) whether or not you have actual notice of them.
- (e) we may make other dispositions of or over the Land;
- (f) you will make no claim for compensation, in damages or otherwise, in respect of a disposition made under subsection (e), where such disposition does not materially affect the exercise of your rights under this Agreement;
- (g) subject to subsection (f), all of your costs and expenses, direct or indirect, that arise out of any lawful interference with your rights under this Agreement as a result of the exercise or operation of the interests, rights, privileges and titles reserved to us in subsections (b) and (e) will be borne solely by you;
- (h) you will not commence or maintain proceedings under section 65 of the *Land Act* in respect of any lawful interference with your rights under this Agreement that arises as a result of the exercise or operation of the interests, rights, privileges and titles described in subsections (b) and (e);
- (i) you will allow the Ministry of Forests to remove materials from the pit area for future works or emergency purposes;
- (j) you will gate and lock the access road to the gravel pit and will ensure that Ministry of Forests has access to the pit if they so require;
- (k) you will not remove or permit the removal of any Improvement from the Land except as

- () expressly permitted or required under this Agreement;
- (l) any interest you may have in the Improvements ceases to exist and becomes our property upon the termination of this Agreement, except where an Improvement may be removed under paragraph 4.1(t)(ii), (iii) or (iv) in which case any interest you may have in that Improvement ceases to exist and becomes our property if the Improvement is not removed from the Land within the time period set out in paragraph 4.1(t)(ii) or the time period provided for in the direction or permission given under paragraph 4.1(t)(iii); and
- (m) if, after the termination of this Agreement, we permit you to remain in possession of the Land and we accept money from you in respect of such possession, a tenancy from year to year will not be created by implication of law and you will be deemed to be a monthly occupier only subject to all of the provisions of this Agreement, except as to duration, in the absence of a written agreement to the contrary.

ARTICLE 6 - SECURITY AND INSURANCE

- 6.1 On the Commencement Date, you will deliver to us security in the amount of \$0.00 which will
- (a) guarantee the performance of your obligations under this Agreement;
 - (b) be in the form required by us; and
 - (c) remain in effect until we certify, in writing, that you have fully performed your obligations under this Agreement.
- 6.2 Despite section 6.1, your obligations under that section are suspended for so long as you maintain in good standing other security acceptable to us to guarantee the performance of your obligations under this Agreement and all other dispositions held by you.
- 6.3 We may use the Security for the payment of any costs and expenses incurred by us to perform any of your obligations under this Agreement that are not performed by you or to pay any overdue Fees and, if such event occurs, you will, within 30 days of that event, deliver further Security to us in an amount equal to the amount drawn down by us.
- 6.4 After we certify, in writing, that you have fully performed your obligations under this Agreement, we will return to you the Security maintained under section 6.1, less all amounts drawn down by us under section 6.3.
- 6.5 You acknowledge that we may, from time to time, notify you to
- (a) change the form or amount of the Security; and

() provide and maintain another form of Security in replacement of or in addition to the Security posted by you under this Agreement;

and you will, within 60 days of receiving such notice, deliver to us written confirmation that the change has been made or the replacement or additional form of Security has been provided by you.

6.6 You must

- (a) without limiting your obligations or liabilities under this Agreement, at your expense, effect and keep in force during the Term Comprehensive/Commercial General Liability insurance protecting us as an additional insured in an amount of not less than \$1,000,000.00 inclusive per occurrence insuring against liability for personal injury, bodily injury (including death) or property damage, and claims for liability assumed under contract, arising from all accidents or occurrences on the Land or the Improvements;
- (b) on the Commencement Date and immediately upon demand, deliver to us a completed "Province of British Columbia Certificate of Insurance" for all insurance required to be maintained by you under this Agreement;
- (c) ensure that all insurance required to be maintained by you under this Agreement is
 - (i) placed with insurers licensed in British Columbia,
 - (ii) primary and does not require the sharing of any loss by any insurer that insures us, and
 - (iii) endorsed to provide us with 30 days' advance written notice of cancellation or material change; and
- (d) deliver or cause to be delivered to us, immediately upon demand, certified copies of all policies of insurance required to be maintained by you under this Agreement.

6.7 You acknowledge that we may, from time to time, notify you to

- (a) change the amount of insurance set out in subsection 6.6(a); and
- (b) provide and maintain another type or types of insurance in replacement of or in addition to the insurance previously required to be maintained by you under this Agreement;

and you will, within 60 days of receiving such notice, cause the amounts and types to be changed and deliver to us a completed "Province of British Columbia Certificate of Insurance" for all insurance then required to be maintained by you under this Agreement.

ARTICLE 7 - ASSIGNMENT

- 7.1 You must not sublicense, assign, mortgage or transfer this Agreement, or permit any person to use or occupy the Land, without our prior written consent, which consent we may withhold in our sole discretion.
- 7.2 For the purpose of section 7.1, if you are a corporation, a change in control (as that term is defined in subsection 2(3) of the *Business Corporations Act*) will be deemed to be a transfer of this Agreement.
- 7.3 Section 7.2 does not apply to a corporation if the shares of the corporation which carry votes for the election of the directors of the corporation trade on a stock exchange located in Canada.
- 7.4 Prior to considering a request for our consent under section 7.1, we may require you to meet certain conditions, including without limitation, that you submit to us a "site profile", "preliminary site investigation" or "detailed site investigation" (as those terms are defined in the *Environmental Management Act*) for the Land or other similar type of investigation of the Land.

ARTICLE 8 - TERMINATION

- 8.1 You agree with us that
- (a) if you
 - (i) default in the payment of any money payable by you under this Agreement, or
 - (ii) fail to observe, abide by and comply with the provisions of this Agreement (other than the payment of any money payable by you under this Agreement),and your default or failure continues for 60 days after we give written notice of the default or failure to you,
 - (b) if, in our opinion, you fail to make diligent use of the Land for the purposes set out in this Agreement, and your failure continues for 60 days after we give written notice of the failure to you;
 - (c) if you
 - (i) become insolvent or make an assignment for the general benefit of your creditors,

- (ii) commit an act which entitles a person to take action under the *Bankruptcy and Insolvency Act* (Canada) or a bankruptcy petition is filed or presented against you or you consent to the filing of the petition or a decree is entered by a court of competent jurisdiction adjudging you bankrupt under any law relating to bankruptcy or insolvency, or
- (iii) voluntarily enter into an arrangement with your creditors;
- (d) if you are a corporation,
- (i) a receiver or receiver-manager is appointed to administer or carry on your business, or
- (ii) an order is made, a resolution passed or a petition filed for your liquidation or winding up;
- (e) if you are a society, you convert into a company in accordance with the *Society Act* without our prior written consent;
- (f) if this Agreement is taken in execution or attachment by any person; or
- (g) if we require the Land for our own use or, in our opinion, it is in the public interest to cancel this Agreement and we have given you 60 days' written notice of such requirement or opinion;

this Agreement will, at our option and with or without entry, terminate and your right to use and occupy the Land will cease.

8.2 If the condition complained of (other than the payment of any money payable by you under this Agreement) reasonably requires more time to cure than 60 days, you will be deemed to have complied with the remedying of it if you commence remedying or curing the condition within 60 days and diligently complete the same.

8.3 You agree with us that

- (a) you will make no claim for compensation, in damages or otherwise, upon the lawful termination of this Agreement under section 8.1; and
- (b) our remedies under this Article are in addition to those available to us under the *Land Act*.

ARTICLE 9 - DISPUTE RESOLUTION

- 9.1 If any dispute arises under this Agreement, the parties will make all reasonable efforts to resolve the dispute within 60 days of the dispute arising (or within such other time period agreed to by the parties) and, subject to applicable laws, provide candid and timely disclosure to each other of all relevant facts, information and documents to facilitate those efforts.
- 9.2 Subject to section 9.5, if a dispute under this Agreement cannot be resolved under section 9.1, we or you may refer the dispute to arbitration conducted by a sole arbitrator appointed pursuant to the *Commercial Arbitration Act*.
- 9.3 The cost of the arbitration referred to in section 9.2 will be shared equally by the parties and the arbitration will be governed by the laws of the Province of British Columbia.
- 9.4 The arbitration will be conducted at our offices (or the offices of our authorized representative) in Cranbrook, British Columbia, and if we or our authorized representative have no office in Cranbrook, British Columbia, then our offices (or the offices of our authorized representative) that are closest to Cranbrook, British Columbia.
- 9.5 A dispute under this Agreement in respect of a matter within our sole discretion cannot, unless we agree, be referred to arbitration as set out in section 9.2.

ARTICLE 10 - NOTICE

- 10.1 Any notice required to be given by either party to the other will be deemed to be given if mailed by prepaid registered mail in Canada or delivered to the address of the other as follows:

to us

MINISTRY OF AGRICULTURE AND LANDS
1902 Theatre Road
Cranbrook, BC V1C 7G1;

to you

GOLDEN CONCRETE LTD.
PO Box 599
1019 11th Ave N
Golden, BC V0A 1H0;

or at such other address as a party may, from time to time, direct in writing, and any such notice will be deemed to have been received if delivered, on the day of delivery, and if mailed, 7 days

er the time of mailing, except in the case of mail interruption in which case actual receipt is required.

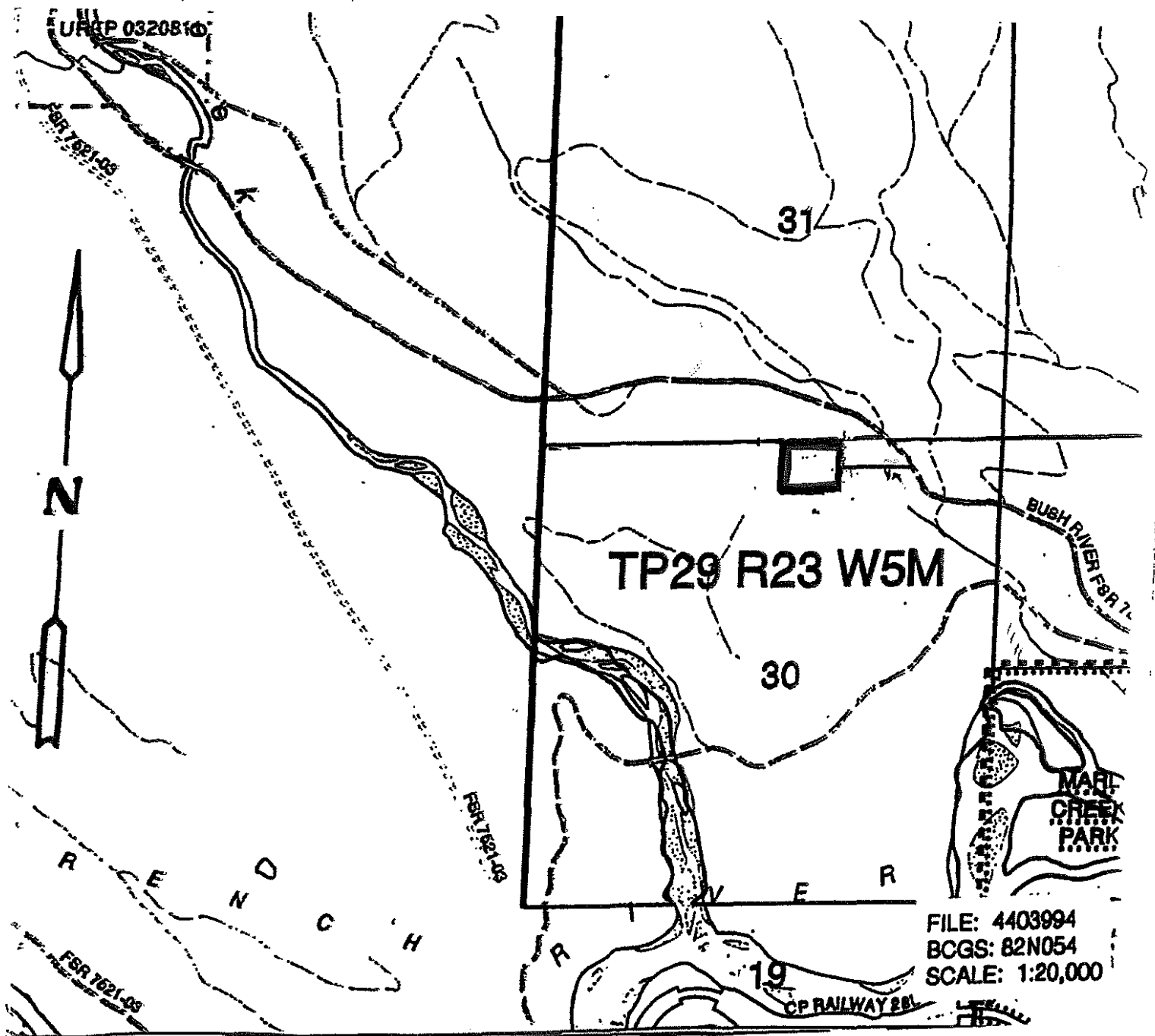
- 10.2 In order to expedite the delivery of any notice required to be given by either party to the other, a concurrent facsimile copy of any notice will, where possible, be provided to the other party but nothing in this section, and specifically the lack of delivery of a facsimile copy of any notice, will affect the deemed delivery provided in section 10.1.
- 10.3 The delivery of all money payable to us under this Agreement will be effected by hand, courier or prepaid regular mail to the address specified above, or by any other payment procedure agreed to by the parties, such deliveries to be effective on actual receipt.

ARTICLE 11 - MISCELLANEOUS

- 11.1 No provision of this Agreement will be considered to have been waived unless the waiver is in writing, and a waiver of a breach of a provision of this Agreement will not be construed as or constitute a waiver of any further or other breach of the same or any other provision of this Agreement, and a consent or approval to any act requiring consent or approval will not waive or render unnecessary the requirement to obtain consent or approval to any subsequent same or similar act.
- 11.2 No remedy conferred upon or reserved to us under this Agreement is exclusive of any other remedy in this Agreement or provided by law, but that remedy will be in addition to all other remedies in this Agreement or then existing at law, in equity or by statute.
- 11.3 The grant of a sublicense, assignment or transfer of this Agreement does not release you from your obligation to observe and perform all the provisions of this Agreement on your part to be observed and performed unless we specifically release you from such obligation in our consent to the sublicense, assignment or transfer of this Agreement.
- 11.4 This Agreement extends to, is binding upon and enures to the benefit of the parties, their heirs, executors, administrators, successors and permitted assigns.
- 11.5 If, due to a strike, lockout, labour dispute, act of God, inability to obtain labour or materials, law, ordinance, rule, regulation or order of a competent governmental authority, enemy or hostile action, civil commotion, fire or other casualty or any condition or cause beyond your reasonable control, other than normal weather conditions, you are delayed in performing any of your obligations under this Agreement, the time for the performance of that obligation will be extended by a period of time equal to the period of time of the delay so long as
- (a) you give notice to us within 30 days of the commencement of the delay setting forth the nature of the delay and an estimated time frame for the performance of your obligation;

LEGAL DESCRIPTION SCHEDULE

That part of Section 30, Township 29, Range 23, West of the 5th Meridian, Kootenay District, containing 6.0 hectares, more or less.





ASSIGNMENT/ASSUMPTION

Licence, No.: 403873

File No.: 4403994

Disposition No.: 857321

THIS AGREEMENT is dated for reference April 26, 2011.

BETWEEN:

GOLDEN CONCRETE LTD. (Inc. No. BC0365525)
PO Box 599
1019 11th Ave N
Golden, BC V0A 1H0

OF THE FIRST PART

(herein the "Assignor")

AND:

INTERROUTE CONSTRUCTION LTD. (Inc. No. BC0497648)
201, 5550 – 152 Street
Surrey, BC V3S 5J9

OF THE SECOND PART

(herein the "Assignee")

AND:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, represented by the minister responsible for the *Land Act*, Parliament Buildings, Victoria, British Columbia

OF THE THIRD PART

(herein the "Province")

WITNESS THAT WHEREAS:

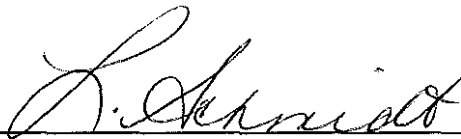
The Assignor and the Province entered into a Licence of Occupation dated (herein called the "Document") over those lands more particularly known and described as:

be construed as defining or in anyway limiting the scope or intent of the provisions hereof.


- 6.7 Where there is a reference to an enactment of the Province of British Columbia in this agreement, that reference shall include a reference to any subsequent enactment of the Province of British Columbia of like effect, and, unless the context otherwise requires, all statutes referred to herein are enactments of the Province of British Columbia.
- 6.8 If any section of this agreement or any part of a section is found to be illegal or unenforceable, that part or section as the case may be, shall be considered separate and severable and the remaining parts shall be enforceable to the fullest extent permitted by law.
- 6.9 All schedules attached to this agreement form an integral part of this agreement.

IN WITNESS WHEREOF the Assignor and Assignee have executed this agreement, and the Province has consented thereto, the day and year first above written.

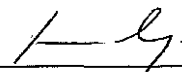
SIGNED on behalf of **HER MAJESTY
THE QUEEN IN RIGHT OF THE
PROVINCE OF BRITISH COLUMBIA**
by the minister responsible for the *Land Act*
or the minister's authorized representative


Minister responsible for the *Land Act*
or the minister's authorized representative

SIGNED on behalf of **GOLDEN CONCRETE LTD.**


Authorized Representative of Golden Concrete Ltd.
BRIAN WEIR PRESIDENT

SIGNED on behalf of **INTERROUTE CONSTRUCTION LTD.**



Authorized Representative of Interoute
Construction Ltd.

KEN DAY
VP / GM.

Document Type Name: License of Occupation

File No.: 4404091

Document No.: 403661

Disposition No.: 827318

ENDORSEMENT SCHEDULE

Endorsement No. 1

June 18, 2007

Assigned unto Interoute Construction Ltd. from Hector Troy Scarcelli. dated May 9, 2007.



Licence No.:

403661

File No.: 4404091

Disposition No.: 827318

THIS AGREEMENT is dated for reference March 7, 2003 and is made under the *Land Act*.

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, represented by the minister responsible for the *Land Act*, Parliament Buildings, Victoria, British Columbia

(the "Province")

AND:

HECTOR TROY SCARCELLI
632 Upland Place
Coldstream, BC V1B 2X8

ASSIGNED

(the "Licensee")

The parties agree as follows:

ARTICLE 1 - INTERPRETATION

1.1 In this Agreement,

"Actual Production" means the amount of material measured in cubic metres removed from the Land during a licence Period, as verified in the Production Report for that licence Period;

"Agreement" means this licence of occupation;

"Commencement Date" means April 15, 2003;

"disposition" has the meaning given to it in the *Land Act* and includes a licence of occupation;

“s” means the fees set out in Article 3;

“**Improvements**” includes anything made, constructed, erected, built, altered, repaired or added to, in, on or under the Land, and attached to it or intended to become a part of it, and also includes any clearing, excavating, digging, drilling, tunnelling, filling, grading or ditching of, in, on or under the Land;

“**Land**” means that part or those parts of the following described land shown outlined by bold line on the schedule attached to this Agreement entitled “Legal Description Schedule”:

unsurveyed Crown land in the vicinity of Jordan River and Section 5,
Township 24, Range 2, West of the Sixth Meridian, Kootenay District,
containing 3.0 hectares, more or less,

except for those parts of the land that, on the Commencement Date, consist of highways (as defined in the *Highway Act*) and land covered by water;

“**Management Plan**” means the most recent management plan prepared by you in a form acceptable to us, signed and dated by the parties, and held on file by us;

“**licence Period**” means the first 12 month period of the Term beginning on the Commencement Date and each successive 12 month period thereafter.

“**Operating Record**” means a record of all material removed from the Land and includes weigh scale data, quantity surveyor’s reports, production and shipping schedules, income statements and all other documents and records kept by you in connection with your quarrying operation on the Land;

“**Production Report**” means a report that contains

- (a) a detailed statement showing the quantity of material removed from the Land during the licence Period covered by the report, and
- (b) your Statutory Declaration in a form satisfactory to us confirming without qualification that the statement contained in the Production Report is true;

“**Realty Taxes**” means all taxes, rates, levies, duties, charges and assessments levied or charged, at any time, by any competent governmental authority which relate to the Land, the Improvements or both of them and which you are liable to pay;

“**Royalty Fee**” means the royalty fee referred to in Article 3;

“**Security**” means the security referred to in section 6.1 or 6.2, as replaced or supplemented in accordance with section 6.5;

"Term" means the period of time set out in section 2.2;

"we", "us" or "our" refers to the Province alone and never refers to the combination of the Province and the Licensee: that combination is referred to as "the parties"; and

"you" or "your" refers to the Licensee.

- 1.2 In this Agreement, "person" includes a corporation, firm or association and wherever the singular or masculine form is used in this Agreement it will be construed as the plural or feminine or neuter form, as the case may be, and vice versa where the context or parties require.
- 1.3 The captions and headings contained in this Agreement are for convenience only and do not define or in any way limit the scope or intent of this Agreement.
- 1.4 This Agreement will be interpreted according to the laws of the Province of British Columbia.
- 1.5 Where there is a reference to an enactment of the Province of British Columbia or of Canada in this Agreement, that reference will include a reference to every amendment to it, every regulation made under it and any subsequent enactment of like effect and, unless otherwise indicated, all enactments referred to in this Agreement are enactments of the Province of British Columbia.
- 1.6 If any section of this Agreement, or any part of a section, is found to be illegal or unenforceable, that section or part of a section, as the case may be, will be considered separate and severable and the remainder of this Agreement will not be affected and this Agreement will be enforceable to the fullest extent permitted by law.
- 1.7 Each schedule to this Agreement is an integral part of this Agreement as if set out at length in the body of this Agreement.
- 1.8 This Agreement constitutes the entire agreement between the parties and no understanding or agreement, oral or otherwise, exists between the parties with respect to the subject matter of this Agreement except as expressly set out in this Agreement and this Agreement may not be modified except by subsequent agreement in writing between the parties.
- 1.9 Each party will, upon the request of the other, do or cause to be done all lawful acts necessary for the performance of the provisions of this Agreement.
- 1.10 All provisions of this Agreement in our favour and all of our rights and remedies, either at law or in equity, will survive the termination of this Agreement.
- 1.11 Time is of the essence of this Agreement.

- 1.12 Wherever this Agreement provides that an action may be taken, a consent or approval must be obtained or a determination must be made, then you or we, as the case may be, will act reasonably in taking such action, deciding whether to provide such consent or approval or making such determination; but where this Agreement states that you or we have sole discretion to take an action, provide a consent or approval or make a determination, there will be no requirement to show reasonableness or to act reasonably in taking that action, providing that consent or approval or making that determination.

ARTICLE 2 - GRANT AND TERM

- 2.1 On the terms and conditions set out in this Agreement, we grant you a licence of occupation of the Land for the purpose of quarrying sand and gravel, as set out in the Management Plan, and you acknowledge this licence of occupation does not grant you exclusive use and occupancy of the Land.
- 2.2 The term of this Agreement commences on the Commencement Date and terminates on the fifth anniversary of that date, or such earlier date provided for in this Agreement.

ARTICLE 3 - FEES

- 3.1 You will pay to us:
- (a) for the first year of the Term, Fees of \$500.00, payable in advance on the Commencement Date; and
 - (b) for the first year of the Term, a royalty fee in an amount equal to \$2.00 per cubic metre of Actual Production payable at the times and in the manner specified in section 3.4 of this Article; and
 - (c) for each year during the remainder of the Term, the Fees either determined by us under section 3.2 or established under section 3.3, payable in advance on each anniversary of the Commencement Date; and
 - (d) for each year during the remainder of the Term, the Royalty Fee, either determined by us under section 3.5 or established under section 3.6 and payable at the times and in the manner specified in section 3.4 of this Article.
- 3.2 We will, not later than 15 days before each anniversary of the Commencement Date during the Term, give written notice to you specifying in our sole discretion the Fees payable by you under subsection 3.1(c) for the subsequent year of the Term.

- 3.3 If we do not give notice to you under section 3.2, the Fees payable by you under section 3.1(c) for the year for which notice was not given will be the same as the Fees payable by you for the preceding year of the Term.
- 3.4 You will within 15 days after the end of each licence Period deliver to us a Production Report for that licence Period together with a certified cheque in a sum equal to the Royalty Fee payable under sections 3.1 (b) or (d) for the Actual Production for that licence Period.
- 3.5 We may, by notice in writing to you not less than 15 days before the start of a licence Period, increase the Royalty Fee payable under sections 3.1 (b) or (d) for that licence Period, and where such an increase is made, the Royalty Fee shall be calculated and paid accordingly.
- 3.6 If we do not give you notice under section 3.5 with respect to any licence Period, the Royalty Fee payable for that licence Period shall be equal to the Royalty Fee payable for the immediately preceding licence Period.
- 3.7 You will, notwithstanding any other provision of this Agreement, not levy a Royalty Fee for any material removed from the Land used by us in the construction and maintenance of public works projects.

ARTICLE 4 - COVENANTS

- 4.1 You must
- (a) pay, when due,
 - (i) the Fees to us at the address set out in Article 10,
 - (ii) the Realty Taxes, and
 - (iii) all charges for electricity, gas, water and other utilities supplied to the Land for use by you or on your behalf or with your permission;
 - (b) deliver to us, immediately upon demand, receipts or other evidence of the payment of Realty Taxes and all other money required to be paid by you under this Agreement;
 - (c) observe, abide by and comply with
 - (i) all applicable laws, bylaws, orders, directions, ordinances and regulations of any competent governmental authority in any way affecting your use and occupation of the Land and the Improvements, and
 - (ii) the provisions of this Agreement;

- (c) in respect of the use of the Land by you or by anyone you permit to use the Land, keep the Land and the Improvements in a safe, clean and sanitary condition satisfactory to us, and at our written request, make the Land and the Improvements safe, clean and sanitary;
- (e) not commit any wilful or voluntary waste, spoil or destruction on the Land or do anything on the Land that may be or become a nuisance or annoyance to an owner or occupier of land in the vicinity of the Land;
- (f) use and occupy the Land only in accordance with and for the purposes set out in the Management Plan;
- (g) not construct, place or affix any Improvement on or to the Land except as permitted in the Management Plan;
- (h) pay all accounts and expenses as they become due for work performed on or materials supplied to the Land at your request, on your behalf or with your permission, except for money that you are required to hold back under the *Builders Lien Act*;
- (i) if any claim of lien over the Land is made under the *Builders Lien Act* for work performed on or materials supplied to the Land at your request, on your behalf or with your permission, immediately take all steps necessary to have the lien discharged, unless the claim of lien is being contested in good faith by you and you have taken the steps necessary to ensure that the claim of lien will not subject the Land or any interest of yours under this Agreement to sale or forfeiture;
- (j) not cut or remove timber on or from the Land without
- (i) our prior written consent, and
 - (ii) being granted the right under the *Forest Act* to harvest Crown timber on the Land;
- (k) during the Term of this licence maintain the Operating Record in such form and containing such information as we may reasonably require, and
- (i) permit us to attend at your offices to examine the Operating Record during normal office hours, and
 - (ii) within 10 days of receiving a written request from us, deliver to us copies of the Operating Record;
- (l) establish and maintain proper books of account, making true entries of all dealings and

transactions in relation to your quarrying operation on the Land, and at all reasonable times furnish us such information relating to your quarrying operation as we may reasonably require;

- (m) upon receipt of our written request, cause an independent quantity survey to be undertaken by a qualified Professional Engineer or British Columbia Land Surveyor, to confirm the actual amount of material removed from the Land during the preceding licence Period;
- (n) reclaim the Land to the post extraction land use approved by us in accordance with the reclamation plan approved by the Ministry of Energy and Mines;
- (o) maintain the quarry in a safe and orderly manner in accordance with the provisions of the *Mines Act*;
- (p) take all reasonable precautions to avoid disturbing or damaging any archaeological material found on or under the Land and, upon discovering any archaeological material on or under the Land, you must immediately notify the ministry responsible for administering the *Heritage Conservation Act*;
- (q) not alter, repair or add to any Improvement without our prior written consent;
- (r) abide by all Provincial Legislation;
- (s) acquire Notice of Works Permit under the Mines Act from Energy and Mines prior to any excavation activities;
- (t) only actively extract materials from June 1 to October 1 or as approved by the Revelstoke Snowmobile Club and the Ministry of Forests in Revelstoke. In some years your operation could start up earlier or finish later depending on snowfall. There will be no snowplowing of road to access pit area and snowplowing must not cause any conflicts with snowmobile users of Forest Service Roads in area;
- (u) slope gravel pit to 1.5 to 1 slope at the end of each operating season for safety reasons;
- (v) obtain authorization prior to cutting any trees and obtain a timber mark if any timber is to be removed and transported from the site. These can be obtained from the Revelstoke Forest District office;
- (w) obtain a Road Use Permit for use of the Jordan Forest Service Road;
- (x) obtain a burning reference number from the Ministry of Forests (1-888-787-1717) if any burning of hazardous or combustible material is planned and if piles exceed 2 metres in height or 3 metres in width or length;

- (j) cease any extraction activities if any cultural evidence is found and the Owner must be immediately notified;
- (z) manage noxious weeds and avoid their spread. After the portion of the pit is depleted, any exposed mineral soil should be immediately seeded with a forest grass seed mix, prior to moving to new portion of the pit. Trucks and other equipment should be checked out on a regular basis to ensure that noxious weeds and their seed are not being spread about. Topsoil must be removed and stored for covering the excavated area after materials are extracted and seeded;
- (aa) permit us, or our authorized representatives, to enter on the Land at any time to inspect the Land and the Improvements;
- (bb) indemnify and save us and our servants, employees and agents harmless against all claims, actions, causes of action, losses, damages, costs and liabilities, including fees of solicitors and other professional advisors, arising out of
- (i) your breach, violation or nonperformance of a provision of this Agreement, and
 - (ii) any personal injury, bodily injury (including death) or property damage occurring or happening on or off the Land by virtue of your entry upon, use or occupation of the Land,
- and the amount of all such losses, damages, costs and liabilities will be payable to us immediately upon demand; and
- (cc) on the termination of this Agreement,
- (i) peaceably quit and deliver to us possession of the Land and, subject to paragraphs (ii), (iii) and (iv), the Improvements in a safe, clean and sanitary condition,
 - (ii) within 60 days, remove from the Land any Improvement you want to remove, if the Improvement was placed on or made to the Land by you and you are not in default of this Agreement,
 - (iii) not remove any Improvement from the Land if you are in default of this Agreement, unless we direct or permit you to do so under paragraph (iv),
 - (iv) remove from the Land any Improvement that we, in writing, direct or permit you to remove, other than any Improvement permitted to be placed on or made to the Land under another disposition, and

- (v) restore the surface of the Land as nearly as may reasonably be possible to the same condition as it was on the Commencement Date, to our satisfaction, but if you are not directed or permitted to remove an Improvement under paragraph (iv), this paragraph will not apply to that part of the surface of the Land on which that Improvement is located,

and all of your right, interest and estate in the Land will be absolutely forfeited to us, and to the extent necessary, this covenant will survive the termination of this Agreement.

- 4.2 You will not permit any person to do anything you are restricted from doing under this Article.

ARTICLE 5 - LIMITATIONS

- 5.1 You agree with us that

- (a) we are under no obligation to provide access or services to the Land or to maintain or improve existing access roads;
- (b) this Agreement is subject to
- (i) all subsisting dispositions and subsisting grants to or rights of any person made or acquired under the *Coal Act, Forest Act, Mineral Tenure Act, Petroleum and Natural Gas Act, Range Act, Wildlife Act or Water Act*, or any extension or renewal of the same, whether or not you have actual notice of them, and
- (ii) the exceptions and reservations of interests, rights, privileges and titles referred to in section 50 of the *Land Act*;
- (c) without limiting subsection 4.1(bb), you must indemnify and save us and our servants, employees and agents harmless from and against all claims, actions, causes of action, losses, damages, costs and liabilities, including fees of solicitors and other professional advisors, arising out of any conflict between your rights under this Agreement and the rights of any person under a disposition or under a subsisting grant to or right of any person made or acquired under the *Coal Act, Forest Act, Mineral Tenure Act, Petroleum and Natural Gas Act, Range Act, Wildlife Act or Water Act* (or any prior or subsequent enactment of the Province of British Columbia of like effect), or any extension or renewal of the same, whether or not you have actual notice of them, and the amount of all such losses, damages, costs and liabilities will be payable to us immediately upon demand;
- (d) you release us from all claims, actions, causes of action, suits, debts and demands that you now have or may at any time in the future have against us arising out of any

- conflict between your rights under this Agreement and the rights of any person under a disposition or under a subsisting grant to or right made or acquired under the enactments referred to in subsection (c), and you acknowledge that this Agreement and your rights under this Agreement are subject to those grants and rights referred to in subsection (c) whether or not you have actual notice of them.
- (e) we may make other dispositions of or over the Land;
 - (f) you will make no claim for compensation, in damages or otherwise, in respect of a disposition made under subsection (e), where such disposition does not materially affect the exercise of your rights under this Agreement;
 - (g) subject to subsection (f), all of your costs and expenses, direct or indirect, that arise out of any lawful interference with your rights under this Agreement as a result of the exercise or operation of the interests, rights, privileges and titles reserved to us in subsections (b) and (e) will be borne solely by you;
 - (h) you will not commence or maintain proceedings under section 65 of the *Land Act* in respect of any lawful interference with your rights under this Agreement that arises as a result of the exercise or operation of the interests, rights, privileges and titles described in subsections (b) and (e);
 - (i) you have the authority to construct a gate on the access road into the proposed pit for safety reasons;
 - (j) on adjacent crown lands within the provincial forest, forest management activities including timber harvesting, road building, silviculture, ecosystem restoration burning and the grazing of livestock may occur on these lands in the future;
 - (k) you will not remove or permit the removal of any Improvement from the Land except as expressly permitted or required under this Agreement;
 - (l) any interest you may have in the Improvements ceases to exist and becomes our property upon the termination of this Agreement, except where an Improvement may be removed under paragraph 4.1(cc)(ii), (iii) or (iv) in which case any interest you may have in that Improvement ceases to exist and becomes our property if the Improvement is not removed from the Land within the time period set out in paragraph 4.1(cc)(ii) or the time period provided for in the direction or permission given under paragraph 4.1(cc)(iii); and
 - (m) if, after the termination of this Agreement, we permit you to remain in possession of the Land and we accept money from you in respect of such possession, a tenancy from year to year will not be created by implication of law and you will be deemed to be a

monthly occupier only subject to all of the provisions of this Agreement, except as to duration, in the absence of a written agreement to the contrary.

ARTICLE 6 - SECURITY AND INSURANCE

6.1 On the Commencement Date, you will deliver to us security in the amount of \$0.00 which will

- (a) guarantee the performance of your obligations under this Agreement;
- (b) be in the form required by us; and
- (c) remain in effect until we certify, in writing, that you have fully performed your obligations under this Agreement.

6.2 Despite section 6.1, your obligations under that section are suspended for so long as you maintain in good standing other security acceptable to us to guarantee the performance of your obligations under this Agreement and all other dispositions held by you.

6.3 We may use the Security for the payment of any costs and expenses incurred by us to perform any of your obligations under this Agreement that are not performed by you or to pay any overdue Fees and, if such event occurs, you will, within 30 days of that event, deliver further Security to us in an amount equal to the amount drawn down by us.

6.4 After we certify, in writing, that you have fully performed your obligations under this Agreement, we will return to you the Security maintained under section 6.1, less all amounts drawn down by us under section 6.3.

6.5 You acknowledge that we may, from time to time, notify you to

- (a) change the form or amount of the Security; and
- (b) provide and maintain another form of Security in replacement of or in addition to the Security posted by you under this Agreement;

and you will, within 60 days of receiving such notice, deliver to us written confirmation that the change has been made or the replacement or additional form of Security has been provided by you.

6.6 You must

- (a) without limiting your obligations or liabilities under this Agreement, at your expense, effect and keep in force during the Term Comprehensive/Commercial General Liability insurance protecting us as an additional insured in an amount of not less than

\$1,000,000.00 inclusive per occurrence insuring against liability for personal injury, bodily injury (including death) or property damage, and claims for liability assumed under contract, arising from all accidents or occurrences on the Land or the Improvements;

- (b) on the Commencement Date and immediately upon demand, deliver to us a completed "Province of British Columbia Certificate of Insurance" for all insurance required to be maintained by you under this Agreement;
- (c) ensure that all insurance required to be maintained by you under this Agreement is
 - (i) placed with insurers licensed in British Columbia,
 - (ii) primary and does not require the sharing of any loss by any insurer that insures us, and
 - (iii) endorsed to provide us with 30 days' advance written notice of cancellation or material change; and
- (d) deliver to us, immediately upon demand, certified copies of all policies of insurance required to be maintained by you under this Agreement.

6.7 You acknowledge that we may, from time to time, notify you to

- (a) change the amount of insurance set out in subsection 6.6(a); and
- (b) provide and maintain another type or types of insurance in replacement of or in addition to the insurance previously required to be maintained by you under this Agreement;

and you will, within 60 days of receiving such notice, cause the amounts and types to be changed and deliver to us a completed "Province of British Columbia Certificate of Insurance" for all insurance then required to be maintained by you under this Agreement.

ARTICLE 7 - ASSIGNMENT

- 7.1 You must not sublicense, assign, mortgage or transfer this Agreement, or permit any person to use or occupy the Land, without our prior written consent, which consent we may withhold in our sole discretion.
- 7.2 For the purpose of section 7.1, if you are a corporation, a change in control (as that term is defined in subsection 1(4) of the *Company Act*) will be deemed to be a transfer of this Agreement.

- 7.3 Section 7.2 does not apply to a corporation if the shares of the corporation which carry votes for the election of the directors of the corporation trade on a stock exchange located in Canada.
- 7.4 Prior to considering a request for our consent under section 7.1, we may require you to meet certain conditions, including without limitation, that you submit to us a "site profile", "preliminary site investigation" or "detailed site investigation" (as those terms are defined in the *Waste Management Act*) for the Land or other similar type of investigation of the Land.

ARTICLE 8 - TERMINATION

8.1 You agree with us that

- (a) if you
 - (i) default in the payment of any money payable by you under this Agreement, or
 - (ii) fail to observe, abide by and comply with the provisions of this Agreement (other than the payment of any money payable by you under this Agreement),and your default or failure continues for 60 days after we give written notice of the default or failure to you,
- (b) if, in our opinion, you fail to make diligent use of the Land for the purposes set out in this Agreement, and your failure continues for 60 days after we give written notice of the failure to you;
- (c) if you
 - (i) become insolvent or make an assignment for the general benefit of your creditors,
 - (ii) commit an act which entitles a person to take action under the *Bankruptcy and Insolvency Act* (Canada) or a bankruptcy petition is filed or presented against you or you consent to the filing of the petition or a decree is entered by a court of competent jurisdiction adjudging you bankrupt under any law relating to bankruptcy or insolvency, or
 - (iii) voluntarily enter into an arrangement with your creditors;
- (d) if you are a corporation,
 - (i) a receiver or receiver-manager is appointed to administer or carry on your business, or

- (ii) an order is made, a resolution passed or a petition filed for your liquidation or winding up;
- (e) if you are a society, you convert into a company in accordance with the *Society Act* without our prior written consent;
- (f) if this Agreement is taken in execution or attachment by any person; or
- (g) if we require the Land for our own use or, in our opinion, it is in the public interest to cancel this Agreement and we have given you 60 days' written notice of such requirement or opinion;

this Agreement will, at our option and with or without entry, terminate and your right to use and occupy the Land will cease.

8.2 If the condition complained of (other than the payment of any money payable by you under this Agreement) reasonably requires more time to cure than 60 days, you will be deemed to have complied with the remedying of it if you commence remedying or curing the condition within 60 days and diligently complete the same.

8.3 You agree with us that

- (a) you will make no claim for compensation, in damages or otherwise, upon the lawful termination of this Agreement under section 8.1; and
- (b) our remedies under this Article are in addition to those available to us under the *Land Act*.

ARTICLE 9 - DISPUTE RESOLUTION

- 9.1 If any dispute arises under this Agreement, the parties will attempt to resolve the dispute within 60 days of the dispute arising (or within such other time period agreed to by the parties) and, subject to applicable laws, provide candid and timely disclosure to each other of all relevant facts, information and documents to facilitate those efforts.
- 9.2 Subject to section 9.5, if a dispute under this Agreement cannot be resolved under section 9.1, we or you may refer the dispute to arbitration conducted by a sole arbitrator appointed pursuant to the *Commercial Arbitration Act*.
- 9.3 The cost of the arbitration referred to in section 9.2 will be shared equally by the parties and the arbitration will be governed by the laws of the Province of British Columbia.
- 9.4 The arbitration will be conducted at our offices (or the offices of our authorized representative)

in Cranbrook, British Columbia, and if we or our authorized representative have no office in Cranbrook, British Columbia, then our offices (or the offices of our authorized representative) that are closest to Cranbrook, British Columbia.

- 9.5 A dispute under this Agreement in respect of a matter within our sole discretion cannot, unless we agree, be referred to arbitration as set out in section 9.2.

ARTICLE 10 - NOTICE

- 10.1 Any notice required to be given by either party to the other will be deemed to be given if mailed by prepaid registered mail in Canada or delivered to the address of the other as follows:

to us

Land and Water British Columbia Inc.
205 Industrial Rd G
Cranbrook, BC V1C 7G5;

to you

Hector Troy Scarcelli
632 Upland Place
Coldstream, BC V1B 2X8;

or at such other address as a party may, from time to time, direct in writing, and any such notice will be deemed to have been received if delivered, on the day of delivery, and if mailed, 7 days after the time of mailing, except in the case of mail interruption in which case actual receipt is required.

- 10.2 In order to expedite the delivery of any notice required to be given by either party to the other, a concurrent facsimile copy of any notice will, where possible, be provided to the other party but nothing in this section, and specifically the lack of delivery of a facsimile copy of any notice, will affect the deemed delivery provided in section 10.1.
- 10.3 The delivery of all money payable to us under this Agreement will be effected by hand, courier or prepaid regular mail to the address specified above, or by any other payment procedure agreed to by the parties, such deliveries to be effective on actual receipt.

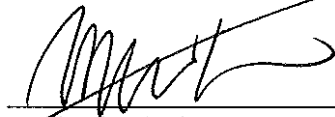
ARTICLE 11 - MISCELLANEOUS

- 11.1 No provision of this Agreement will be considered to have been waived unless the waiver is in writing, and a waiver of a breach of a provision of this Agreement will not be construed as or constitute a waiver of any further or other breach of the same or any other provision of this Agreement, and a consent or approval to any act requiring consent or approval will not waive or render unnecessary the requirement to obtain consent or approval to any subsequent same or similar act.
- 11.2 No remedy conferred upon or reserved to us under this Agreement is exclusive of any other remedy in this Agreement or provided by law, but that remedy will be in addition to all other remedies in this Agreement or then existing at law, in equity or by statute.
- 11.3 The grant of a sublicense, assignment or transfer of this Agreement does not release you from your obligation to observe and perform all the provisions of this Agreement on your part to be observed and performed unless we specifically release you from such obligation in our consent to the sublicense, assignment or transfer of this Agreement.
- 11.4 This Agreement extends to, is binding upon and enures to the benefit of the parties, their heirs, executors, administrators, successors and permitted assigns.
- 11.5 If, due to a strike, lockout, labour dispute, act of God, inability to obtain labour or materials, law, ordinance, rule, regulation or order of a competent governmental authority, enemy or hostile action, civil commotion, fire or other casualty or any condition or cause beyond your reasonable control, other than normal weather conditions, you are delayed in performing any of your obligations under this Agreement, the time for the performance of that obligation will be extended by a period of time equal to the period of time of the delay so long as
- (a) you give notice to us within 30 days of the commencement of the delay setting forth the nature of the delay and an estimated time frame for the performance of your obligation; and
 - (b) you diligently attempt to remove the delay.
- 11.6 You agree with us that
- (a) we are under no obligation, express or implied, to provide financial assistance or to contribute toward the cost of servicing, creating or developing the Land or the Improvements and you are solely responsible for all costs and expenses associated with your use of the Land and the Improvements for the purposes set out in this Agreement; and
 - (b) nothing in this Agreement constitutes you as our agent, joint venturer or partner or gives you any authority or power to bind us in any way.

11.7 Agreement does not override or affect any powers, privileges or immunities to which you are entitled under any enactment of the Province of British Columbia.


The parties have executed this Agreement as of the date of reference of this Agreement.

SIGNED on behalf of **HER MAJESTY
THE QUEEN IN RIGHT OF THE
PROVINCE OF BRITISH COLUMBIA** by
Land and Water British Columbia Inc.,
authorized representative of the
minister responsible for the *Land Act*

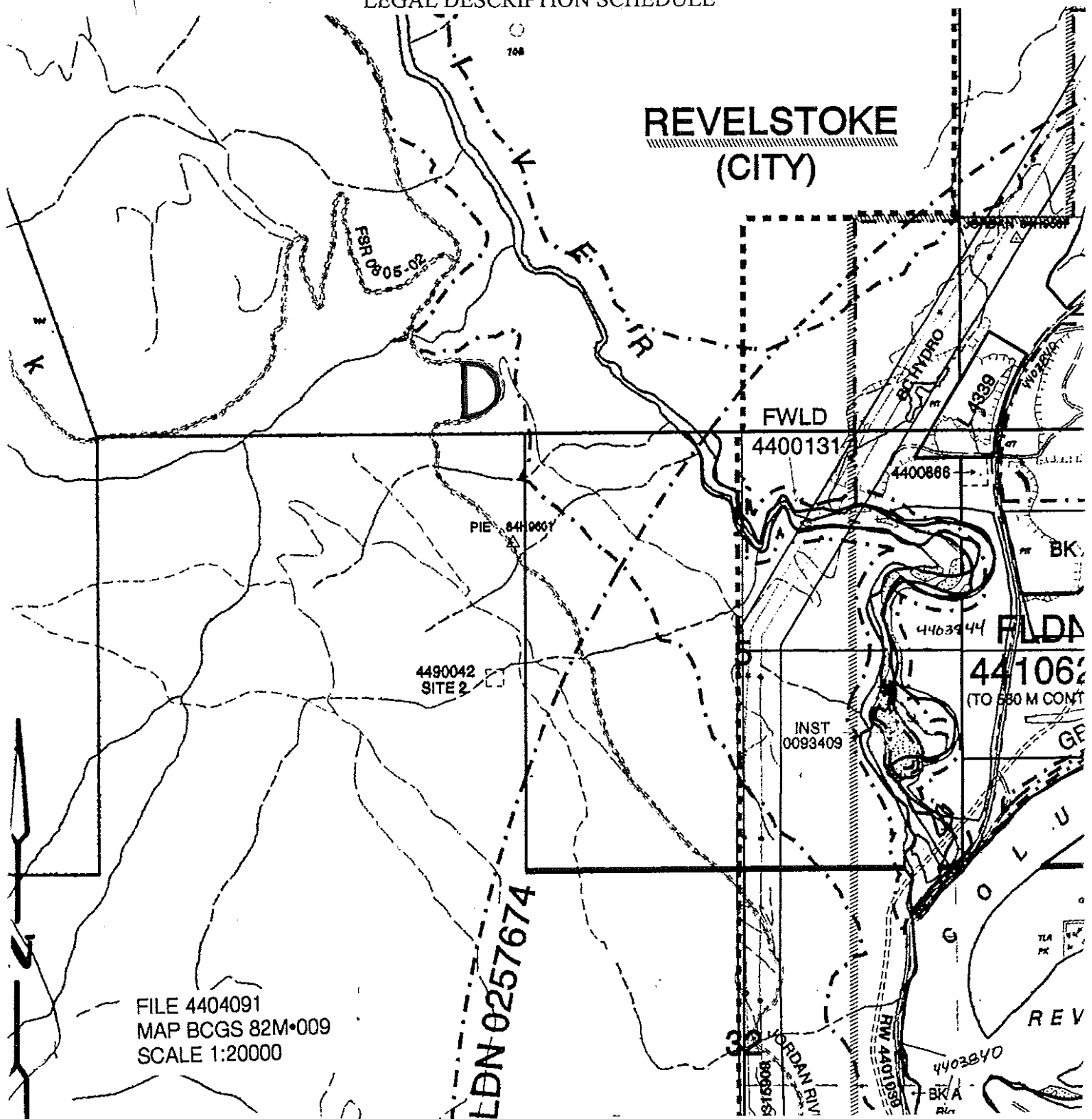


Authorized Signatory of
Land and Water British Columbia Inc.

SIGNED BY
HECTOR TROY SCARCELLI



REVELSTOKE
 (CITY)



Page 18 of 18



ASSIGNMENT/ASSUMPTION

Licence No.: 403661

File No.: 4404091

Disposition No.: 827318

THIS AGREEMENT is dated for reference May 9, 2007.

BETWEEN:

HECTOR TROY SCARCELLI

632 Upland Place
Coldstream, BC V1B 2X8

OF THE FIRST PART

(herein the "Assignor")

AND:

INTERROUTE CONSTRUCTION LTD. INC. NO. BC0497648

Db a H & J Ready-Mix Ltd.
PO Box 9297
Revelstoke, BC V0E 3K0

OF THE SECOND PART

(herein the "Assignee")

AND:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, represented by the minister responsible for the *Land Act*, Parliament Buildings, Victoria, British Columbia

OF THE THIRD PART

(herein the "Province")

WITNESS THAT WHEREAS:

The Assignor and the Province entered into a License of Occupation (herein called the "Document") over those lands more particularly known and described as:

^11 that unsurveyed Crown land in the vicinity of Jordan River and Section 5, Township 24, Range 2, West of the Sixth Meridian, Kootenay District, containing 3.0 hectares, more or less.

NOW THEREFORE THIS AGREEMENT WITNESSETH that for good and valuable consideration paid by the Assignee to the Assignor and by the Assignee and the Assignor to the Province, the receipt and sufficiency of which is hereby acknowledged by both the Assignor and the Province, the parties agree as follows:

ARTICLE I - ASSIGNMENT

- 1.1 The Assignor assigns all of his right, title, interest and estate in and to the Document to the Assignee.

ARTICLE II - ASSUMPTION

- 2.1 The Assignee covenants with the Province to assume and be bound by all the terms, conditions, covenants, obligations and agreements contained in the Document.

ARTICLE III - CONSENT

- 3.1 The Province consents to the execution and delivery of this agreement and the Assignment.
- 3.2 The Province releases and discharges the Assignor from all the terms, conditions, covenants, obligations and agreements contained in the Document.

ARTICLE IV - WARRANTIES AND REPRESENTATIONS

- 4.1 The Assignee warrants and represents to the Province, with the intent that the Province will rely thereon, that the Assignee:
- (a) is a corporation duly formed under laws of the Province of British Columbia and has filed all necessary documents under such laws and has complied with all requirements of the *Business Corporations Act*;
 - (b) has the power, capacity and authority to enter into this agreement and to carry out its obligations contemplated herein, all of which have been duly and validly authorized by all necessary proceedings; and

- (c) is in good standing with respect to the filing of returns in the Office of the Registrar of Companies of British Columbia.

4.2 The Assignee acknowledges to the Province and to the Assignor that:

- (a) the Assignee has inspected the land, and the improvements (if any) situate thereon, which are the subject of the Document and is fully aware of the condition of that land, and the improvements (if any) situate thereon, and accepts same in its current state;
- (b) the Assignee has reviewed and inspected all municipal and regional by-laws, regulations and policies concerning the use and development of the land which is the subject of the Document; and
- (c) there are no representations, warranties, collateral agreements or conditions affecting this agreement or the land, and the improvements (if any) situate thereon, which are the subject of the Document except as expressed herein and that this agreement constitutes the entire agreement.

ARTICLE V - NOTICE

5.1 The address of the Assignee for the service of notices or documents under the Document shall be the address specified for the Assignee on the first page of this agreement.

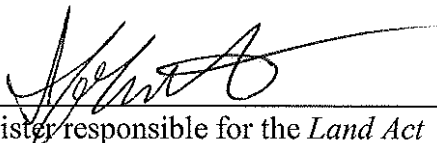
ARTICLE VI - MISCELLANEOUS

- 6.1 This agreement shall enure to the benefit of the parties hereto and their respective successors and permitted assigns.
- 6.2 The parties to this agreement confirm that the terms of the Document remain and continue in full force and effect.
- 6.3 This agreement may not be assigned by the Assignee except in accordance with the provisions of the Document.
- 6.4 This agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia.
- 6.5 In this agreement, unless the context otherwise requires, the singular includes the plural and the masculine includes the feminine gender and corporation as the case may be.
- 6.6 The captions and headings contained in this agreement are for convenience only and are not to be construed as defining or in anyway limiting the scope or intent of the provisions hereof.

- 6.7 Where there is a reference to an enactment of the Province of British Columbia in this agreement, that reference shall include a reference to any subsequent enactment of the Province of British Columbia of like effect, and, unless the context otherwise requires, all statutes referred to herein are enactments of the Province of British Columbia.
- 6.8 If any section of this agreement or any part of a section is found to be illegal or unenforceable, that part or section as the case may be, shall be considered separate and severable and the remaining parts shall be enforceable to the fullest extent permitted by law.
- 6.9 All schedules attached to this agreement form an integral part of this agreement.

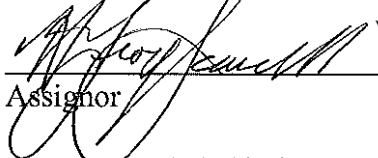
IN WITNESS WHEREOF the Assignor and Assignee have executed this agreement, and the Province has consented thereto, the day and year first above written.

SIGNED on behalf of **HER MAJESTY
THE QUEEN IN RIGHT OF THE
PROVINCE OF BRITISH COLUMBIA**
by the minister responsible for the *Land Act*
or the minister's authorized representative



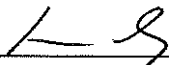
Minister responsible for the *Land Act*
or the minister's authorized representative

SIGNED BY
HECTOR TROY SCARCELLI



Assignor

SIGNED on behalf of **INTERROUTE CONSTRUCTION LTD.**
by a duly authorized signatory



Authorized Signatory

Pasqua, Kathy ILMB:EX

From: Pasqua, Kathy ILMB:EX
Sent: February 15, 2008 4:10 PM
To: 'Erwin Spletzer'
Subject: RE: From Erwin Spletzer at Interoute Construction

Hi Erwin:

I will have this mailed out to you on Monday by Priority Courier.

Thanks.

-----Original Message-----

From: Erwin Spletzer [mailto:espletzer@terusconstruction.ca]
Sent: February 15, 2008 3:06 PM
To: Pasqua, Kathy ILMB:EX
Subject: RE: From Erwin Spletzer at Interoute Construction

Kathy

Attached is the signed visa authorization Form for a certified copy of File#4404091 - License No. 836766

Thank you
Erwin Spletzer
Interoute Construction

-----Original Message-----

From: Pasqua, Kathy ILMB:EX [mailto:Kathy.Pasqua@gov.bc.ca]
Sent: Friday, February 15, 2008 10:17 AM
To: Erwin Spletzer
Subject: FW: From Erwin Spletzer at Interoute Construction

Hi Erwin:

Kathy forwarded your email onto to me. Please fill out the attached Visa/Mastercard Authorization Form for the \$50.00 fee for a certified true copy.

Please fax or email it back to me and once I receive this form I will have it processed and send you the Certified True Copy of the document.

Thanks.

-----Original Message-----

From: Bisset, Kathy B ILMB:EX
Sent: February 14, 2008 11:48 AM
To: Pasqua, Kathy ILMB:EX
Subject: FW: From Erwin Spletzer at Interoute Construction

Here is another e-mail from interoute. Thanks!

-----Original Message-----

From: Erwin Spletzer [mailto:espletzer@terusconstruction.ca]
Sent: February 14, 2008 10:46 AM
To: Bisset, Kathy B ILMB:EX
Subject: RE: From Erwin Spletzer at Interoute Construction

Kathy

Please ask the person who makes the copies to email me for a visa number.

espletzer@terusconstruction.ca
604-575-3473

Erwin Spletzer

-----Original Message-----

From: Bisset, Kathy B ILMB:EX [mailto:Kathy.Bisset@gov.bc.ca]
Sent: Wednesday, February 13, 2008 5:00 PM
To: Erwin Spletzer
Subject: RE: From Erwin Spletzer at Interoute Construction

I have forwarded this on to the person who makes the copies. You can pay by cheque or visa.

-----Original Message-----

From: Erwin Spletzer [mailto:espletzer@terusconstruction.ca]
Sent: February 13, 2008 4:40 PM
To: Bisset, Kathy B ILMB:EX
Subject: RE: From Erwin Spletzer at Interoute Construction

Kathy

I am sorry. You are 100% correct. We only need File #4404091 - license 836766. I already have a copy of the other licence. How do I pay the bill? Invoice or credit card?

Again Thank you very much.
Erwin Spletzer

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-----Original Message-----

From: Erwin Spletzer [mailto:espletzer@terusconstruction.ca]
Sent: February 13, 2008 10:52 AM
To: Bisset, Kathy B ILMB:EX
Cc: Roy Rokosh
Subject: From Erwin Spletzer at Interoute Construction

Kathy

As discussed today on the telephone, Interoute Construction requests a copy of our Licence of Occupation #339461, (including map). Please send to the following address:

Interoute Construction Ltd
Att: Erwin Spletzer
201-5550 152nd Street
Surrey, BC
V3S 5J9

espletzer@terusconstruction.ca

604-575-3689

Thank you
Erwin Spletzer

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Scan001.pdf (281
KB)

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From: Erwin Spletzer [mailto:espletzer@terusconstruction.ca]
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VisaMastercardPay
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Surrey, BC
V3S 5J9

espletzer@terusconstruction.ca

604-575-3689

Thank you
Erwin Spletzer

4404091

Bisset, Kathy B ILMB:EX

From: Bisset, Kathy B ILMB:EX
Sent: November 14, 2007 11:07 AM
To: Ludwig, Al EMPR:EX
Subject: RE: Licence nos. 339461 and 403661

Al, I have checked into these files -

File#4403844 - License No. 339461 (Quarry)

File#4404091 - License No. 403661 (Quarry)

File#4404142 - (Roadway to Quarry)

All of these files have been assigned from Scarcelli to Interoute Construction. It is OK to issue a Notice of Work to Interoute for the 2 quarries.

-----Original Message-----

From: Ludwig, Al EMPR:EX
Sent: November 14, 2007 10:37 AM
To: Bisset, Kathy B ILMB:EX
Subject: Licence nos. 339461 and 403661

MEMPR has been advised that Interoute Construction Ltd has taken over the operation of these 2 properties and they have applied to have the permits amended into their name. Has the new operator obtained approval from ILMB to operate on these properties under H & J's LOO? If they have had the LOO amended into their name have they applied for an extension of term which is due to expire April 15, 2008 and July 25, 2008?

Regards Al Ludwig

102608329

FILE - 4404091 ASSIGNMENTS

From Jessie Lunan	Expéditeur	Telephone No. 2504261766	N° de téléphone
Customer No. 7246766	N° du client	Agreement No. 40063363	N° de convention
MIN AL FRONT COUNTER BC			
Address 1902 THEATRE RD			
City CRAMBROOK	Ville	Prov. BC	Postal Code V1C 7G1
To INTERROUTE CONSTRUCTION LTD. dba H & J READY MIX PO Box 9297 REVELSTOKE		Destinataire BC V0E 3K0	

X

Signature Required
Signature requiseSender warrants no dangerous
goods enclosed and agrees to
terms and conditions on reverse.L'expéditeur garantit que cet envoi ne
contient pas de matières dangereuses et
accepte les conditions indiquées au verso.

CANADA POST DATA ENTRY -1

TRAITEMENT DES DONNÉES DE POSTES CANADA



1469

TM 080 675 145 CA

ITEM REFERENCE NO.
N° DE RÉF. DE L'ARTICLEPRIORITY MESSAGERIES
COURIER PRIORITAIRES

Bill of Lading

Connaissance

Billed Facturé <input checked="" type="checkbox"/>	Paid by meter Payé par compteur <input type="checkbox"/>	Weight Poids	Total Meter Amount de l'emprunte	Valeur totale
Oversize/Unpackaged Surdimensionné / Sans emballage <input type="checkbox"/>		Mailing Tube Tube d'expédition <input type="checkbox"/>	Volumetric Weight Poids volumétrique	
Sender's Ref. LC892	Réf. de l'expéditeur	Declared Value for Coverage Valeur déclarée pour couverture		
Sender's Signature	Signature de l'expéditeur	Site No.	N° du bureau	
Accepted by	Accepté par	Date		
FOR DELIVERY / POUR LIVRAISON CONFIRMATION QV / LA LIVRAISON				



TM 080 675 145 CA

PLEASE DETACH PRIOR TO MAILING
ENLEVER AVANT DE POSTER S.V.P.



Date: 2007/07/17

Dear Sir or Madam:

Madame, Monsieur,

Please find below the scanned delivery date and signature of the recipient of the item identified below:

Vous trouverez ci-dessous la date de la livraison et la signature de la personne qui a accepté l'envoi sous mentionné:

Item Number

Numéro d'article

TM080675145CA

Product Name

Nom de produit

Priority Courier/Messageries prioritaires

Reference Number 1

Numéro de référence 1

Not Applicable/Sans objet

Reference Number 2

Numéro de référence 2

Not Applicable/Sans objet

Delivery Date (yyyy/mm/dd)

Date de livraison (aaaa/mm/jj)

2007/06/22

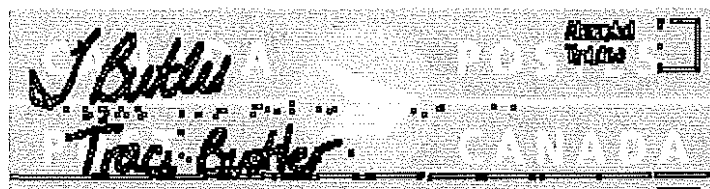
Signatory Name

Nom du signataire

TRACI BUTLER

Signature

Signature



Yours sincerely,

Salutations distinguées,

Customer Relationship Network
1-888-550-6333

(from outside of Canada 1 416 979-8822)

Réseau des relations avec la clientèle
1 888 550-6333

(de l'extérieur du Canada 1 416 979-8822)

This copy conforms to the delivery date and signature of the individual who accepted and signed for the item in question. This information has been extracted from the Canada Post data warehouse.

Cette copie est conforme à la date de livraison et à l'image de signature de la personne qui a accepté les envois susmentionnés. Ces informations ont été extraites de la banque de données de Postes Canada.

CERTIFICATE OF INSURANCE

Freedom of Information and Protection of Privacy Act
The personal information requested on this form is collected under the authority of and used for the purpose of administering the *Financial Administration Act*. Questions about the collection and use of this information can be directed to the Director, Client Services, Core Government and Crowns at 250 356-8915, PO Box 9405 STN PROV GOVT, Victoria BC V8W 9V1.
Please refer all other questions to the contact named in Part 1.

Part 1 To be completed by the Province

THIS CERTIFICATE IS REQUESTED BY and ISSUED TO (Name of office) HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA		AGREEMENT IDENTIFICATION NO. All Land Act Tenures	
PROVINCE'S CONTACT PERSON NAME & TITLE Ministry responsible for the 'Land Act'		PHONE NO (250) 426-2169	
MAILING ADDRESS 1902 Theatre Road, Cranbrook, BC		FAX NO (250) 426-1767	
		POSTAL CODE V1C 7G1	
CONTRACTOR NAME na			
CONTRACTOR ADDRESS na		POSTAL CODE	
		Broker Ref#T0581 File#4404142	

Part 2 To be completed by the Insurance Agent or Broker

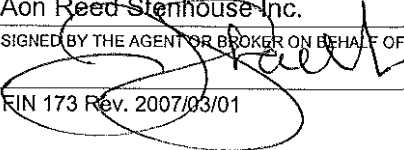
INSURED	NAME Interoute Construction Ltd. Dba H & J Ready Mix		
	ADDRESS PO Box 9297 Revelstoke, BC		POSTAL CODE V0E 3K0
OPERATIONS INSURED	PROVIDE DETAILS Pit Access – Those parts of the remainder of the Northeast and Northwest ¼'s of Section 4, Township 24, Range 2, West of the 6th Meridian, Kootenay District, Containing 0.74 hectares, more or less		
TYPE OF INSURANCE <i>List each separately</i>	COMPANY NAME, POLICY NO. & BRIEF DESCRIPTION	EXPIRY DATE YYYY/MM/DD	LIMIT OF LIABILITY/AMOUNT
s.21			

This certificate certifies that policies of insurance described herein are in full force and effective as of the date of this certificate and comply with the insurance requirements of the Agreement identified above, except as follows:

AGENT OR BROKER COMMENTS:

Her Majesty the Queen in Right of the Province of British Columbia is added as an Additional Insured to the General Liability Policy, but only arising out of the Named Insured's operations.

The Insurers will endeavor to provide THIRTY (30) days written notice of cancellation to the Certificate Holder.

AGENT OR BROKER Aon Reed Stenhouse Inc.	ADDRESS 900 Howe St. Vancouver, BC V6B 3X8	PHONE NO (604) 688-4442
SIGNED BY THE AGENT OR BROKER ON BEHALF OF THE ABOVE INSURER(S) 		DATE SIGNED May 21/07

4404091 A

GA1500
GST# R107864738

BRITISH COLUMBIA REVENUE MANAGEMENT SYSTEM
TRANSACTION RECEIPT

FILE COPY

PAGE 1

APRIL 30, 2007 14:03 TRANSACTION ID: 1000002 (DUPLICATE RECEIPT) SD37223
03001 FRONTCOUNTER BC - CRANBROOK
NOTES: FILES 4404091, 4404142 & 4403844
DESCRIPTION: X \$265.00 ASSIGNMENT FEES REFERENCE:

ITEM	PRICE	QUANT	AMOUNT
1718 CLA-CROWN LAND LIC OCCUPATION LIC OCCUPATION	265.00	1	265.00
CLIENT NUMBER AL142768			
DOCUMENT: FILE # 4404091			
REFERENCE: CLIENT NAME HECTOR SCARCELLI			
1718 CLA-CROWN LAND LIC OCCUPATION LIC OCCUPATION	265.00	1	265.00
CLIENT NUMBER AL123695			
DOCUMENT: FILE # 4404142			
REFERENCE: CLIENT NAME H & J RADY-MIX LTD.			
1718 CLA-CROWN LAND LIC OCCUPATION LIC OCCUPATION	265.00	1	265.00
CLIENT NUMBER AL123695			
DOCUMENT: FILE # 4403844			
REFERENCE: CLIENT NAME H & J READY-MIX LTD.			
TRANSACTION TOTAL			795.00
B A BLACKTOP (CRANBROOK)			CHEQUE 795.00

GA1500
GST# R107864738

BRITISH COLUMBIA REVENUE MANAGEMENT SYSTEM
TRANSACTION RECEIPT

PAGE 2

APRIL 30, 2007 14:03 TRANSACTION ID: 1000002 (DUPLICATE RECEIPT) SD37223
03001 FRONTCOUNTER BC - CRANBROOK

TOTAL PAYMENT 795.00
CHANGE 0.00

file - 4404091

IP - 142768

DID - 827318

INV - 130208

Assign fee - 250
GST 15
\$ 265

404792

RECEIVED
ENTERED MAY 02 2007
MAY 01 2007
\$ 265-

BY *PL*

006521

Invoice	Date	Amount	Invoice	Date	Amount
200704	Apr 26/07	795.00			

Integrated Land
Management Bureau
Ministry of Agriculture & Lands

APR 30 2007

RECEIVED
GRANBROOK, BG

: MINISTER OF FINANCE	Cheque: 006521	Apr 26/07	Total:	795.00
-----------------------	----------------	-----------	--------	--------

THIS CHEQUE CONTAINS A MICROLINE BORDER AND SECURITY FEATURES

006521

DATE	AMOUNT
Apr 26/07	\$795.00

BA BLACKTOP (CRANBROOK)
DIV. OF INTERSTATE CONSTRUCTION LTD.

PER [Signature]
PER B. Gaston

s.21

4404091
\$265.00 Hector Searcelli
Assignment Fee
Disp 827318
IP 142768
MAL License SC 1718

Assignment Information Sheet

Date of package sent out from ILMB: April 25, 2007

File Numbers: **4404091** Tenure Number: **403661**

4404142

339483

4403844

339461

\$265.00

Purpose of the Tenure: **Quarrying and Roadway**

Must hold a minimum of \$1,000,000.00 in liability insurance

In order to qualify to hold this tenure, the assignee(s) must meet the following eligibility requirements

- ☐ 19 years of age or older or
- ☐ Canadian citizen or Landed Immigrant (permanent resident of Canada) or
- ☐ Corporation registered in the Province of British Columbia (indicate Registration Number _____) or incorporated under the laws of Canada and must be a company in good standing

➤➤➤ If applicant meets the above requirements and wishes to proceed with the assignment of this tenure, please complete the enclosed **Application Form** and return with the documentation noted above (if applicable) and the **Assignment fee of \$265.00 for each tenure (3 x \$265) payable to Minister of Finance. [non-refundable and non-transferrable]!**

** Please circle whether the original tenure documents are available **YES** **NO**

Indicate where future billings/correspondence should be mailed (*name and mailing address*). For multiple names on document, only **one name** and one address is permitted to assume responsibility, and we will take that to be Assignee #1 on the Application Form.

Once we receive the completed Application form and fees, we will prepare the Assignment Assumption Agreement (in triplicate) and return to you for signatures of the assignor(s) and assignee(s).

(Please note that no legal advice can be given by Integrated Land Management Bureau. Questions of this nature should be directed to a lawyer or notary of your choice)



Integrated Land Management Bureau

Your File: 3783

Our File: 4403844
4404091
4404142

May 9, 2007

Interoute Construction Ltd.
Dba H & J Ready-Mix Ltd.
PO Box 9297,
Revelstoke, BC V0E 3K0

Dear Troy Scarcelli:

I am enclosing the Assignment/Assumption Agreements as requested. Please examine all three documents carefully and ensure that:

1. The correct legal names and spelling appear.
2. The address listed is where you want all future correspondence to be sent.
3. The assignee(s) meet all the requirements of Article IV of the Assignment/Assumption Agreement.

When you are satisfied that the documents are accurate, please have the assignors and the assignees sign both copies and then forward to our office the following:

1. Assignment documents executed in duplicate.
2. Original or Certified True Copy of Tenure Numbers 339461, 403661 & 339483.
3. A security deposit in the amount of \$3,000.00 to guarantee the performance of the obligations under the Access Road License No. 339483. Once we have received the security deposit for \$3,000.00 we can release the security deposit for \$3,000.00 currently held by H & J Ready-Mix Ltd.
4. A Province of British Columbia Certificate of Insurance for the insurance required to be maintained under the licenses. A sample certificate is enclosed.

**Integrated Land
Management
Bureau**

Ministry of
Agriculture and Lands

Mailing Address:
1902 Theatre Road
Cranbrook BC V1C 7G1

Location:
1902 Theatre Road
Cranbrook BC
Phone: (250) 426-1766
Fax: (250) 426-1767

Interoute Construction Ltd.

May 1, 2007

Page 2

Please return these documents to us by July 9, 2007.

Once we have determined that all the requirements have been met, we will provide our consent by signing the Assignment/Assumption Agreements and endorsing the tenure documents. We will then return your copy of the agreements.

Should you have any questions regarding the above, please do not hesitate to contact me at 250 420-2169

Yours truly,

Jessie Lunan
Senior Portfolio Administrator
Southern Interior Client Services Division

Enclosures

Assignment Application Form

(A transfer document will be prepared from the information provided below)

File Nos. 4404091, 4404142, 4403844

Date of Assignment <i>APRIL 24/07</i>	Consideration <i>0</i> (actual selling price for the rights of the tenure)
Billing Responsibility Assignee # (to be entered by LMB staff)	

Assignee #1

Full Legal Name <i>INTERROUTE CONSTRUCTION LTD</i> mandatory <i>002 H&T READY MIX</i>	Complete Mailing Address mandatory <i>BOX 9897 REVELSTOCK B.C. V0E 3K0</i>
Physical Address (if different) <i>1021A SANDSTONE ROAD REVELSTOCK B.C. V0E 2J0</i>	
Phone # <i>(250) 837-4938</i>	Fax # <i>(250) 837-4741</i>
Email Address	
Incorporation # (if a Company) mandatory if applicable <i>BC0497648</i>	

Assignee #2 (if applicable)

Full Legal Name <i>INTERROUTE CONSTRUCTION LTD</i> mandatory <i>002 H&T READY MIX</i>	Complete Mailing Address mandatory <i>BOX 9897 REVELSTOCK B.C. V0E 3K0</i>
Physical Address (if different) <i>1021A SANDSTONE ROAD REVELSTOCK B.C. V0E 2J0</i>	
Phone # <i>(250) 837-4938</i>	Fax # <i>(250) 837-4741</i>
Email Address	
Incorporation # (if a Company) mandatory if applicable <i>BC0497648</i>	

Type of Tenancy (if there is more than 1 assignee)

Joint Tenants _____ or Tenants in Common _____

Please note that the Assignment Application Agreement will be forwarded to the address below

Submitted by	Your Ref / File Number
Mailing Address	
E-mail Address	

Can the original tenure document be located? _____ yes _____ no

(if there are more than 2 assignees, please continue on the next page)

Assignment Application Form

Assignee #3 (if applicable)

Full Legal Name <small>mandatory</small>	INTERROUTE CONSTRUCTION LTD 403 H & T READY MIX		
Complete Mailing Address <small>mandatory</small>	BOX 9297 REVELSTOCK, B.C. V0E 2K0		
Physical Address (if different)	1021 A SANDSTONE ROAD REVELSTOCK B.C. V0E 2S0		
Phone #	(250) 837-4938	Fax #	(250) 837-4741
Email Address			
Incorporation # (if a Company) <small>Mandatory if applicable</small>	BC 0497648		

Assignee #4 (if applicable)

Full Legal Name <small>mandatory</small>			
Complete Mailing Address <small>mandatory</small>			
Physical Address (if different)			
Phone #	() -	Fax #	() -
Email Address			
Incorporation # (if a Company) <small>Mandatory if applicable</small>			

Joint Tenants _____ or Tenants in Common _____

006521

Invoice	Date	Amount
200704	Apr 26/07	795.00

: MINISTER OF FINANCE	Cheque: 006521	Apr 26/07	Total:	795.00
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THIS CHEQUE CONTAINS A MICROLINE BORDER AND SECURITY FEATURES

CANADIAN IMPERIAL BANK OF COMMERCE
919 BAKER STREET
CRANBROOK, BC V1C 1A4

006521

DATE	AMOUNT
Apr 26/07	\$795.00

***** Seven Hundred Ninety Five Dollars and 00 Cents**

PAY
TO:

MINISTER OF FINANCE

BA BLACKTOP (CRANBROOK)
DIV. OF INTERSTATE CONSTRUCTION LTD.

PEF

PER

s.21

CALL ON MONDAY

INTRAROUTE CONSTRUCTION.
IS THE AUTHORIZED.

BERNICE

426 7205

abq



Integrated Land Management Bureau

facsimile transmittal

To: Troy Scarcelli

Fax: 250 837-4741

Phone:

From: Jessie Lunan

Fax: (250) 426-1767

Phone: (250) 420-2169

Date: April 25, 2007

No. of pages including this page

19

Re: 4404091, 4404142, 4403844

☐ Urgent

☐ For Review

☐ Please Comment

☐ Please Reply

☐ For Information

Material contained in this fax transmission may be confidential, and should be delivered only to the addressee. If all pages are not received, please call sender.

Assignment Information Sheet

Date the package sent out from ILMB: April 25, 2007

File Numbers: 4404091 Tenure Number: 403661

4404142 339483

4403844 339461

Purpose of the Tenure: **Quarrying and Roadway**

Must hold a minimum of \$1,000,000.00 in liability insurance

In order to qualify to hold this tenure, the assignee(s) must meet the following eligibility requirements

- ☐ 19 years of age or older or
- ☐ Canadian citizen or Landed Immigrant (permanent resident of Canada) or
- ☐ Corporation registered in the Province of British Columbia (indicate Registration Number _____) or incorporated under the laws of Canada and must be a company in good standing

➤➤➤ If applicant meets the above requirements and wishes to proceed with the assignment of this tenure, please complete the enclosed **Application Form** and return with the documentation noted above (if applicable) and the **Assignment fee of \$265.00 for each tenure (3 x \$265) payable to Minister of Finance.** [non-refundable and non-transferrable]!

** Please circle whether the original tenure documents are available **YES** **NO**

Indicate where future billings/correspondence should be mailed (*name and mailing address*). For multiple names on document, only **one name** and one address is permitted to assume responsibility, and we will take that to be Assignee #1 on the Application Form.

Once we receive the completed Application form and fees, we will prepare the Assignment Assumption Agreement (in triplicate) and return to you for signatures of the assignor(s) and assignee(s).

(Please note that no legal advice can be given by Integrated Land Management Bureau. Questions of this nature should be directed to a lawyer or notary of your choice)

When we send you the Assignment/Assumption Agreement (A/A/A), and once all signatures have been obtained, the following will be required to accompany the A/A/A:

☒ Original or Certified True Copy of Tenures

(If original tenure document is lost or destroyed, a Statutory Declaration provided by this office must be completed and returned together with fees of \$50.00 for issuance of a *Certified True Copy*.)

☒ Certificate of Insurance (form enclosed)

☒ Security Deposit of \$1,000.00 for Tenure 339483 (Safekeeping Agreement Enclosed)

☐ A Tax Clearance Certificate or other proof that the taxes are in good standing

Assignment Application Form

(A transfer document will be prepared from the information provided below)

File Nos. 4404091, 4404142, 4403844

Date of Assignment	Consideration (actual selling price for the rights of the tenure)
Billing Responsibility Assignee # (to be entered by ILMB staff)	

Assignee #1

Full Legal Name <small>mandatory</small>	
Complete Mailing Address <small>mandatory</small>	
Physical Address (if different)	
Phone # () -	Fax # () -
Email Address	
Incorporation # (if a Company) <small>Mandatory if applicable</small>	

Assignee #2 (if applicable)

Full Legal Name <small>mandatory</small>	
Complete Mailing Address <small>mandatory</small>	
Physical Address (if different)	
Phone # () -	Fax # () -
Email Address	
Incorporation # (if a Company) <small>Mandatory if applicable</small>	

Type of Tenancy (if there is more than 1 assignee)

Joint Tenants _____ or Tenants In Common _____

Please note that the Assignment Assumption Agreement will be forwarded to the address below

Submitted by	Your Ref / File Number
Mailing Address	
E-mail Address:	

Can the original tenure document be located? _____ yes _____ no

(If there are more than 2 assignees, please continue on the next page)

Assignment Application Form

Assignee #3 (if applicable)

Full Legal Name <small>mandatory</small>	
Complete Mailing Address <small>mandatory</small>	
Physical Address (if different)	
Phone # () -	Fax # () -
Email Address	
Incorporation # (if a Company) <small>Mandatory if applicable</small>	

Assignee #4 (if applicable)

Full Legal Name <small>mandatory</small>	
Complete Mailing Address <small>mandatory</small>	
Physical Address (if different)	
Phone # () -	Fax # () -
Email Address	
Incorporation # (if a Company) <small>Mandatory if applicable</small>	

Joint Tenants _____ or Tenants In Common _____



HOW TO ACQUIRE AN EXISTING CROWN TENURE

BY WAY OF ASSIGNMENT

In order to transfer the rights of a Tenure (Lease, License, Right-of-Way or Permit) to another party, written consent of the minister responsible for the *Land Act* is required. Integrated Land Management Bureau (ILMB) has been given the authority to act on behalf of the Minister. Every tenure has specific rights, terms and conditions. They also can have specific eligibility requirements. Prospective Assignees (individual(s) purchasing the rights of the tenure) should familiarize themselves with the tenure document (contract). It is also recommended that any negotiations undertaken should be made conditional upon ILMB's approval.

The basic requirements of an assignment are:

1. Completed Assignment Information Sheet and Assignment Application Form
2. Assignment fee of \$265.00 (\$250 + 15.00 GST)

- Payable to Minister of Finance

3. Assignment Assumption Agreement in duplicate (agreement provided by ILMB)
4. Submission of the original current tenure document
5. The disposition must be in good standing (rental, taxes, royalties, etc.)
6. The Assignee must meet the eligibility requirements of the tenure (i.e. 19 years of age or older, permanent resident of Canada etc.)

To determine what the specific requirements of the tenure are, please refer to the attached information and for further details, contact:

INTEGRATED LAND MANAGEMENT BUREAU
1902 THEATRE ROAD
CRANBROOK BC V1C 7G1
Telephone: (250) 426-1766 Fax: (250) 426-1767

CERTIFICATE OF INSURANCE
Instructions for Completion

Liability Insurance (minimum \$1,000,000) is required; the **Certificate of Insurance form** is attached. The insurance is a General Liability coverage, often an extension of the homeowner policy for the upland property improvements **with Her Majesty the Queen listed as an additional insured.**

Please provide a copy of the following instruction to the insurance agent for ease of completion:

“Insured” – Client’s name and current mailing address

“Operations Insured” – provide legal description of the insured Crown property, which is as follows: “insert legal from Tantalus here”

“Comprehensive / General Liability”

- policy number and name of the Underwriter
- indicate policy expiry date
- show liability limit (minimum \$1,000,000)

“Other” – Additional Insured: “Her Majesty the Queen in Right of the Province of British Columbia”

Insurance Agent to **stamp** the Certificate **with the Agency stamp, and sign the form** in the bottom spaces where indications are to sign on behalf of the contractor, (as this is a multi-use form).

Our FILE number should be recorded at the top of the Certificate in the space provided to assist in matching the document up with the file once it is returned to our office.



Freedom of Information and Protection of Privacy Act
The personal information requested on this form is collected under the authority of and used for the purpose of administering the *Financial Administration Act*. Questions about the collection and use of this information can be directed to the Manager, Consulting and Advisory Services, at 250 356-8915, PO Box 9405 STN PROV GOVT, Victoria BC V8W 9V1.
Please refer all other questions to the contact named in Part 1.

THIS CERTIFICATE IS REQUESTED BY and ISSUED BY <i>(Name of office)</i> HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA		AGREEMENT IDENTIFICATION NO. All Land Act Tenures	
PROVINCE'S CONTACT PERSON NAME & TITLE Ministry responsible for the 'Land Act'		PHONE NO (250) 426-2169	
		FAX NO (250) 426-1767	
MAILING ADDRESS 1902 Theatre Road, Cranbrook, BC			POSTAL CODE V1C 7G1
CONTRACTOR NAME N/A			
CONTRACTOR ADDRESS N/A			POSTAL CODE V1C 7G1

INSURED	NAME			
	ADDRESS			POSTAL CODE
OPERATIONS INSURED	PROVIDE DETAILS			
TYPE OF INSURANCE <i>List each separately</i>	COMPANY NAME, POLICY NO. & BRIEF DESCRIPTION		EXPIRY DATE YYYY/MM/DD	LIMIT OF LIABILITY/AMOUNT

AGENT OR BROKER COMMENTS:

AGENT OR BROKER	ADDRESS	PHONE NO ()
SIGNED BY THE AGENT OR BROKER ON BEHALF OF THE ABOVE INSURER(S)		DATE SIGNED

TYPES OF SECURITY AND INSTRUCTIONS FOR COMPLETING A SAFEKEEPING AGREEMENT

The following types of security deposits are acceptable:

1. cash (no interest is paid by the province - an acknowledgement form for signature is attached); bank drafts, certified cheques, personal money orders issued by a financial institution, or postal money orders issued by Canada Post Corporation, payable to Minister of Finance represented by the Minister responsible for the *Land Act*, (bank drafts, money orders, or postal money orders are acceptable but not preferred);
2. short term deposits with banks, trust companies, or credit unions registered in the name of The Minister of Finance
3. treasury bills or marketable bonds (including BC Savings Bonds), in a fully registerable form; an assignable bond or note, in fully registerable form, together with a duly executed power of attorney to Minister responsible for the Land Act represented by the Ministry of Agriculture and Lands (Integrated Land Management Bureau). or in bearer form; guaranteed by the Government of Canada or the government of any province of Canada with a maturity date of not longer than three years (**Note: Canada Savings Bonds, bearer bonds and notes are not acceptable**);
4. an irrevocable letter of credit issued by a chartered bank, credit union or trust company, payable to Minister of Finance represented by the Ministry of Agriculture and Lands (Integrated Land Management Bureau) for short term agreements, the expiry of the Letter of Credit is 120 days after the expiry of the term of the agreement, or for longer term agreements the insertion of the following clause :

This letter of credit shall be deemed to be automatically extended on an annual basis without any formal amendment unless thirty (30) days prior to the present expiry or any future expiry date as automatically extended, we shall notify you in writing that we elect not to extend the letter of credit for any further period and at the same time forward to you together with such written notice of election a bank draft payable to Minister of Finance, holding the Letter of Credit in the amount of \$_____, less any amount previously paid under this letter of credit; and

NOTE: *All bonds must mature in three years or less. Any bonds deposited as security must be assignable. All dollar amounts refer to lawful currency of Canada.*

1. GENERAL

The Safekeeping Agreement must be typed or clearly printed. Ministry of Agriculture and Lands (Integrated Land Management Bureau) requires the original Safekeeping Agreement with authorized signatures. If additional copies with original signatures are required by either the financial institution or the applicant, please submit them for our signature, and indicate whom the copy should be forwarded to. When we receive this original document, we will sign it and return copies to the financial institution (and the applicant, if specifically requested).

2. PREPARATION OF THE SAFEKEEPING AGREEMENT

Date: use the date that the agreement is entered into by the bank and applicant.

Financial Institution: under 16 - Miscellaneous provide the full name of the Canadian financial institution and current address including the postal code and under 16(d) area code and facsimile number.

Individual Client: under Section 16 - Miscellaneous - provide full name and current address including postal code and area code and telephone number .

Description of Security: provide full details of the type of Security used on Schedule "B".

3. EXECUTION OF THE SAFEKEEPING AGREEMENT

Financial Institution

The name of the financial institution is to be indicated and the Branch Manager (or authorized personnel) is to execute the document. A branch official must witness the execution by the Branch Manager and acknowledge the execution by signing in the space provided.

Corporate Applicant

An authorized signing officer(s) of the corporation must sign and provide their titles, and the corporate seal is to be placed in the space provided.

Individual Applicant or Companies Not Required to Use Seal

A branch official must witness the applicant's signature and acknowledge this execution by signing in the space provided.

Ministry of Agriculture and Lands (Integrated Land Management Bureau)

Once the agreement has been signed by the Financial Institution and Applicant, the document is to be forwarded to the office of Integrated Land Management Bureau for examination and execution. Corporation officials have been authorized to execute the agreement on behalf of the Minister of Finance and Corporate Relations.



SAFEKEEPING AGREEMENT

THIS AGREEMENT made the _____ day of _____, 2007.

BETWEEN HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA,
(the "Province") represented by the Minister of Finance (the "Minister"), Parliament Buildings,
Victoria, British Columbia, V8V 1X4.

AND _____, a Canadian Financial Institution having a branch at

(the
"Financial Institution")

AND (the "Applicant")

WHEREAS:

- A. Pursuant to the *Land Act*, the Applicant has been issued the instrument described in Schedule "A" (the "Permit");
- B. It is a condition of the Permit that the Applicant post certain security with the Province;
- C. The security to be posted by the Applicant is described in Schedule "B" (the "Security" and as the context required, Security includes Replacement Security as defined in section 6); and
- D. The Financial Institution has agreed to safekeep the Security.

NOW THEREFORE THE PARTIES agree as follows:

Safekeeping

- 1. The applicant hereby deposits the Security with the Financial Institution for safekeeping in accordance with the terms of this Agreement.

Good Title

- 2. The Applicant represents and warrants to the Province and to the Financial Institution that the Security is genuine and is free and clear of all hypothecations, mortgages, liens, charges, security interest or encumbrances.

Delivery of Security

- 3. Subject to sections 6 and 9, the Financial Institution will safekeep the Security until the Province gives notice in writing to the Financial Institutions to deliver the Security to the Province or the Applicant.

Duty To Inquire

- 4. The Financial Institution will not have any duty to inquire whether or not the Province is entitled to give notice pursuant to section 3 or 9 and any notice given by the Province pursuant to section 3 or 9 will be conclusive authority for the Financial Institution to act under section 3 or 9, as the case may be, whether or not the Province is entitled in fact or in law to give such notice.

Interest

5. Until the Financial Institution receives a notice pursuant to section 3 or 9, it will collect any interest payable in respect of the security and pay such interest to the Applicant as such interest is payable in respect of the security.

Reinvestment

6. If the Security matures while in safekeeping, the Financial Institution will:
- (a) hold the Security until the Financial Institution receives instructions from the Applicant to redeem the Security for re-investment of the proceeds in a security specified by the Applicant and approved in writing by the Province (the "Replacement Security"); and
 - (b) safekeep the Replacement Security in accordance with the terms of this Agreement as if it were the Security.

Safekeeping Fees

7. The Applicant will pay to the Financial Institution all fees charged by the Financial Institution for safekeeping the Security, and the Financial Institution may, notwithstanding section 5, apply interest payable to the Applicant under the Security in payment of such fees.

Duty of Care

8. In performing its obligations under this Agreement the Financial Institution will safekeep and deal with the Security with the same care as if the Security belonged to the Financial Institution.

Proceeds of Sale

9. Notwithstanding section 3, the Province may provide written notice to the Financial Institution to sell or redeem the Security for the account of the Province, wherein the Financial Institution will:
- (a) not more than seven (7) days after receiving notice under this section, mail a cheque to the Province for a sum equal to the gross proceeds of the sale or redemption of the Security, less:
 - (i) the reasonable cost of effecting the sale or redemption of the Security, including broker's fees; and
 - (ii) any fees for safekeeping the Security remaining unpaid by the Applicant;
 - (b) use its best efforts to obtain the fair market value for the Security in the sale or redemption of the Security; and
 - (c) if unable to sell or redeem the Security in accordance with this section, within fourteen (14) days after receiving notice under this section, deliver the Security to the Province.

No Lien or Set Off

10. Except as provided in this Agreement, the Financial Institution will not have any lien, charge, or right of set-off against the Security or the proceeds from the sale or redemption of the Security.

Indemnity

11. The Applicant will indemnify and save harmless the Province or the Financial Institution, or both, as the case may be, from and against all claims, demands, damages, losses, costs and expenses arising from any breach, violation or non-performance by the Applicant of any obligation of the Applicant under this Agreement or the Permit.

Assignment

12. Neither this Agreement, nor any right under this Agreement, will be assigned, either directly or indirectly, by the Applicant or the Financial Institution.

Termination

13. The Financial Institution may terminate this Agreement upon ninety (90) days written notice to the Applicant and the Province, provided that the Applicant has entered into a substitute agreement satisfactory to the Province.

Authority to Act

14. Any obligation or discretion of the Province under this Agreement may be exercised by the Minister of Finance and Corporate Relations, the Deputy Minister of Finance and Corporate Relations, and any person authorized to act for or on their behalf under this Agreement.

Incumbency

15. The Financial Institution may rely on the delegation matrices, as amended from time to time, issued by the Province to the Canadian Bankers' Association for purposes of determining whether or not a person has authority to act for the Province, pursuant to section 14.

Miscellaneous

16. (a) The Security shall be registered in the name of (unless otherwise required) the Minister of Finance and Corporate Relations, *for principal only*. All Security must mature in three years or less.

(b) Any notice, document, statement, report, demand or payment desired or required to be given or made under this Agreement, will be in writing and may be given or made by personal delivery to the party it is to be given or made, or by mailing in Canada with postage prepaid addressed,

if to the Province and/or the Minister:

Ministry of Agriculture and Lands
Integrated Land Management Bureau.
1902 Theatre Road
Cranbrook BC V1C 7G1

and if to the Financial Institution:

and if to the Applicant:

Any such notice, document, statement, report, demand or payment so mailed will be deemed given to and received by the addressee on the third business day after mailing of the same except in the event of disruption of postal services in Canada in which case any such notice, document, statement, report, demand or payment will be deemed given to and received by the addressee when actually delivered to the particular address set out above.

- (c) A Party may, from time to time, advise the others 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 therein specified

will, for purposes of the proceeding section, be deemed to be the address of the party giving such notice.

- (d) In addition to sub-paragraph 16(b), any notice, direction or document transmitted by facsimile transmission from any party will be conclusively deemed validly given to and received by the intended recipient when so transmitted if transmitted to the following numbers, as such numbers may be changed by notice in writing from any party whose number is to be changed to the other parties:

If the Province: (250) 426-1767

If the Financial Institution:

If the Applicant:

- (e) A reference to a statute in this Agreement, whether or not that statute has been defined, means a statute of the Province of British Columbia unless otherwise stated and includes every amendment to it, every regulation made under it and any enactment passed in substitution therefore or in replacement thereof.
- (f) Unless the context otherwise requires, any reference to "this Agreement" means this instrument and all of the Schedules attached to it and any reference to any section or subsection by number is a reference to the appropriate section or subsection in this Agreement.
- (g) The heads or captions in this Agreement are inserted for convenience only and do not form a part of this Agreement and in no way define, limit, alter or enlarge the scope or meaning of any provision of this Agreement.
- (h) In this Agreement, "person" includes a corporation, firm, association and any other legal entity and wherever the singular and masculine is used it will be construed as if the plural or the feminine or the neuter, as the case may be, had been used where the context or the parties so require.
- (i) Each Schedule attached to this Agreement is an integral part of this Agreement as if set out at length in the body of this Agreement.
- (j) This Agreement constitutes the entire agreement between the parties and no understanding, representations or agreements, oral or otherwise, exist between the parties, with respect to the subject matter of this Agreement except as expressly set out in this Agreement and the Permit.
- (k) If, as between the Province and the Applicant, there is a conflict between the terms of this Agreement and the Permit, the terms of the Permit will govern.
- (l) Each of the parties will, upon the reasonable request of the other, make, do, execute or cause to be made, done or executed all further and other lawful acts, deeds, things, devices, documents, instruments and assurances whatever for the better or more perfect and absolute performance of the terms and conditions of this Agreement.
- (m) This Agreement will ensure to the benefit of and be binding upon the Province, the Financial Institution and the Applicant, and their successors.

- (n) All dollar amounts expressed in this Agreement refer to lawful currency of Canada.
- (o) No waiver by a party of a breach or default by another party in the observance, performance or compliance of any of its obligations under this Agreement will be effective unless it is in writing and so such waiver will be deemed or construed to be a waiver of any other breach or default and failure or delay on the part of a party to complain of an act or failure of another party or to declare such another party in default, irrespective of how long such failure or delay continues, will not constitute a waiver by such party of any of its rights against another party.
- (p) Time will be of the essence of this Agreement.
- (q) This Agreement will be governed by and construed and interpreted in accordance with the laws of the Province of British Columbia.

SCHEDULE "A"

Description of Tenure Requiring Security

Tenure on File No. 4404142 dated for reference the 25 day of July, 2003, including any replacements, renewals or extension thereof.

IN WITNESS WHEREOF the parties have executed this Agreement in the presence of their duly authorized representative in that behalf as of the date first above written.

SIGNED on behalf of HER MAJESTY)
THE QUEEN IN RIGHT OF THE)
PROVINCE OF BRITISH COLUMBIA by)
a duly authorized representative of the)
Minister of Finance and Corporate Relations)
in the presence of:)
)
)

Witness

For the Minister of Finance and Corporate
Relations

SIGNED on behalf of _____)
(Name of Financial Institution) by its duly)
authorized signatory(ies) in the presence of:)
)
)

Witness

Name of Financial Institution

Branch Manager

SIGNED on behalf of _____)
by its duly authorized signatory(ies) in the)
presence of:)
)
)
)

Witness

Duly authorized signatory of

Title

**ACKNOWLEDGEMENT OF NO INTEREST
PAID ON CASH DEPOSITS**

WHEREAS the amount of \$ _____ (the *Cash Deposit*) has been deposited by
or on behalf of _____

_____ (the *Depositor*)

with the Ministry of Agriculture and Lands -Integrated Land Management Bureau. pursuant to the *Land Act* of British Columbia.

I, the Depositor (or duly authorized representative of the Depositor) hereby acknowledge that no
interest will be payable by the Province on the Cash Deposit.

THIS ACKNOWLEDGEMENT given this _____ day of _____ , 20____

Depositor (or duly authorized representative of Depositor)



Integrated Land Management Bureau

Our File: 4404091

June 18, 2008

Interoute Construction Ltd.
Dba H & J Ready-Mix
PO Box 9297
Revelstoke, BC V0E 3K0

Dear Sirs:

Enclosed is the fully executed copy of your document assigning interest from Hector Troy Scarcelli to Interoute Construction Ltd. This assignment is for License Number 403661.

This License has been endorsed with respect to assignment dated for reference May 9, 2007. I have appended the endorsement schedule and the assignment to your copy of the said License, as it forms an integral part of the documents.

Yours truly,

Jessie Lunan
Senior Portfolio Administrator
Southern Interior Client Services Division

Encl.

pc: BC Assessment Authority, Vernon
Columbia Shuswap Regional District
Ministry of Forests, Revelstoke

ENDORSEMENT SCHEDULE

Endorsement No. 1 June 18, 2007

Assigned unto Interoute Construction Ltd. from Hector Troy Scarcelli. dated May 9, 2007.

Licence. No.: 403661

File No.: 4404091

Disposition No.: 827318

THIS AGREEMENT is dated for reference **May 9, 2007**.

BETWEEN:

HECTOR TROY SCARCELLI
632 Upland Place
Coldstream, BC V1B 2X8

OF THE FIRST PART

(herein the "Assignor")

AND:

INTERROUTE CONSTRUCTION LTD. INC. NO. BC0497648
Dba H & J Ready-Mix Ltd.
PO Box 9297
Revelstoke, BC V0E 3K0

OF THE SECOND PART

(herein the "Assignee")

AND:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, represented by the minister responsible for the *Land Act*, Parliament Buildings, Victoria, British Columbia

OF THE THIRD PART

(herein the "Province")

WITNESS THAT WHEREAS:

The Assignor and the Province entered into a **License of Occupation** (herein called the "Document") over those lands more particularly known and described as:

All that unsurveyed Crown land in the vicinity of Jordan River and Section 5, Township 24, Range 2, West of the Sixth Meridian, Kootenay District, containing 3.0 hectares, more or less.

NOW THEREFORE THIS AGREEMENT WITNESSETH that for good and valuable consideration paid by the Assignee to the Assignor and by the Assignee and the Assignor to the Province, the receipt and sufficiency of which is hereby acknowledged by both the Assignor and the Province, the parties agree as follows:

ARTICLE I - ASSIGNMENT

- 1.1 The Assignor assigns all of his right, title, interest and estate in and to the Document to the Assignee.

ARTICLE II - ASSUMPTION

- 2.1 The Assignee covenants with the Province to assume and be bound by all the terms, conditions, covenants, obligations and agreements contained in the Document.

ARTICLE III - CONSENT

- 3.1 The Province consents to the execution and delivery of this agreement and the Assignment.
- 3.2 The Province releases and discharges the Assignor from all the terms, conditions, covenants, obligations and agreements contained in the Document.

ARTICLE IV - WARRANTIES AND REPRESENTATIONS

- 4.1 The Assignee warrants and represents to the Province, with the intent that the Province will rely thereon, that the Assignee:
- (a) is a corporation duly formed under laws of the Province of British Columbia and has filed all necessary documents under such laws and has complied with all requirements of the *Business Corporations Act*;
 - (b) has the power, capacity and authority to enter into this agreement and to carry out its obligations contemplated herein, all of which have been duly and validly authorized by all necessary proceedings; and

- (c) is in good standing with respect to the filing of returns in the Office of the Registrar of Companies of British Columbia.

4.2 The Assignee acknowledges to the Province and to the Assignor that:

- (a) the Assignee has inspected the land, and the improvements (if any) situate thereon, which are the subject of the Document and is fully aware of the condition of that land, and the improvements (if any) situate thereon, and accepts same in its current state;
- (b) the Assignee has reviewed and inspected all municipal and regional by-laws, regulations and policies concerning the use and development of the land which is the subject of the Document; and
- (c) there are no representations, warranties, collateral agreements or conditions affecting this agreement or the land, and the improvements (if any) situate thereon, which are the subject of the Document except as expressed herein and that this agreement constitutes the entire agreement.

ARTICLE V - NOTICE

5.1 The address of the Assignee for the service of notices or documents under the Document shall be the address specified for the Assignee on the first page of this agreement.

ARTICLE VI - MISCELLANEOUS

- 6.1 This agreement shall enure to the benefit of the parties hereto and their respective successors and permitted assigns.
- 6.2 The parties to this agreement confirm that the terms of the Document remain and continue in full force and effect.
- 6.3 This agreement may not be assigned by the Assignee except in accordance with the provisions of the Document.
- 6.4 This agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia.
- 6.5 In this agreement, unless the context otherwise requires, the singular includes the plural and the masculine includes the feminine gender and corporation as the case may be.
- 6.6 The captions and headings contained in this agreement are for convenience only and are not to be construed as defining or in anyway limiting the scope or intent of the provisions hereof.

- 6.7 Where there is a reference to an enactment of the Province of British Columbia in this agreement, that reference shall include a reference to any subsequent enactment of the Province of British Columbia of like effect, and, unless the context otherwise requires, all statutes referred to herein are enactments of the Province of British Columbia.
- 6.8 If any section of this agreement or any part of a section is found to be illegal or unenforceable, that part or section as the case may be, shall be considered separate and severable and the remaining parts shall be enforceable to the fullest extent permitted by law.
- 6.9 All schedules attached to this agreement form an integral part of this agreement.

IN WITNESS WHEREOF the Assignor and Assignee have executed this agreement, and the Province has consented thereto, the day and year first above written.

SIGNED on behalf of **HER MAJESTY
THE QUEEN IN RIGHT OF THE
PROVINCE OF BRITISH COLUMBIA**
by the minister responsible for the *Land Act*
or the minister's authorized representative

Minister responsible for the *Land Act*
or the minister's authorized representative

SIGNED BY
HECTOR TROY SCARCELLI

Assignor

SIGNED on behalf of **INTERROUTE CONSTRUCTION LTD.**
by a duly authorized signatory

Authorized Signatory