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INTEGRATED LAND MANAGEMENT BUREAU
Ministry of Agriculture and Lands
Log No.25158 AC

Argus Aggregates

Box 578

Abbotsford

V2T 6Z8

September 3rd, 2009

Crown Lands and Resources
Integrated Land Management Bureau
Unit 200-10428 153 Street
Surrey
British Columbia
V3R 1E1

Dear Ms Cowgill,

Application for Crown Land Tenure for tract of land, Eleven Mile Creek, Yale
Division, Yale District.

We shall be applying for a Crown Land Lease to replace the existing Crown Land
Licence which commenced December 27th 2007, for a period of five years. (Your file N^o
2409323).

A Mines Permit G-7-225 was issued for this sand and gravel operation on December
21st 2007.

Site cleaning and excavation of material having been started, it is pleasing to report
that much interest has been shown in the material produced and some material has been sold
to contractors as far as Richmond.

It is of interest to note that currently the Abbotsford District Council has placed a
moratorium on the extraction of sand and gravel from Class I and Class II agricultural lands
in the Abbotsford District. A study is being made of this matter and the results are expected
in the Fall of 2009. If restrictions are put in force over such lands it bodes well for the future

of the Eleven Mile sand and gravel deposit. For your information Langley Township has had a moratorium regarding sand and gravel since the early 1990's.

Since work was started at the site an exploratory drill hole has been drilled to over one hundred metres and showed sand and gravel of at least seventy metres. Initially the depth was estimated to be fourteen metres – and the reserves were estimated at five to six million tonnes. Obviously the volume at the site is far larger.

It is now felt, that this deposit could be a major source of sand and gravel products for use in the Fraser Valley and the Lower Mainland because of the future scarcity of supply in those areas. The granting of a lease in this area would allow Argus Aggregates to develop a longer term comprehensive development plan to ensure that, the optimum value of material is extracted, the most suitable form of reclamation is planned for the site and also to seek funding for the necessary operating and processing equipment.

The necessary documents that are required to support the application include the legal survey of the site. This survey cannot be started until the necessary instructions are received from your office. We trust on receipt of this letter that the instructions will be forwarded to the legal surveyor who will be employed to carry out the survey work.

If there are any queries regarding this letter do not hesitate to contact T. Vaughan-Thomas, telephone number s.22 , and address s.22 s.22 because he is acting as our agent. We trust that you will let us know as quickly as possible so that the necessary arrangement to complete the application can be made.

Yours sincerely,

A handwritten signature in cursive script, appearing to read 'T. Vaughan-Thomas', written in dark ink.

T. Vaughan-Thomas (Agent for Argus Aggregates)