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PROPERTY FILE  
CANCELLED

May 9 1972

MINING LEASE NO. 15

CANADIAN PACIFIC OIL AND GAS LIMITED

- and - 92B-61,951

CONCORDE EXPLORATIONS LTD. (N.P.L.)

November 15, 1968

*Valid Copy*

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NOTICE TO REMEDY DEFAULT

Sent D.R. Mail April 3/72

TO: Concorde Explorations Ltd. (NPL)  
#101, 535 Thurlow Street  
Vancouver 5, B.C.

WHEREAS Mining Lease No. 15 dated November 15, 1968 and covering all minerals owned by the Lessor, excluding fireclay, coal, petroleum and natural gas and related hydrocarbons together with the exclusive right and privilege to explore for, sample, mine, win, take, remove and dispose of the same, within, upon or under the said land comprising:-

"That parcel of land lying in the Malahat Land District, Vancouver Island, British Columbia described as commencing at point C, which lies fourteen and six-tenths (14.60) feet east and three hundred and fourteen and sixty-three hundredths (314.63) feet north of Post 17 of Block 1207, thence due south one thousand, five hundred (1,500) feet to point D, thence west one thousand, five hundred (1,500) feet to point E, thence south two hundred and fifty (250) feet to point F, thence west seven thousand, five hundred (7,500) feet to point G, thence north one thousand, five hundred (1,500) feet to point H, thence east seven thousand, five hundred (7,500) feet to point A, thence north two hundred and fifty (250) feet to point B, thence east one thousand five hundred (1,500) feet to point C, the point of commencement, the area herein described containing three hundred and nine and nine-tenths (309.9) acres, more or less;" was entered into between Canadian Pacific Oil and Gas Limited, as Lessor and Concorde Explorations Ltd. (N.P.L.) as Lessee.

AND WHEREAS the Lessor has assigned its interest in the said Lease to CanPac Minerals Limited as of the 1st day of August, 1969.

AND WHEREAS Article 3 of the said Lease provides as follows:-

"Rent - 3.1 - The Lessee shall pay to the Lessor on or before the first day of each year a rent of One Dollar (\$1.00) per acre or fraction thereof of the said lands."

AND WHEREAS Concorde Explorations Ltd. (N.P.L.), the Lessee has failed to pay such rent of One Dollar (\$1.00) per acre or fraction thereof as required by the provisions of the said Article 3, up to date of this Notice, and the Lease is therefore in default.

AND WHEREAS Article 15 of the said Lease provides as follows:-

"Default - 15.1 - Without in any way restricting any other rights and remedies which the Lessor may have, in the case of breach or non-observance or non-performance on the part of the Lessee of any covenant, proviso, condition, restriction or stipulation in this Lease contained, the Lessor may give to the Lessee written

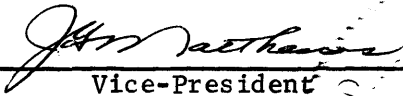
notice requiring the Lessee to remedy such default and if the Lessee fails to remedy such default within a period of thirty (30) days from and including the day after the receipt of such notice, this Lease shall thereupon terminate and it shall be lawful for the Lessor, into and upon the said Lands (or any part thereof in the name of the whole) to re-enter and the same to have again, repossess and enjoy, anything in this Lease to the contrary notwithstanding, and all works which the Lessee may have made on the said lands, including all tools, machinery, buildings and erections which the Lessee may have placed on the said lands, shall become the property of the Lessor free and clear of any claim or interest of the Lessee".

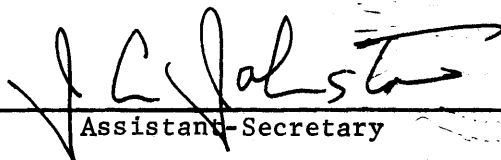
AND WHEREAS CanPac Minerals Limited the assignee of the Lessor has not waived such default.

NOW THEREFORE take notice that CanPac Minerals Limited as the assignee of the Lessor, by reason of your default in failing to pay rent as aforesaid, hereby requires that you remedy such default within a period of thirty (30) days from the receipt of this Notice and that if you should fail to remedy your default, the said Lease shall thereupon terminate.

DATED at Calgary, Alberta this 29th day of March, 1972.

CanPac MINERALS LIMITED

  
\_\_\_\_\_  
Vice-President

  
\_\_\_\_\_  
Assistant-Secretary

AKR  
RAM

Attach to vault copy  
M.L. #15 Concordia

THE ASSIGNMENT OF THE WITHIN AGREEMENT  
TO CanPac Minerals Limited DATED  
AUGUST 1, 1969 IS HEREBY APPROVED.

ASSIGNMENT

*Jm Taylor*  
J. M. TAYLOR  
Vice-President

THIS ASSIGNMENT made this 1st day of August, 1969,

CANADIAN PACIFIC OIL AND GAS LIMITED  
(hereinafter called "the Assignor")  
OF THE FIRST PART:

- and -

CANPAC MINERALS LIMITED  
(hereinafter called "the Assignee")  
OF THE SECOND PART:

WHEREAS by Agreement dated the 9th day of September, 1969, between the parties hereto the Assignor sold and the Assignee purchased certain mines and minerals, including the Assignor's interest in all agreements and leases relative thereto, all effective on August 1st, 1969;

WITNESSETH THAT:

1. In consideration of the sum of One Dollar (\$1.00) and other valuable consideration now paid by the Assignee to the Assignor (the receipt whereof is hereby by the Assignor acknowledged) the Assignor hereby assigns unto the Assignee, subject to the terms, covenants and conditions of the said Agreement dated the 9th day of September, 1969, all its right, title, estate and interest in and to the agreements and leases described in the Appendix hereto annexed.
2. It is understood and agreed that the Assignor does not warrant or guarantee the title of any interests in the lands assigned hereunder.
3. This Assignment shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF the parties hereto have caused these presents to be executed by affixing hereto their Corporate Seals duly attested by their proper officers in that behalf the day and year first above written.

CANADIAN PACIFIC OIL AND GAS LIMITED

*Jm Taylor*  
\_\_\_\_\_  
VICE-PRESIDENT

*Kan Campion*  
\_\_\_\_\_  
SECRETARY

CANPAC MINERALS LIMITED

*Andrew...*  
\_\_\_\_\_  
PRESIDENT

*...*  
\_\_\_\_\_  
ASST. SECRETARY

*...*

A P P E N D I X

BRITISH COLUMBIA

<u>Mining Lease</u>	<u>Company</u>	<u>Land Description</u>	<u>Acreage</u>	<u>Date</u>
No. 1	Ocean Cement Limited	Sec. 8, Rge. 3, S & E portion Sec. 9, Rge. 3, Plan D. D. 62180-1	190.0	June 24, 1953
No. 4	B.C. Rhonodite Mines Ltd.	That portion of land lying in the Cowichan Lake Land District described as commencing at the South West corner of Lot 60, thence due west in a straight line 1,320 feet, thence north at a right angle in a straight line a distance of 2,640 feet, thence east at a right angle in a straight line a distance of 2,640 feet, thence south parallel to the west boundary 2,640 feet, thence west in a straight line to point of commencement a distance of 1,320 feet, more or less.	160	Sept. 1, 1964

*lit.*

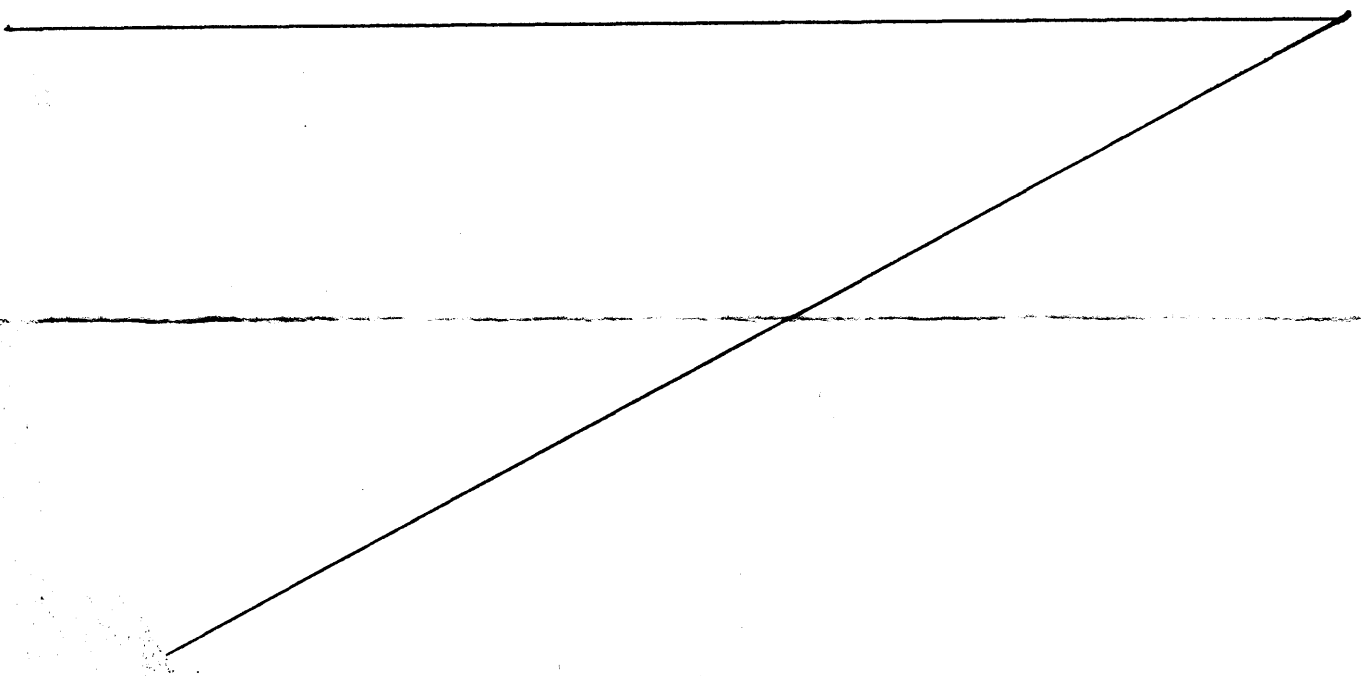
*lit.*

<u>Mining Lease</u>	<u>Company</u>	<u>Land Description</u>	<u>Acreage</u>	<u>Date</u>
No. 5	Albeta Mines Ltd.	<p><u>Area A-1</u> - That parcel of land lying in the Cowichan Lake Land District <del>_____</del>  <del>_____</del>, such area described as commencing at the most southerly southwest corner of Block 1208, thence easterly along the southern boundary of Block 1208 a distance of 3,000 feet, thence north at right angles in a straight line a distance of 2,000 feet, thence west at right angles in a straight line to the western boundary of Block 1208 a distance of 3,000 feet more or less, thence southerly along western boundary of Block 1208 to point of commencement, the area herein described comprising 138 acres more or less.</p> <p><u>Area A-2</u> - That parcel of land lying in the Cowichan Lake Land District <del>_____</del>  <del>_____</del>, such area described as commencing at the extreme northeast corner of Block 130, thence due north in a straight line a distance of 1,000 feet, thence west at right angles in a straight line a distance of 4,200 feet, thence south at right angles in a straight line a distance of 3,450 feet more or less, to the southern boundary of Block 16 thence easterly and southerly along southern boundary of Block 16 to the western boundary of Block 130 thence northerly and northwesterly along western boundary of Block 130 to the most westerly northwest corner of Block 130 thence easterly, southerly and northerly along the northern boundary of Block 130 to point of commencement, the area herein described comprising 203 acres more or less.</p>	341	May 1, 1965

*file - 5*

*file*

*J. P. [unclear]*





<u>Mining Lease</u>	<u>Company</u>	<u>Land Description</u>	<u>Acreage</u>	<u>Date</u>
No. 6	Ocean Cement Limited	Firstly: Lot 8 of Sec. 1, Rge. 2, Cowichan District and Sec. 20, Rge. 2 Shawnigan District, Plan 1202 and Secondly: Lot 1 Plan 18353 Section 20, Rge. 2 Shawnigan District Province of B.C.	21.6	Aug. 1, 1965
No. 7	International Marble & Stone Company Limited	Lots A, B, C & D of Sublot 40 of Lot 4595, Kootenay District, Plan 954	160	Oct. 31, 1965
No. 10	Columbia Marble Ltd.	Pt. of Lsd. 11 of Sec. 22-25-28 W.5th	25	June 1, 1966

*Handwritten initials*

*Handwritten signature*

<u>Mining Lease</u>	<u>Company</u>	<u>Land Description</u>	<u>Acreage .</u>	<u>Date</u>
No. 13	Edward G. Travers and Richard O. Travers	That parcel of land lying in the Cowichan Lake Land District, [redacted] and described as commencing at the southeast corner of Block 616, thence north, west and north along the eastern boundary of Block 616 to a point of intersection with the south boundary of Block 1244, thence west along the south boundary of Block 1244 a distance of 1320 feet more or less to the corner of Block 1244, thence due south at right angles a distance of 2980 feet more or less to a point of intersection with the south boundary of Block 616, thence east, south and east along the south boundary of Block 616 to the point of commencement.	141	May 1, 1967
No. 14	Macsan Explorations Ltd.	That parcel of land lying in the Malahat Land District, Vancouver Island, British Columbia, [redacted] such area described as commencing at the most southerly southeast corner of Lot 123, thence due south in a straight line to the point of intersection with the north boundary of Block 864, thence west at a right angle in a straight line a distance of 2,640 feet, thence north at a right angle in a straight line to the point of intersection with the south boundary of Lot 125, thence easterly along south boundary of Lot 125 to the west boundary of Lot 123, thence along the western and southern boundary of Lot 123 to the point of commencement.	200	June 1, 1967
No. 15	Concorde Exploration Ltd.	The parcel of land lying in the Malahat Land District outlined in red on the sketch marked Plate 1 attached to and forming part of the said lease.	310	Nov. 15, 1968

*Handwritten initials*

*Handwritten initials*

*Handwritten initials*

DATED 1st day of August A.D., 1969

B E T W E E N:

CANADIAN PACIFIC OIL AND GAS LIMITED

- and -

CANPAC MINERALS LIMITED

---

ASSIGNMENT

---

CANADIAN PACIFIC OIL AND GAS LIMITED

- and -

**CANCELLED**

CONCORDE EXPLORATIONS LTD. (N.P.L.) *May 9, 1972*

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MINING LEASE

THIS INDENTURE made this 15th day of November,  
1968, BETWEEN:

CANADIAN PACIFIC OIL AND GAS LIMITED  
(in this Lease called "the Lessor")

OF THE FIRST PART,

- and -

CONCORDE EXPLORATIONS LTD. (N.P.L.)  
(in this Lease called "the Lessee")

OF THE SECOND PART.

WITNESSETH THAT the Lessor and the Lessee covenant and  
agree as follows:

ARTICLE 1

Definitions

1.1 In this Lease including this Article:

(a) "assessment work" - means work done by or for the Lessee for  
the purpose of ascertaining if there are any of the minerals  
within, upon or under the said lands, including:

geological surveys by air or ground methods;

geophysical surveys by air or ground methods;

geochemical surveys;

core drilling;

trenching and stripping;

sampling and assays;

underground or open pit work;

shaft sinking;

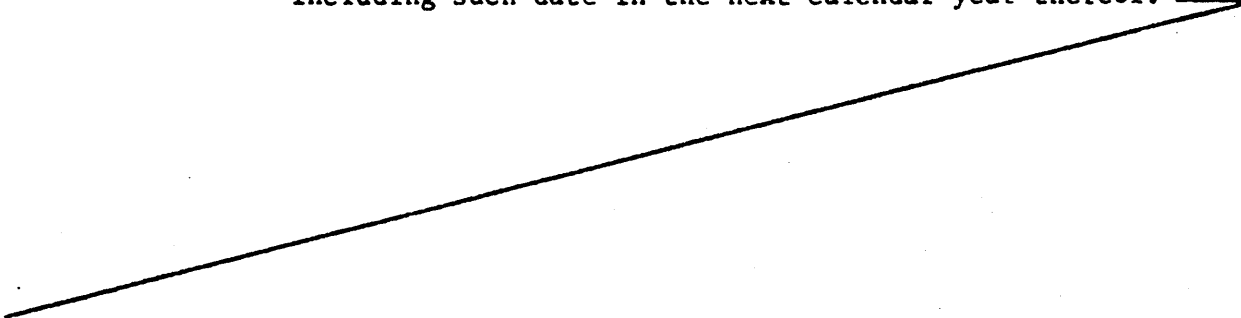
construction of necessary roads;  
acquisition of surface rights;  
engineering evaluation reports;

and includes administration with respect to each item but only direct administration actually and necessarily spent in performing such work, the cost of such administration not to exceed ten percent (10%) of such work.

- (b) "direct-shipping ore" - means ore mined from the said lands which is sold in its natural state.
- (c) "minerals" - means all minerals owned by the Lessor within, upon or under the said lands, but does not include:
  - (i) fireclay,
  - (ii) coal,
  - (iii) petroleum and natural gas and related hydrocarbons.
- (d) "net smelter returns" - means the gross value of the copper, or other metals, as the case may be, recovered and paid for as shown on the smelter return statement for any specified lot or shipment of ore or concentrates less that proportion of costs incurred for smelter treatment which such gross value of the copper, or other metals, as the case may be, bears to the total gross value of the recovered contents of ore or concentrates as shown on the smelter return statement.
- (e) "ore" - means an ore containing any of the minerals which ore or minerals can be produced and sold at a reasonable profit.

- (f) "said lands" - means those lands or such thereof as are from time to time subject to this Lease situate on Vancouver Island in the Province of British Columbia, described as follows:

"That parcel of land lying in the Malahat Land District shown outlined in red on the attached sketch marked Plate 1, such area described as commencing at point C, which lies fourteen and six-tenths (14.60) feet east and three hundred and fourteen and sixty-three hundredths (314.63) feet north of Post 17 of Block 1207, thence due south one thousand, five hundred (1,500) feet to point D, thence west one thousand, five hundred (1,500) feet to point E, thence south two hundred and fifty (250) feet to point F, thence west seven thousand, five hundred (7,500) feet to point G, thence north one thousand, five hundred (1,500) feet to point H, thence east seven thousand, five hundred (7,500) feet to point A, thence north two hundred and fifty (250) feet to point B, thence east one thousand five hundred (1,500) feet to point C, the point of commencement, the area herein described containing three hundred and nine and nine-tenths (309.9) acres, more or less."

- ZTM
- (g) "ship", "shipped" or "shipping" - means the removal of ore or concentrates from the said lands for any purpose except stockpiling or beneficiating on adjoining or nearby property and also means the removal of ore or concentrates from stockpile or beneficiating plant.
- (h) "shipping value" - means the sale price f.o.b. ship.
- (i) "ton" - means:
- (i) in respect of iron ore or iron ore concentrates - 2,240 pounds dry weight,
  - (ii) in respect of any other ore or concentrates of any other ore - 2,000 pounds dry weight.
- (j) "year" - means the period from and including the date of this Lease in each calendar year of the term thereof to but not including such date in the next calendar year thereof.
- 

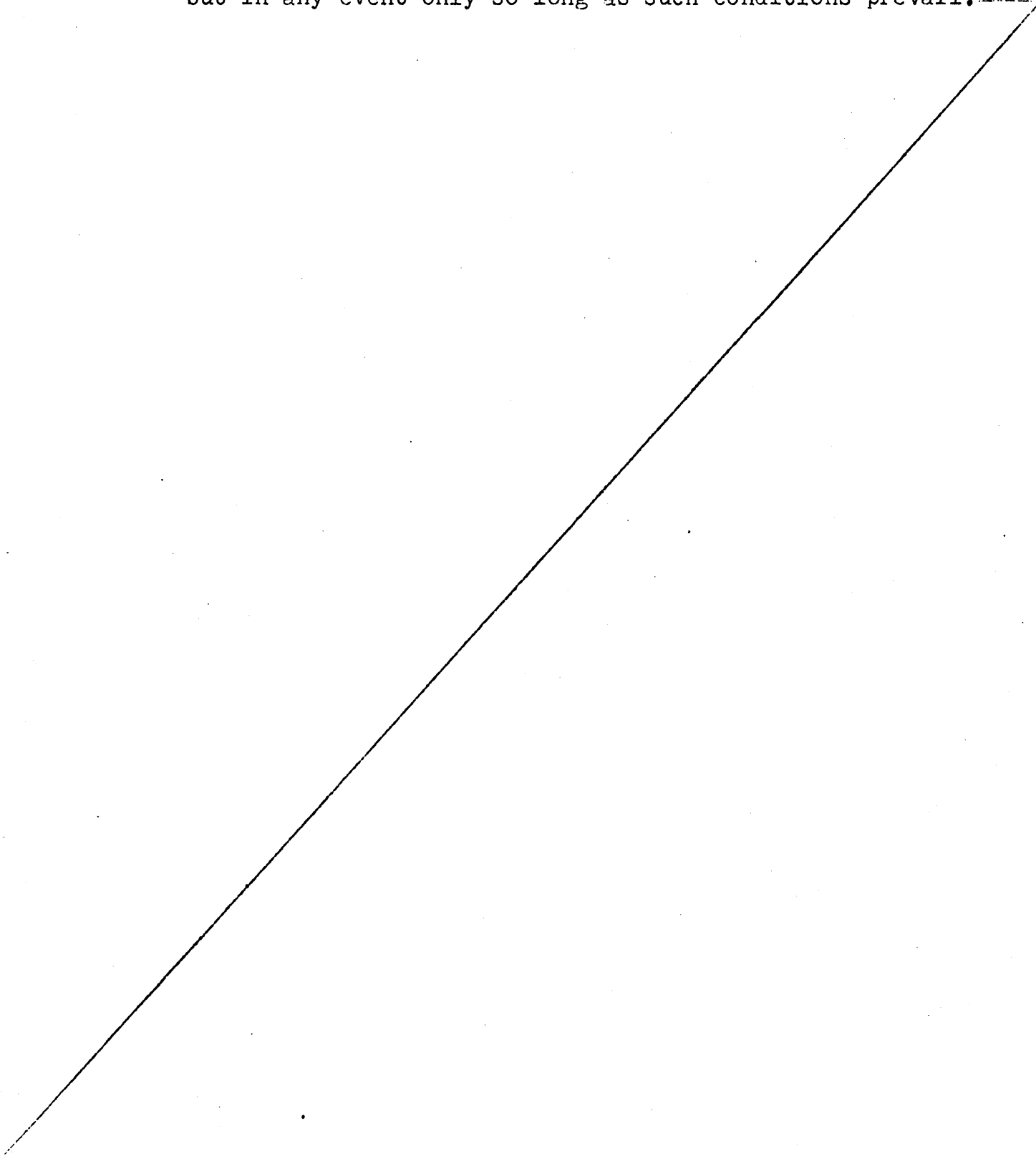
## ARTICLE 2

Grant and Term

2.1 The Lessor, in consideration of the covenants, agreements and conditions in this Lease contained to be observed, kept and performed by the Lessee, DOES HEREBY GRANT AND LEASE unto the Lessee the minerals together with the exclusive right and privilege to explore for, sample, mine, win, take, remove and dispose of the same, for and during the term of ten (10) years from and including the date of this Lease, and thereafter for a further term of ten (10) years if with respect to the said lands subject to this Lease at the expiration of the first ten-year term the Lessee has performed assessment work in an amount equivalent to Twenty Dollars (\$20.00) per acre or fraction thereof (which shall not include any payments made under Article 7), and so long after the second ten-year term as any of the minerals is being produced in commercial quantities from the said lands and shipped, but subject to sooner termination as hereafter in this Lease provided; provided, however, that if at the expiration of the second ten-year term or at a later time or times while this Lease is still current none of the minerals is being so produced because metal prices do not justify the continuation of such production, the term of this Lease shall continue for a period not exceeding 1,825 consecutive



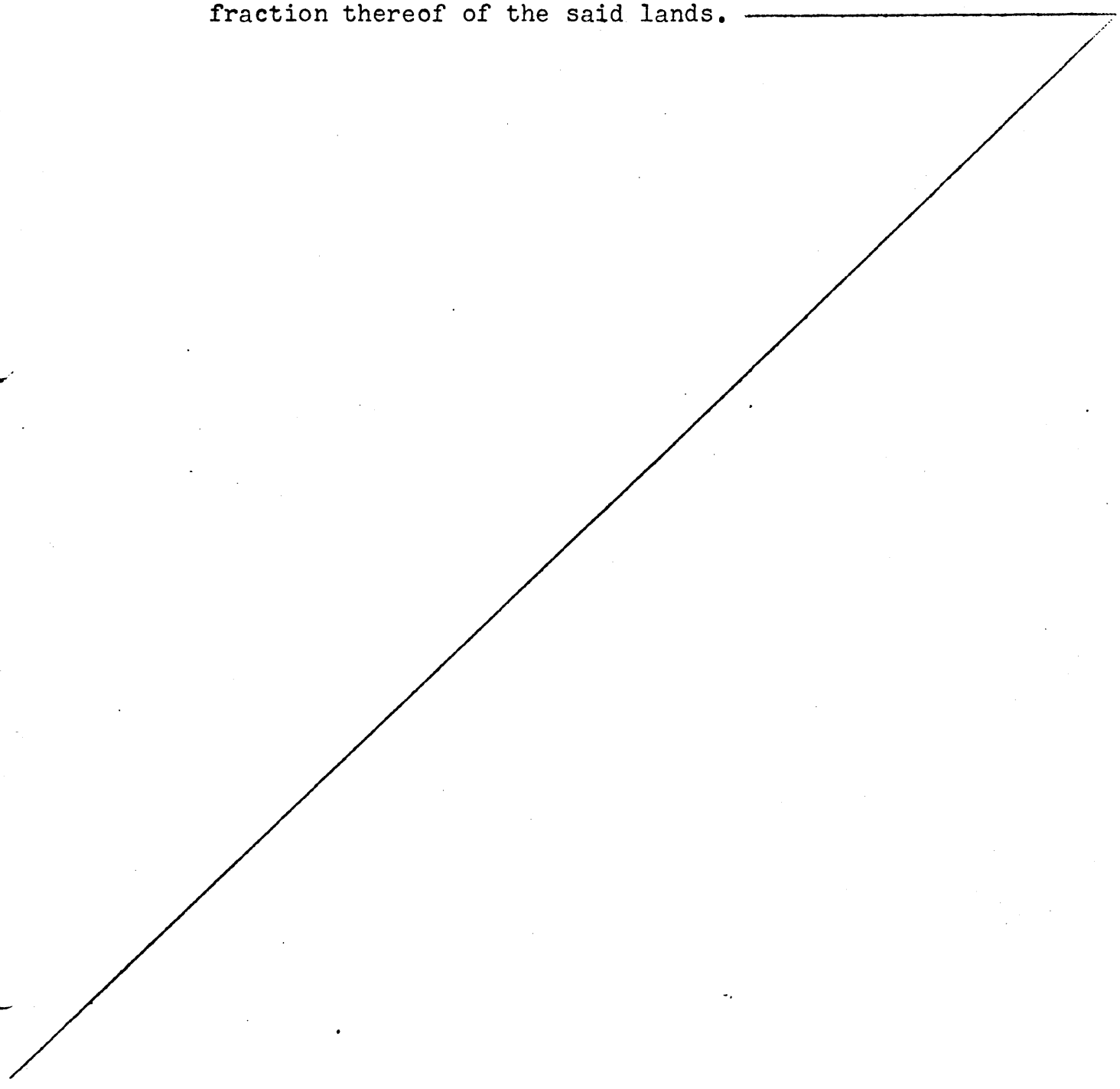
days immediately following the cessation of such production,  
but in any event only so long as such conditions prevail.



ARTICLE 3

Rent

3.1 The Lessee shall pay to the Lessor on or before the first day of each year a rent of One Dollar (\$1.00) per acre or fraction thereof of the said lands.



## ARTICLE 4

Royalties

4.1 The Lessee shall pay to the Lessor for all ore mined from the said lands by the Lessee and shipped, royalty as follows:

- (a) Copper - a royalty based on the net smelter returns and the yearly average grade of mill feed determined by mill head samples which the Lessee shall take and assay, as follows:

<u>Average Grade of Mill Feed</u>	<u>Royalty Payable</u>
2% copper or less	- 3% of Net Smelter Returns
Over 2% copper but not exceeding 3% copper	- 4% of Net Smelter Returns
Over 3% copper	- 5% of Net Smelter Returns

For purposes of determining the royalty payable for a given month the weighted average grade of mill feed in that portion or the whole of the calendar year ending with such month shall be used, but the total amount of royalty so paid in respect of any calendar year shall be adjusted at the end of that year, based on the actual weighted average grade of mill feed during that year.

- (b) Iron - Concentrated Ore - 3% of the shipping value thereof. The minimum royalty shall be twenty cents (20¢) per ton of concentrated ore.  
Direct-shipping Ore - 5% of the shipping value thereof. The minimum royalty shall be thirty-five cents (35¢) per ton of direct-shipping ore.

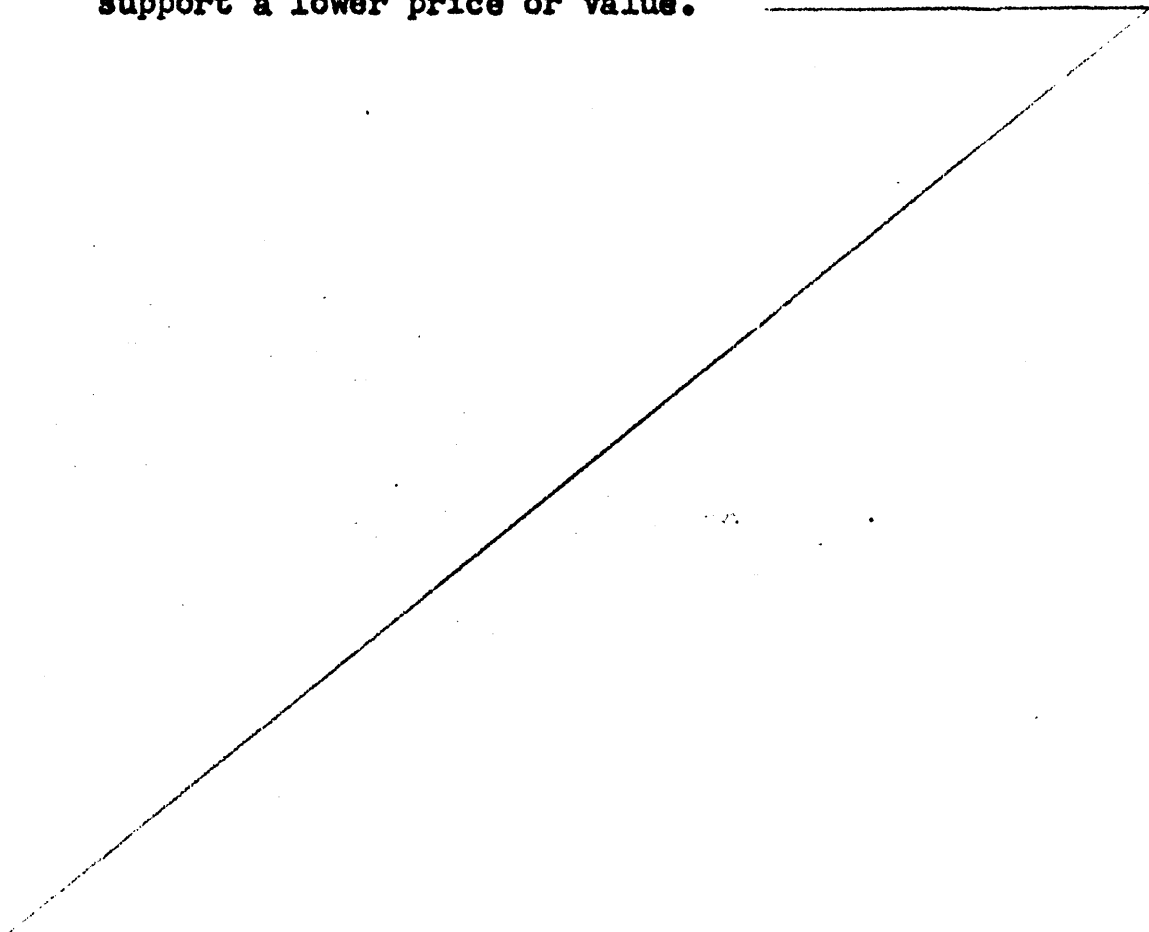
- (c) Other Metals - 3% of net smelter returns or if concentrates or ore containing such metals are sold as such 3% of the gross proceeds from the sale of such concentrates or ore. "Gross proceeds" shall mean the gross returns from the shipment of any given lot of concentrates or ore before any deductions for freight or treatment charges.

- (d) Non-Metallic Minerals - as the Lessor and the Lessee may agree, and if they cannot agree the same shall be submitted to arbitration by three arbitrators, one to be appointed by the Lessor, one by the Lessee, and the two so appointed to appoint a third and such arbitration shall be subject to the Arbitration Act of the Province of British Columbia. The arbitrators shall settle the royalty on a basis comparable to the foregoing royalties. None of such minerals shall be removed from the said lands or sold or otherwise disposed of by the Lessee until the Lessor and the Lessee have agreed to the royalty payable or until such royalty has been settled by arbitration, provided that if such minerals are contained in a concentrate containing predominantly a metal or metals, such concentrate may be shipped by the Lessee and the agreed or arbitrated royalty shall thereafter be paid in respect thereof immediately it has been agreed or settled.

4.2 The royalties payable pursuant to the terms of this Lease shall be paid monthly prior to the twentieth (20th) day of the month following the month for which the royalties are payable, which payment shall be accompanied by the accounting statement referred to in section 6.3 of Article 6.

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4.3      Wherever price or value is a factor in determining royalty payable under this Article, fair market value shall be considered as price or value if fair market value is greater than price or value, subject however to any relevant circumstances which may exist to support a lower price or value.

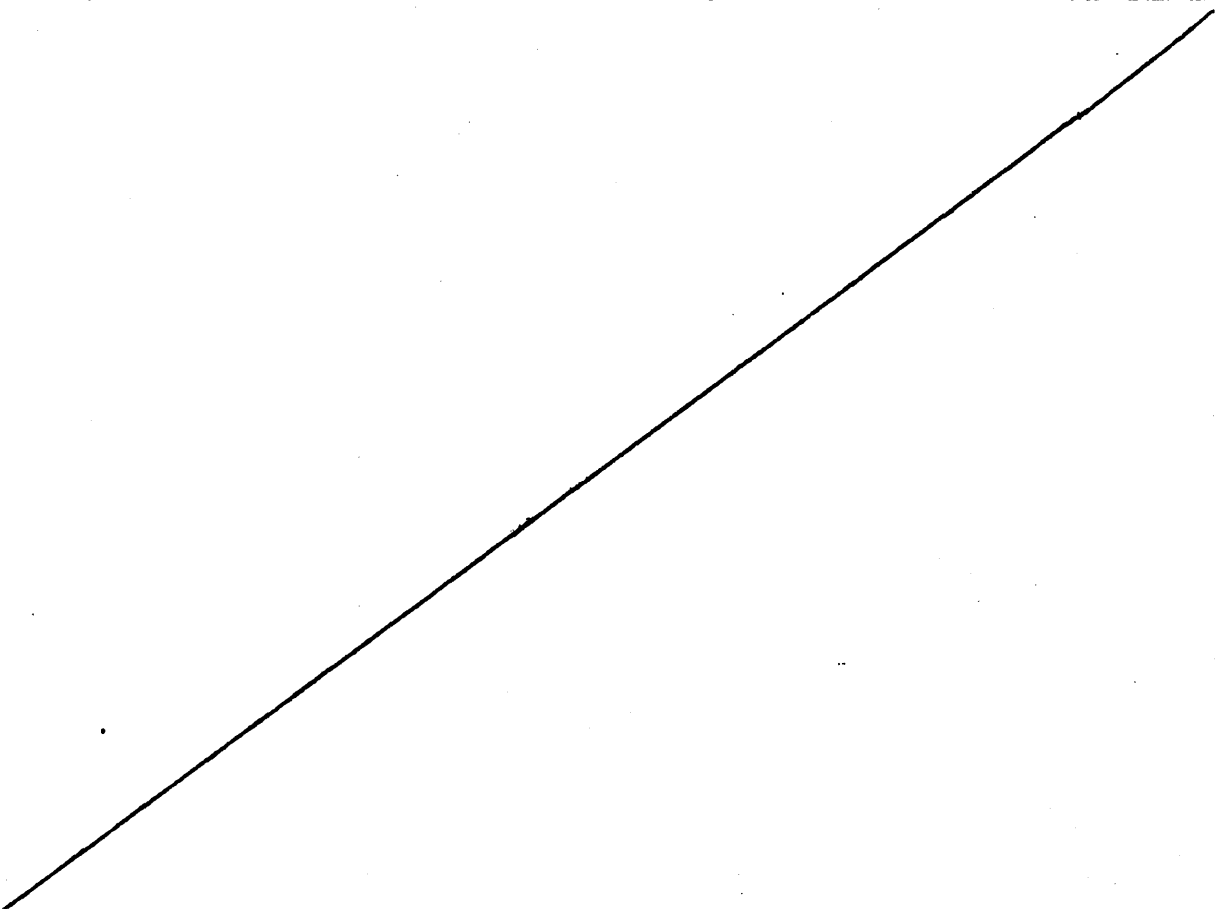


## ARTICLE 4A

- 4A.1 In lieu of the royalties payable to the Lessor by the Lessee pursuant to Article 4 of this Lease, the Lessor may elect to have the Lessee pay to the Lessor at the end of each fiscal year of the Lessee Ten Percent (10%) of the net profit of the Lessee accruing from the minerals mined and sold by the Lessee from the said lands. The Lessor may not, however, so elect until the Lessee has recovered its capital investment, development and operating costs with respect to the said lands from whatever mineral substances the Lessee mines and sells therefrom. Subject to the immediately preceding sentence the Lessor may so elect at any time during the currency of this Lease on thirty (30) days' written notice to the Lessee.
- 4A.2 Net profit shall be construed to mean the excess of revenue over operating expense before deducting administrative overhead (except direct administrative expense at the mine not exceeding Ten Percent (10%) of operating expenses), and all mining and income taxes whether assessed by the laws of the Province of British Columbia or the Dominion of Canada, Where the parties agree that the Lessor does not own all of the mineral substances being mined and sold by the Lessee from the said lands, the amount of net profit on which the Ten

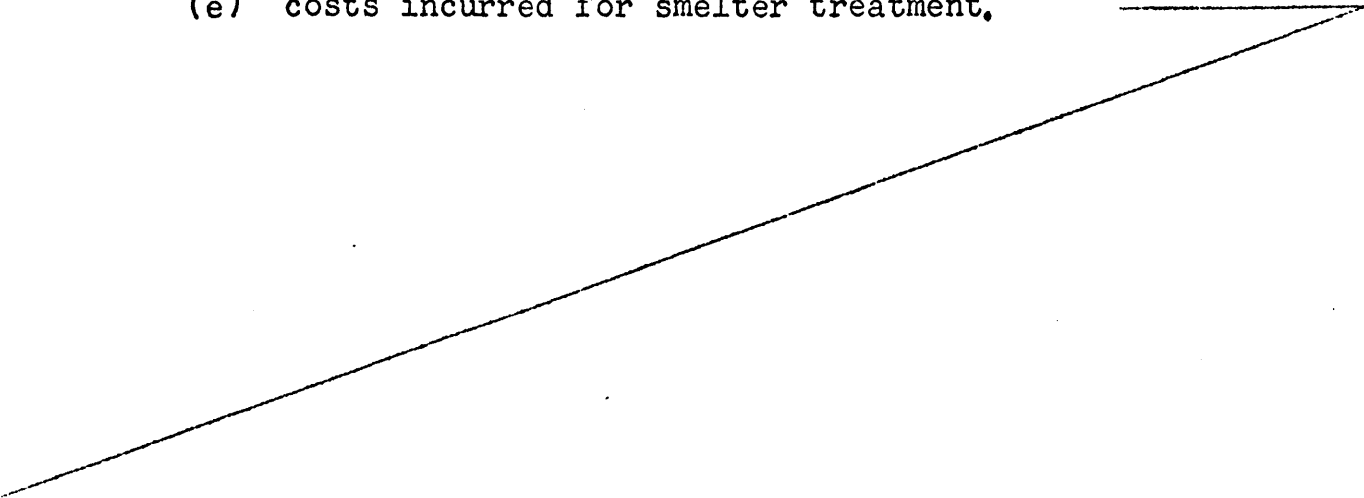
Percent (10%) payable to the Lessor shall be assessed shall be in the same proportion to the total net profit as the fair market value of the minerals calculated by reference to the first point of sale of each of same, before deducting treatment and transportation charges, bears to the total fair market value of all the mineral substances mined and sold by the Lessee from the said lands calculated by reference to the first point of sale of each of same, before deducting treatment and transportation charges.

4A.3 The amount payable to the Lessor resulting from the calculation of the net profit shall be paid within forty-five (45) days after the end of each fiscal year of the Lessee.



## ARTICLE 5

Payments - Where and How Made

- 5.1 The several payments of rent and royalty to be made pursuant to the terms of this Lease shall be paid in Canadian funds at par, Calgary, Alberta, and may be paid by cheque sent by regular mail, postage prepaid, to the Lessor at its then mailing address. Other payments required to be made by the Lessee shall be similarly made.
- 5.2 Where royalty is payable on the basis of net smelter returns the Lessee shall direct the operator of the smelter to provide the Lessor with a smelter return statement for each lot or shipment, showing inter alia,
- (a) the weight thereof,
  - (b) assays,
  - (c) average quotations,
  - (d) metal content and gross value of each of the minerals and other metals and gold and silver, recovered and paid for,
  - (e) costs incurred for smelter treatment.
- 

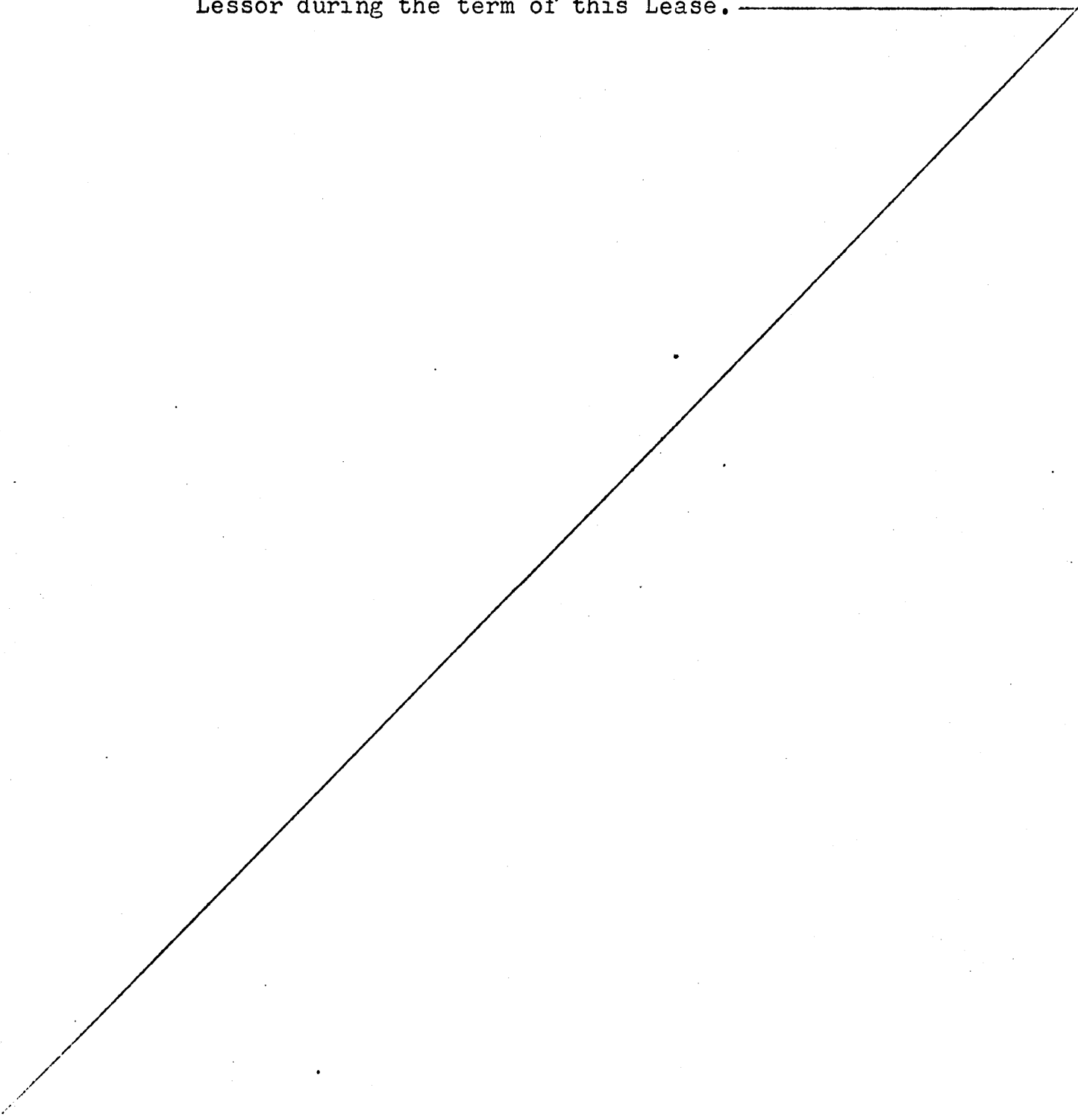


## ARTICLE 6

Records, Returns and Reports

- 6.1 The Lessee shall keep records and books of account in the Province of British Columbia respecting its operations under this Lease and shall permit any authorized representative or representatives of the Lessor to inspect and make copies of same at all reasonable times.
- 6.2 The Lessee shall submit to the Lessor within ninety (90) days following the expiration of each year a progress report for such year showing the expenditures made and the results obtained and shall supply the Lessor with copies of all reports, geological maps, mine plans and sections, charts and records relating to its operations on the said lands.
- 6.3 The Lessee shall furnish the Lessor monthly with an accounting statement certified by some responsible official of the Lessee showing the total tonnage and average grade of ore mined and shipped, or mined, milled and shipped from the said lands, the proceeds derived therefrom and the royalties paid or payable and method of calculation thereof, each such statement to cover the period from the end of the period covered by the previous statement or from the date of commencement of production as the case may require.
-

6.4 All records, returns and reports and all information obtained by the Lessor from the Lessee shall, except as to any land surrendered by the Lessee, be kept confidential by the Lessor during the term of this Lease.

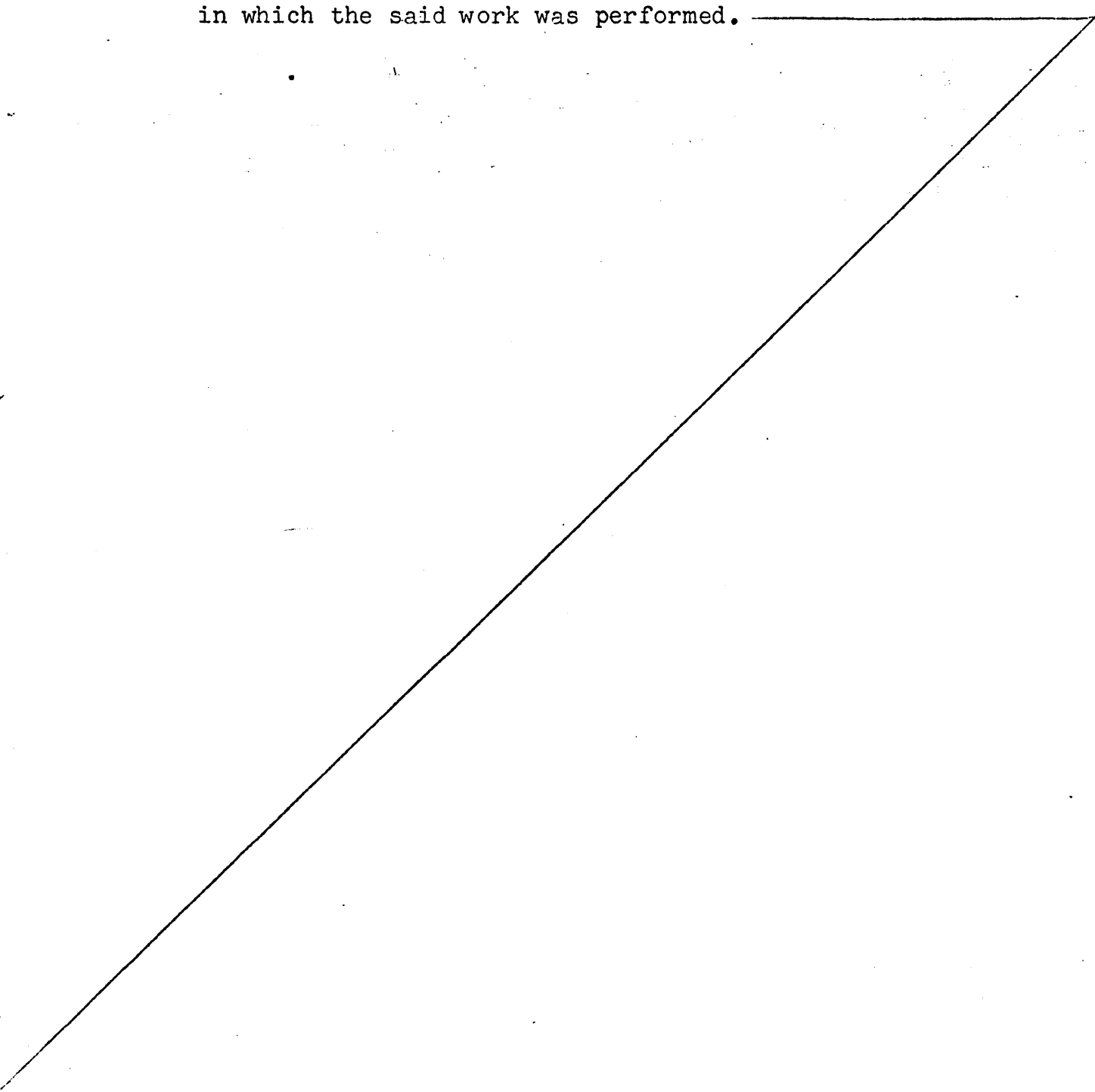


## ARTICLE 7

Assessment Work

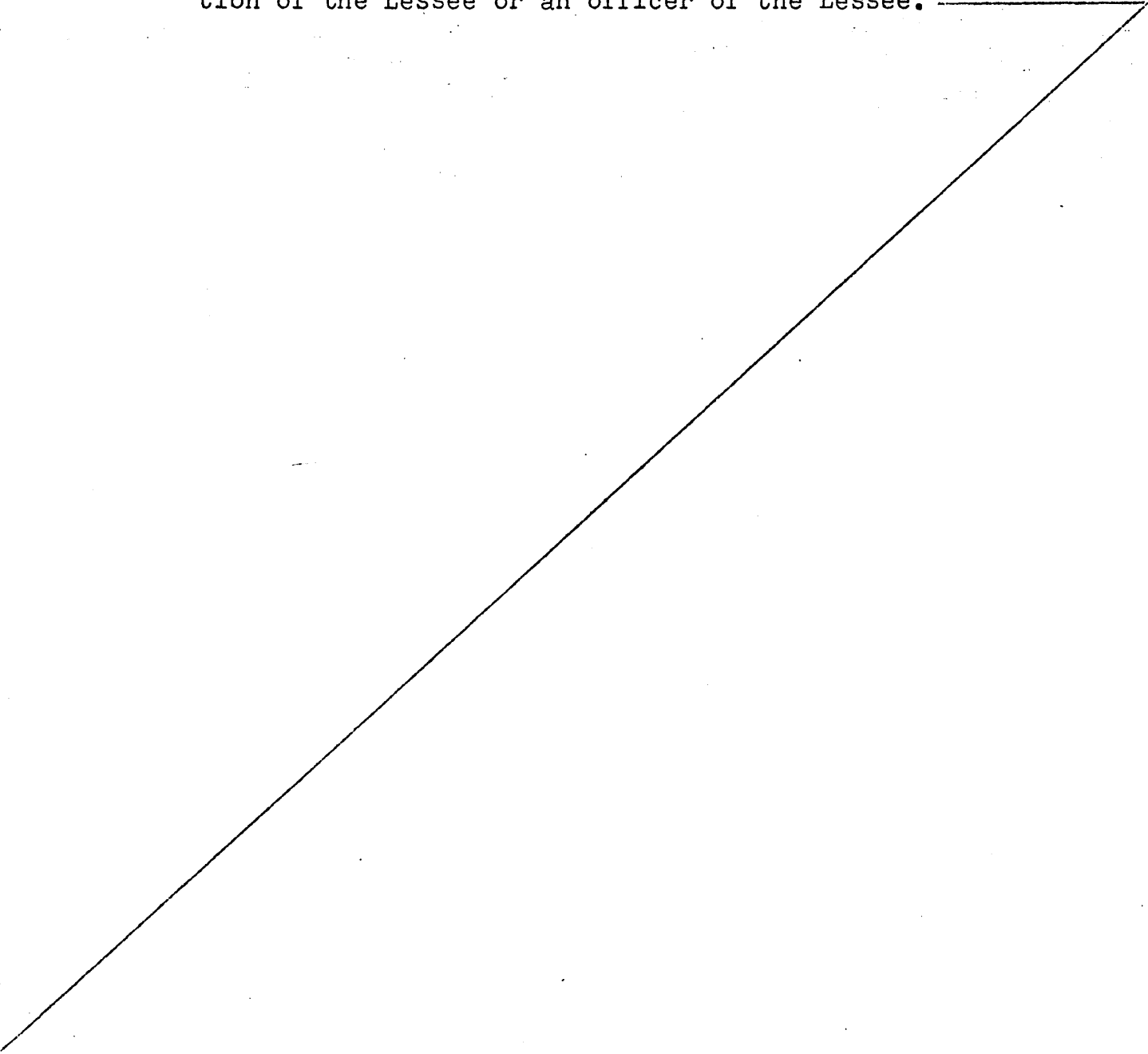
- 7.1 The Lessee shall perform each year assessment work on the said lands in an amount equivalent to the sum of two dollars and 00/100 (\$2.00) for each acre or fraction thereof subject to the terms of this Lease at the commencement of such year.
- 7.2 Where the assessment work required under section 7.1 is not performed during any year of the term of this Lease, this Lease shall terminate at the expiration of thirty (30) days following the expiration of such year unless the Lessee pays to the Lessor, prior to the expiration of such thirty (30) days, a sum equal to the difference between the amount of assessment work performed during that year and the amount of the assessment work required to be performed under said section 7.1, provided that a payment in respect to any acreage of the said lands made to the Mining Recorder in lieu of work shall discharge to the extent of such payment any obligation of the Lessee to the Lessor for that particular acreage.
- 7.3 The Lessee shall, within thirty (30) days following the expiration of each year of the term of this Lease, forward to the Lessor a certified statement itemizing the amounts expended by the Lessee in performing the assessment work for such year.

7.4 Where the assessment work reported for the year just ended is in excess of the assessment work required to be performed under section 7.1, the excess shall be credited to any succeeding year or years up to ten (10) years from the year in which the said work was performed.



## ARTICLE 8

Affirmation of Information

- 8.1 All maps, returns, statements, reports and information required to be given by the Lessee to the Lessor shall, if requested by the Lessor, be affirmed by a Statutory Declaration of the Lessee or an officer of the Lessee.
- 

## ARTICLE 9

Right of Entry on Land

9.1 Nothing in this Lease shall be construed as conferring any rights on the Lessee to the use of the surface of any of the said lands, or to any right of entry thereon, and the Lessee shall, at its own expense, acquire all such surface rights as may be necessary for its operations under this Lease.

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## ARTICLE 10

Operations

- 10.1 The Lessee shall carry out its operations on the said lands in accordance with proper mining practices and with the provisions of the Metalliferous Mines Regulation Act.
- 10.2 The Lessee shall make such provision for the disposal of the earth, rock, waste or refuse from the Lessee's workings on the said lands that the same shall not be a nuisance or obstruction to any railway right-of-way, roadway, pass, passage, river or creek, or to any private, public or Crown lands, or conflict with or embarrass the operating of any existing mines on the said lands.
- 10.3 In carrying out any process for the concentration of ore the Lessee shall not unduly waste any such ore.
- 10.4 The Lessee shall not mix tailings with waste rock, overburden or other refuse except as such mixing may arise under ordinary sound mining practices.
- 10.5 The Lessee shall own or control the surface of the land upon which it places said tailings and upon the termination of this Lease the Lessor shall have the right, exercisable within sixty (60) days after the date of such termination, to purchase the fee simple ownership of such surface at and for the same price as the Lessee paid therefor or to acquire

without payment an assignment of the Lessee's interest in such surface if not owned in fee simple, and in either event the Lessee's interest in such tailings shall pass to the Lessor.

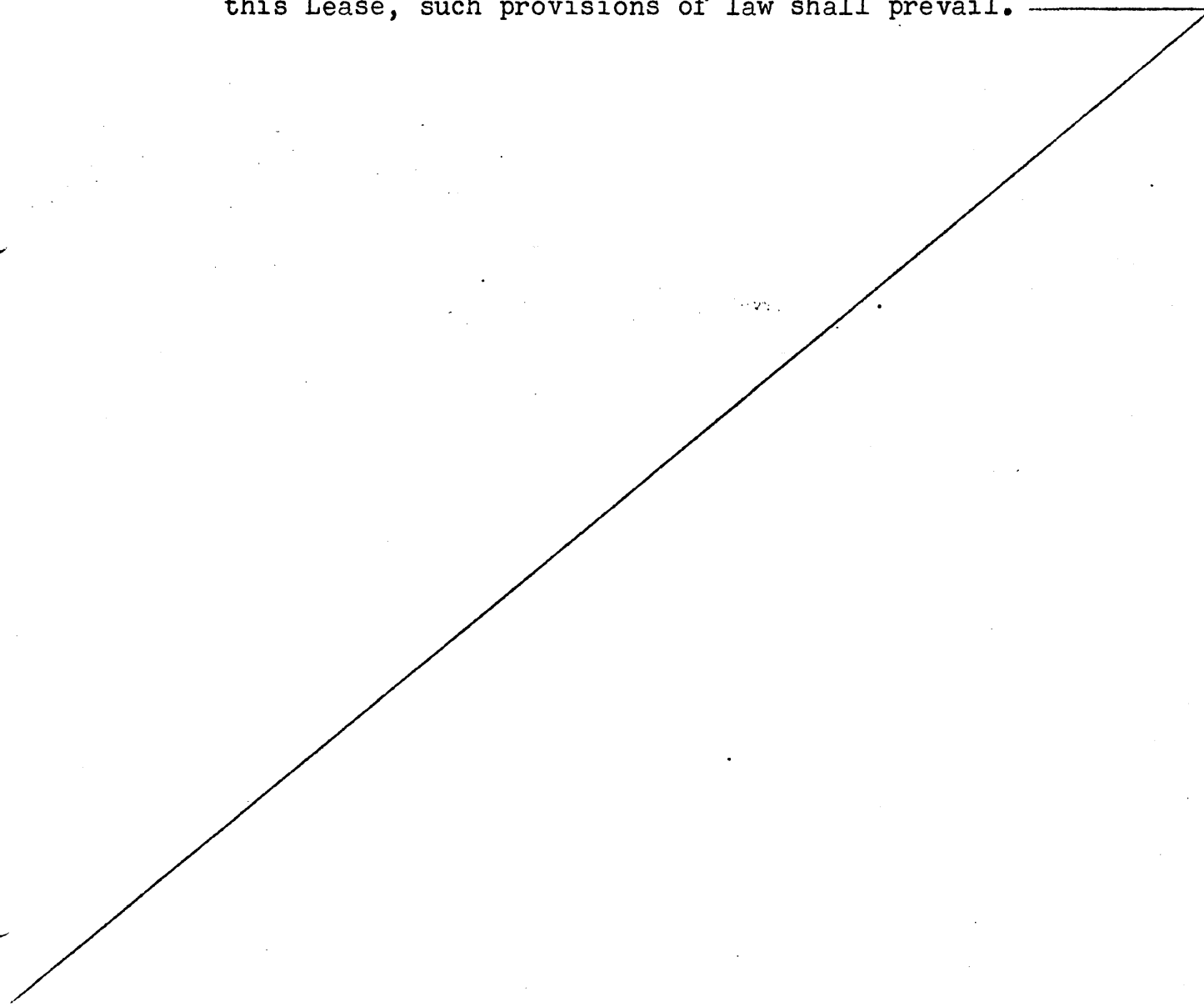
- 10.6 The Lessee shall so conduct its operations on the said lands as to cause the minimum of interference with the operations of third parties lawfully in occupation of any portion of the surface of the said lands.
- 10.7 The Lessee will compensate the Lessor or any third party for any damage to or destruction of property occasioned by its operations on the said lands.
- 10.8 The Lessee shall fence or otherwise protect all shafts and other pits or openings on the said lands, and on termination of this Lease the Lessee shall, notwithstanding such termination, forthwith fence or otherwise protect all shafts and other pits and openings not previously fenced or protected. All such work shall be carried out to the satisfaction of the Inspector of Mines pursuant to the Metalliferous Mines Regulation Act.
-



## ARTICLE 11

Compliance by Lessee with General Law

11.1 The Lessee shall carry out all operations in strict compliance with all statutes, regulations, rules, orders and bylaws, including the Forest Act and the Mineral Act, and all other provisions of law applicable thereto, and where such provisions of law conflict or are at variance with this Lease, such provisions of law shall prevail.



## ARTICLE 12

Weighing Ore

- 12.1 Where smelter weights or shipping weights are used as a basis for payment for ore or concentrates sold by the Lessee, such weights shall be used for purposes of calculating royalties payable hereunder where weight is a factor in such calculations.
- 12.2 Where smelter weights are not used as a basis for payment for ore or concentrates sold by the Lessee, but weight is a factor in calculating the royalties payable under this Lease, the Lessee shall cause all ore and concentrates to be weighed by the person that shall transport the same, and shall furnish the Lessor at the time payment of royalties is made with certificates or statements of such person as to the weights of all such shipments.
- 12.3 Any such certificates or statements in writing of such person and any copies or transcripts from the books of any such person relating to the transportation or weights of such shipments shall as against the Lessee be prima facie evidence of the facts so stated or appearing in any suit at law or in equity or in any controversy between the Lessor and the Lessee. Each party shall have the right to investigate such weights, and errors and mistakes, when ascertained, shall be adjusted in the next maturing payment.

## ARTICLE 13

Taxes

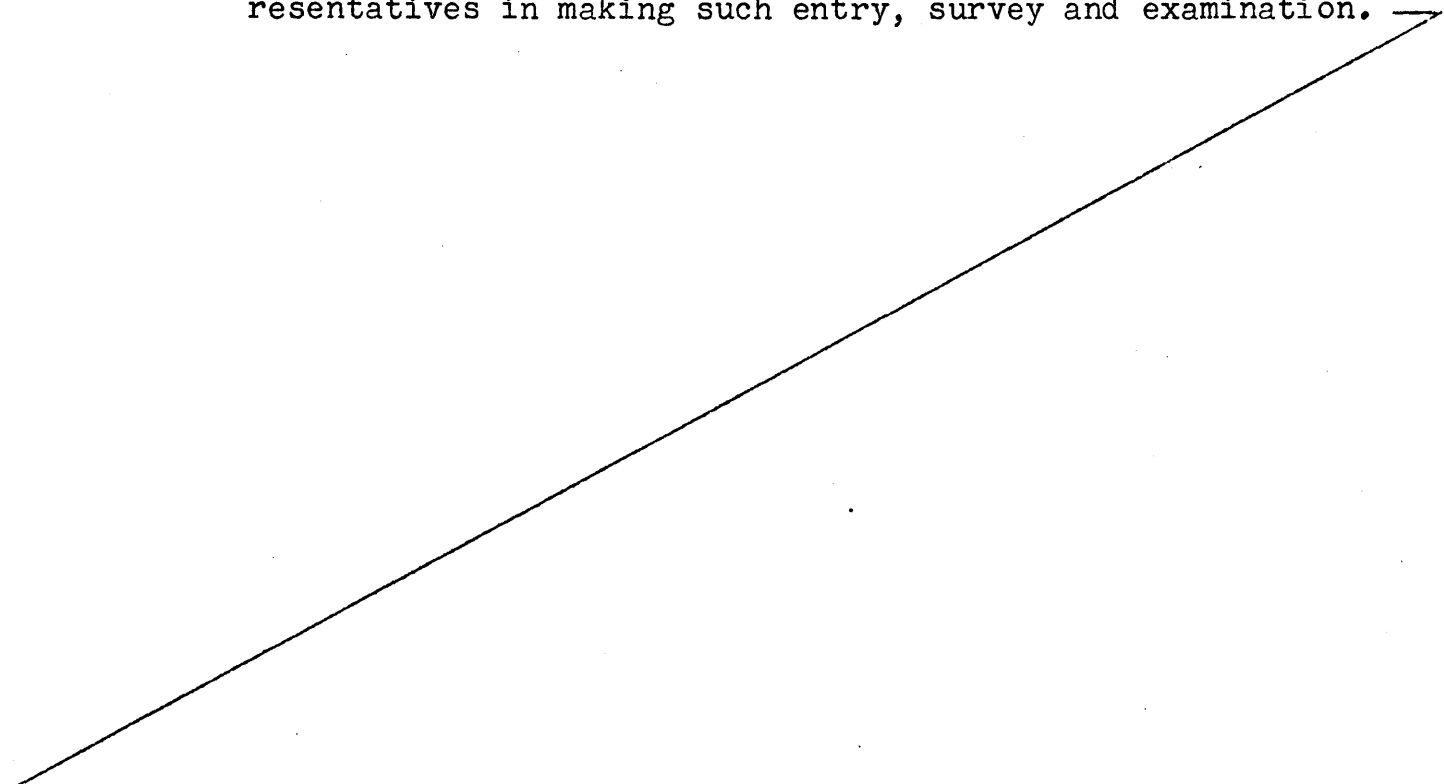
13.1 The Lessee shall pay all taxes, rates, levies and assessments that may be assessed or levied in respect of the undertaking and operations of the Lessee on, in, over or under the said lands and shall further pay all taxes, rates, levies and assessments that may be assessed or levied, directly or indirectly, against the Lessee by reason of the Lessee's interest in the minerals. The Lessee shall within thirty (30) days after receipt of the written request of the Lessor, accompanied by such receipts, statements or notices as the Lessee may require, reimburse the Lessor for, or pay to the Lessor an amount equal to the amount of, all taxes, rates, levies and assessments assessed or levied during the currency of this Lease in respect of the minerals whether against the Lessor or The Esquimalt and Nanaimo Railway Company, and whether by reason of the Lessor's acquisition of the minerals or ownership thereof.

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## ARTICLE 14

Lessor's Right to Inspect Premises

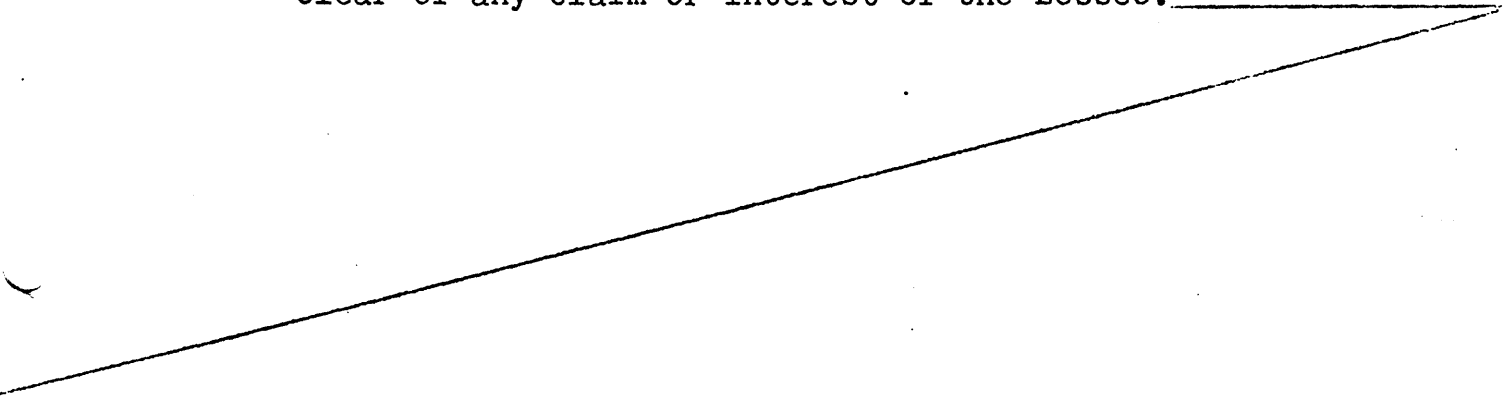
14.1 The Lessee shall permit any authorized representative or representatives of the Lessor with all proper or necessary equipment at all reasonable times during the term of this Lease, quietly to enter into and upon the said lands, mines and workings, and into all buildings erected thereon, and into any part thereof, and to survey and examine the state and condition of the said lands and any mines and workings thereon, provided that in so doing, no unnecessary interference is caused in the carrying on of the mining operations of the Lessee; and the Lessee shall by all means in his power aid and facilitate such representative or representatives in making such entry, survey and examination.



## ARTICLE 15

Default

15.1 Without in any way restricting any other rights and remedies which the Lessor may have, in the case of the breach or non-observance or non-performance on the part of the Lessee of any covenant, proviso, condition, restriction or stipulation in this Lease contained, the Lessor may give to the Lessee written notice requiring the Lessee to remedy such default and if the Lessee fails to remedy such default within a period of thirty (30) days from and including the day after the receipt of such notice, this Lease shall thereupon terminate and it shall be lawful for the Lessor, into and upon the said lands (or any part thereof in the name of the whole) to re-enter and the same to have again, repossess and enjoy, anything in this Lease contained to the contrary notwithstanding, and all works which the Lessee may have made on the said lands, including all tools, machinery, buildings and erections which the Lessee may have placed on the said lands, shall become the property of the Lessor free and clear of any claim or interest of the Lessee.



## ARTICLE 16

Removal of Equipment

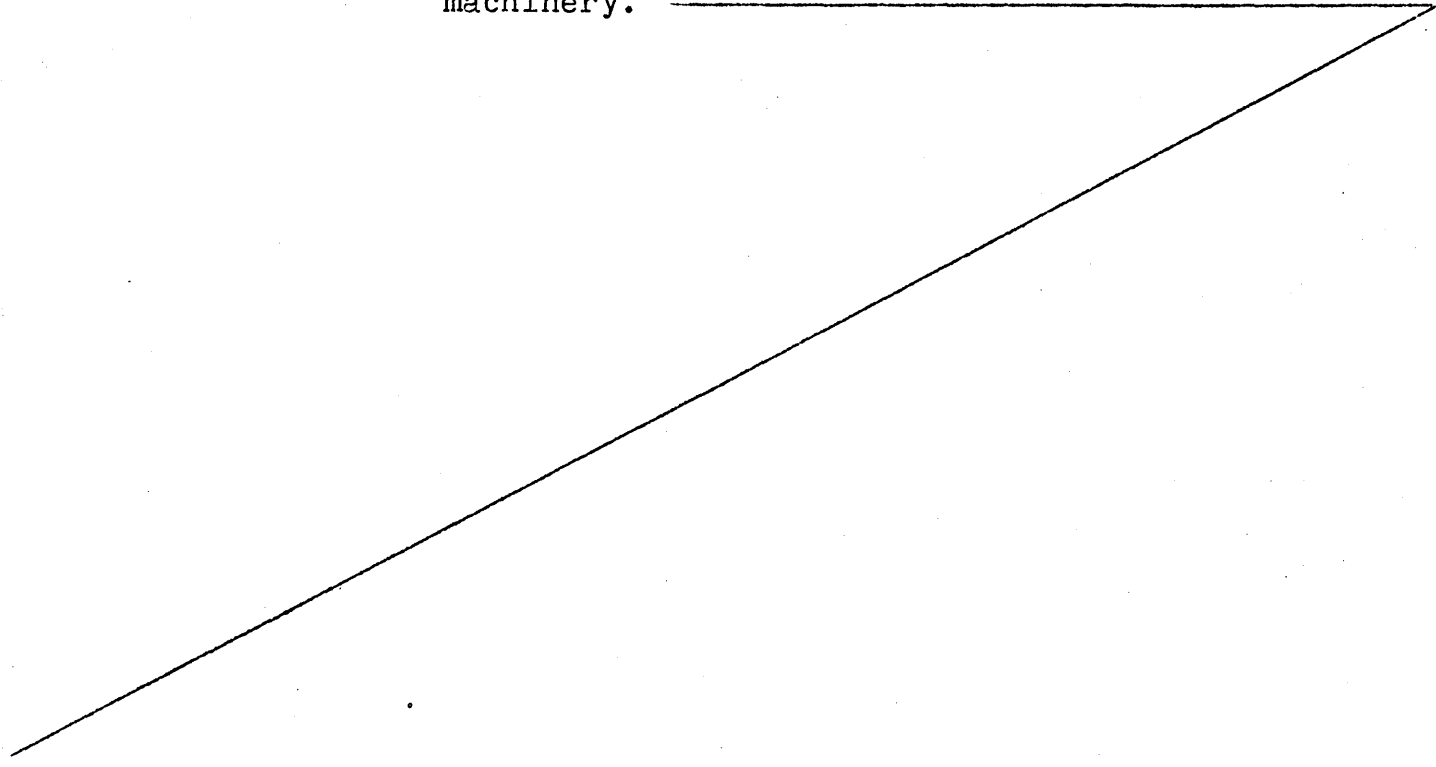
16.1 Within ninety (90) days from the expiration of the period within which the Lessor may exercise its option as hereafter provided in this Article 16 the Lessee may, if all payments due under this Lease have then been paid and all other covenants, provisoes, conditions and stipulations in this Lease imposed upon the Lessee shall have then been duly observed and performed, remove from the said lands all engines, tools and machinery, buildings and erections which the Lessee may have placed or erected thereon, but shall not remove or impair any of the supports, pillars, timbers or frameworks which are necessary to the use or maintenance of the shafts, or other approaches to any mine on the said lands, or any tramways, airways or ladders therein, or any other article, matter or thing, the removal of which might cause any such mine to fall, cave in or give way, and that in default of such removal within the said period of ninety (90) days all such engines, tools and machinery, buildings and erections shall become and be the property of the Lessor.

16.2 The Lessor shall have the option of purchasing:

- (i) all or any part of machinery installed or used in or about any such mine which may be necessary either for ventilating such mine or keeping the same free from accumulation of water or gas,
- (ii) any hoisting machine as a means of access to any such mine,

such option to be exercised upon notice to that effect to the Lessee within a period of thirty (30) days commencing on the day following the date of termination of this Lease in any manner.

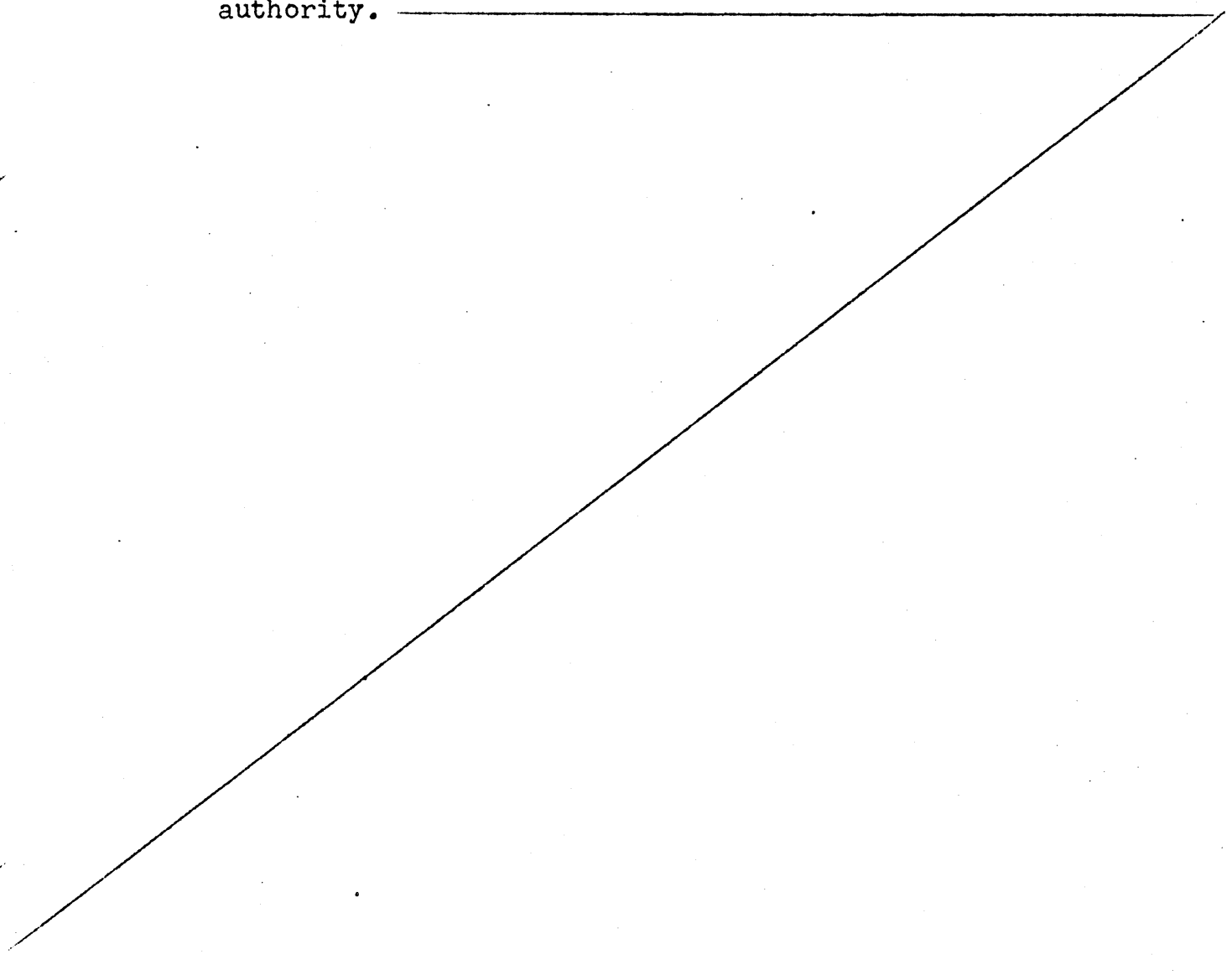
16.3 Upon the giving of such notice, such machinery indicated therein shall become the property of the Lessor and the Lessor shall pay to the Lessee the original cost of such machinery less:

- (i) a deduction for depreciation of six percent (6%) per annum of the original cost computed from the date of placing, installation or construction on the said lands to the date of the giving of such notice,
  - (ii) any payments due to the Lessor pursuant to this Lease, and
  - (iii) the amount of any encumbrances, liens or charges outstanding against or in respect of such machinery.
- 

## ARTICLE 17

Access to Reports

17.1 The Lessor shall have the right at any and all times to have access to any reports, returns or plans furnished by the Lessee to any governmental or other authority; and the Lessee shall give the Lessor such authority as the Lessor may require to inspect and take copies of such reports, returns or plans in the possession of such authority.

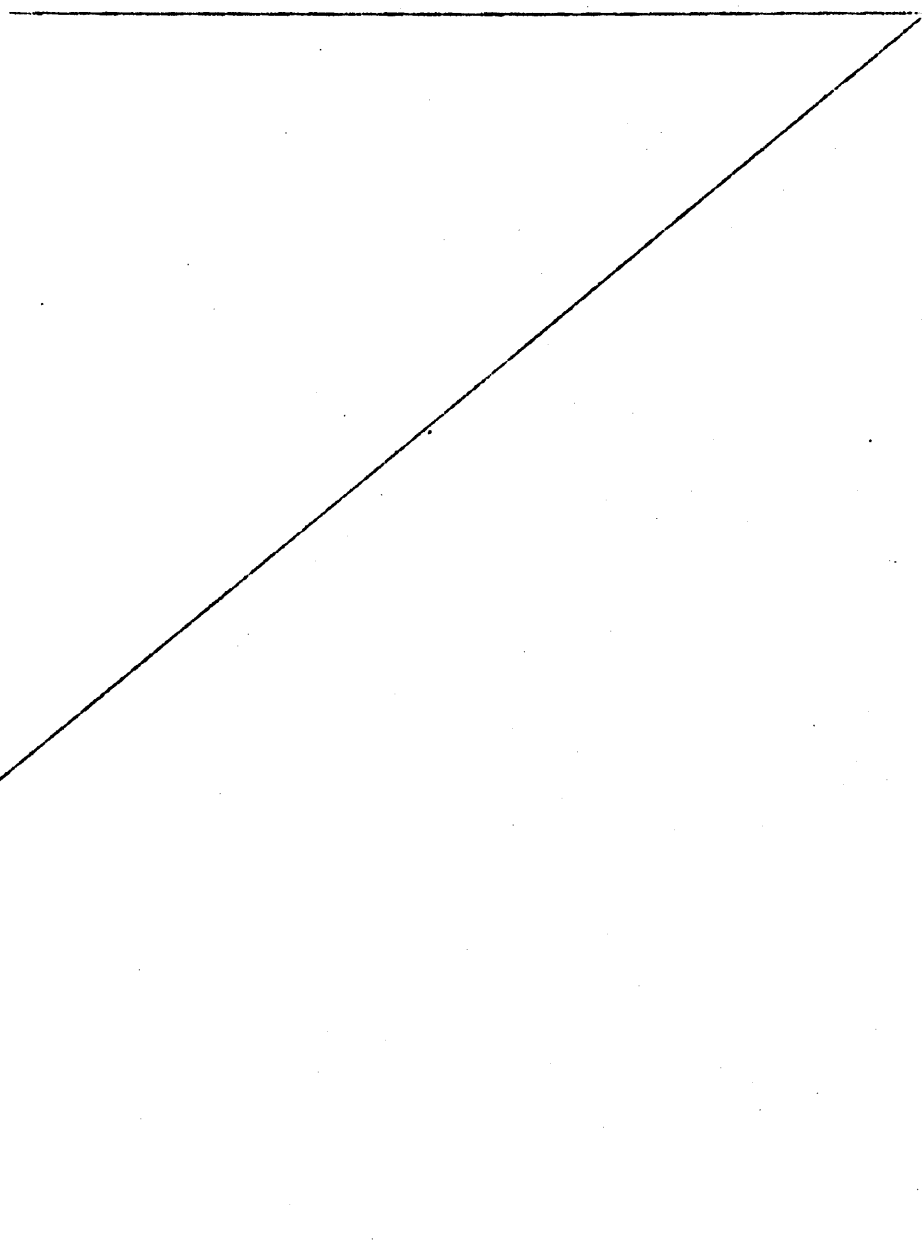




## ARTICLE 18

Operations of Others

18.1 Notwithstanding any other terms and conditions of this Lease, the Lessee shall not in any way interfere with the operations of any other person on any of the said lands for the recovery of substances or materials other than the minerals.



## ARTICLE 19

Indemnity

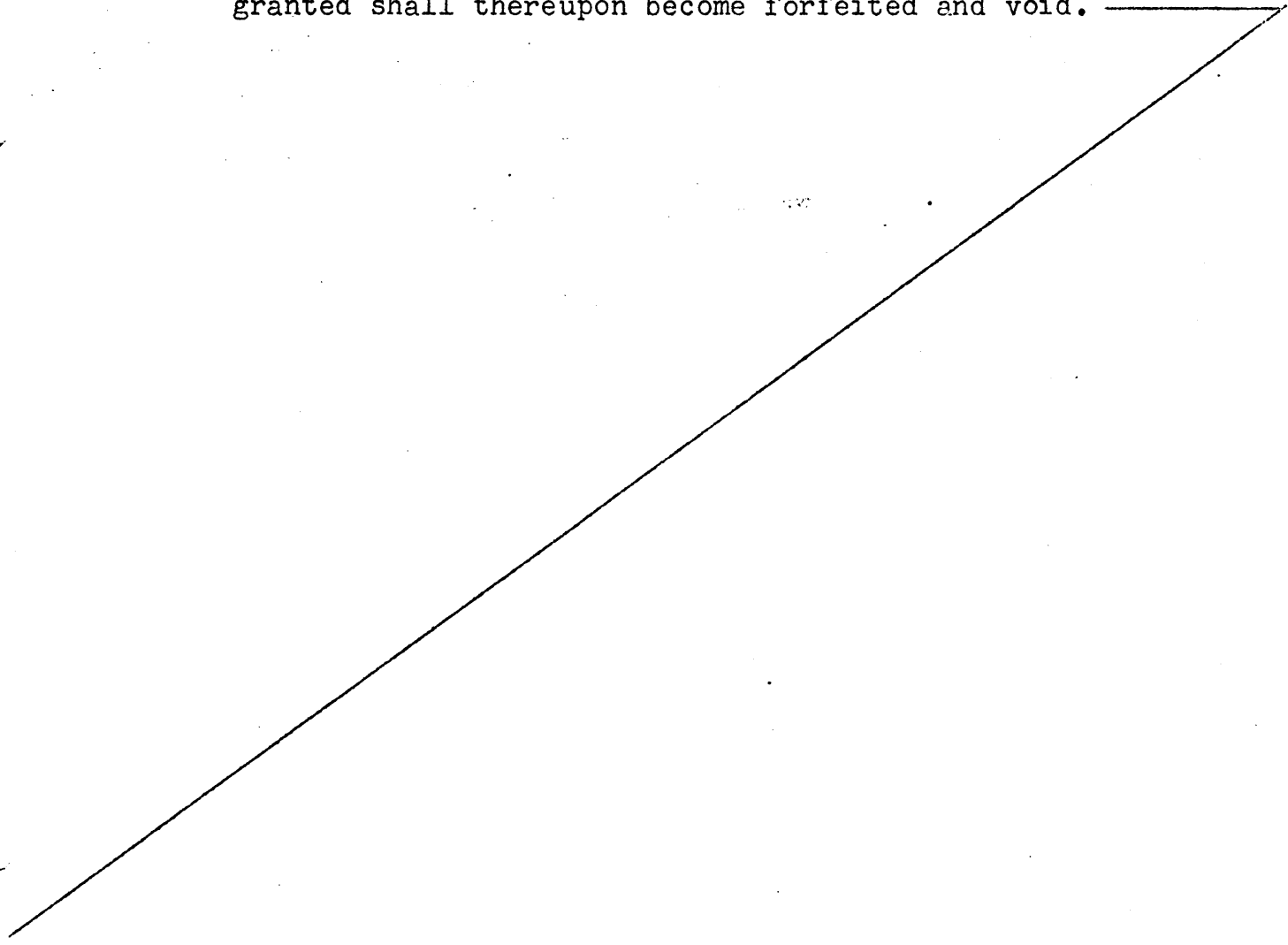
19.1 The Lessee shall indemnify and save harmless the Lessor from and against all claims and demands, costs, damages, actions, suits or other proceedings whatsoever by whomsoever made, brought or prosecuted in respect of loss of life or personal injury or loss of or damage to property howsoever caused, or obligation to compensate, arising out of or in any way attributable to the operations performed within, upon and under the said lands by the Lessee and by any agent or contractor employed by the Lessee or any of them.

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ARTICLE 20

Insolvency of Lessee

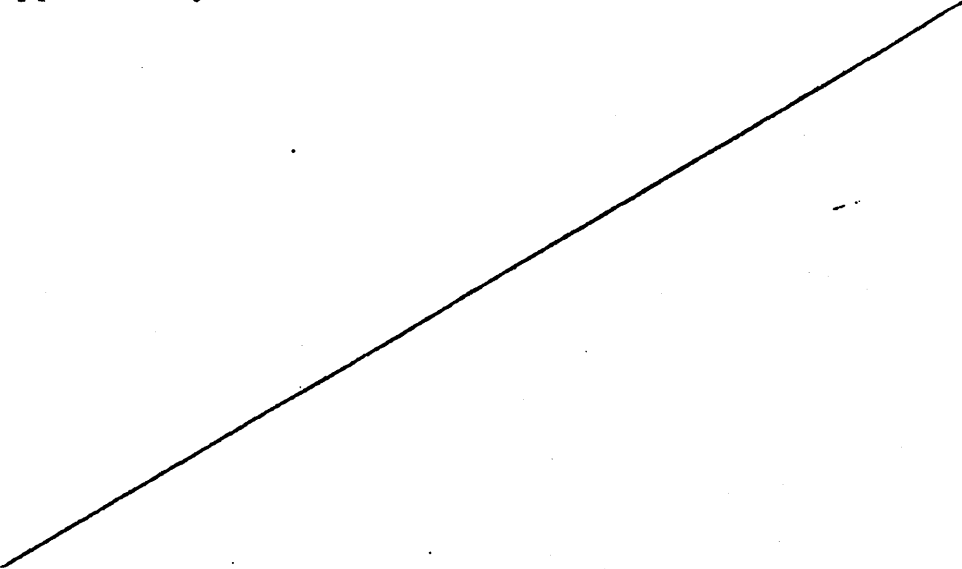
20.1 If this Lease or any rights, privileges or interests hereby granted shall at any time be seized or taken in execution by any creditor of the Lessee, or if the Lessee shall make any assignment for the benefit of creditors or become bankrupt or insolvent, or shall take the benefit of any Act that may be in force for bankrupt or insolvent debtors, this Lease and all rights, privileges and interests hereby granted shall thereupon become forfeited and void.



## ARTICLE 21

Freight Shipments

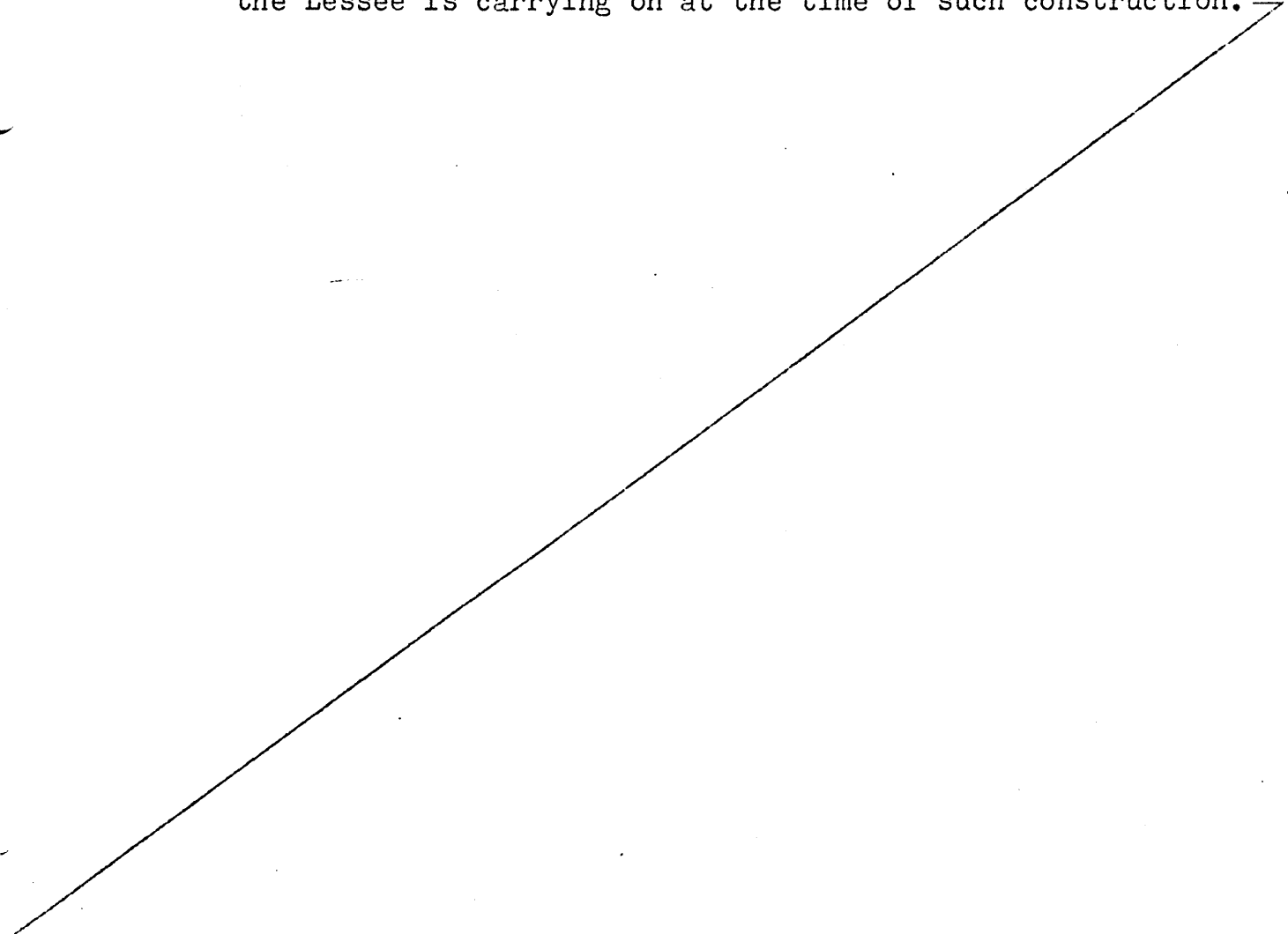
21.1 If the rates and services of the transportation facilities owned, controlled or operated by Canadian Pacific Railway Company and its subsidiary companies or any of them, alone or in combination with any other carrier connecting therewith are competitive with any other carrier in respect of freight (which, without limitation, includes ore, the minerals and products thereof) to be shipped to or from the said lands by or for the Lessee, the Lessee shall cause such freight to be transported by the said transportation facilities owned, controlled or operated by Canadian Pacific Railway Company and its subsidiary companies or any of them. Should a competing form of transport name a rate lower than that provided in the tariffs of Canadian Pacific Railway Company and its subsidiary companies or any of them the Lessee agrees to so notify the Lessor in writing and give Canadian Pacific Railway Company and its subsidiaries or any of them an opportunity to meet such rate.



## ARTICLE 22

Right to Build Railway Lines

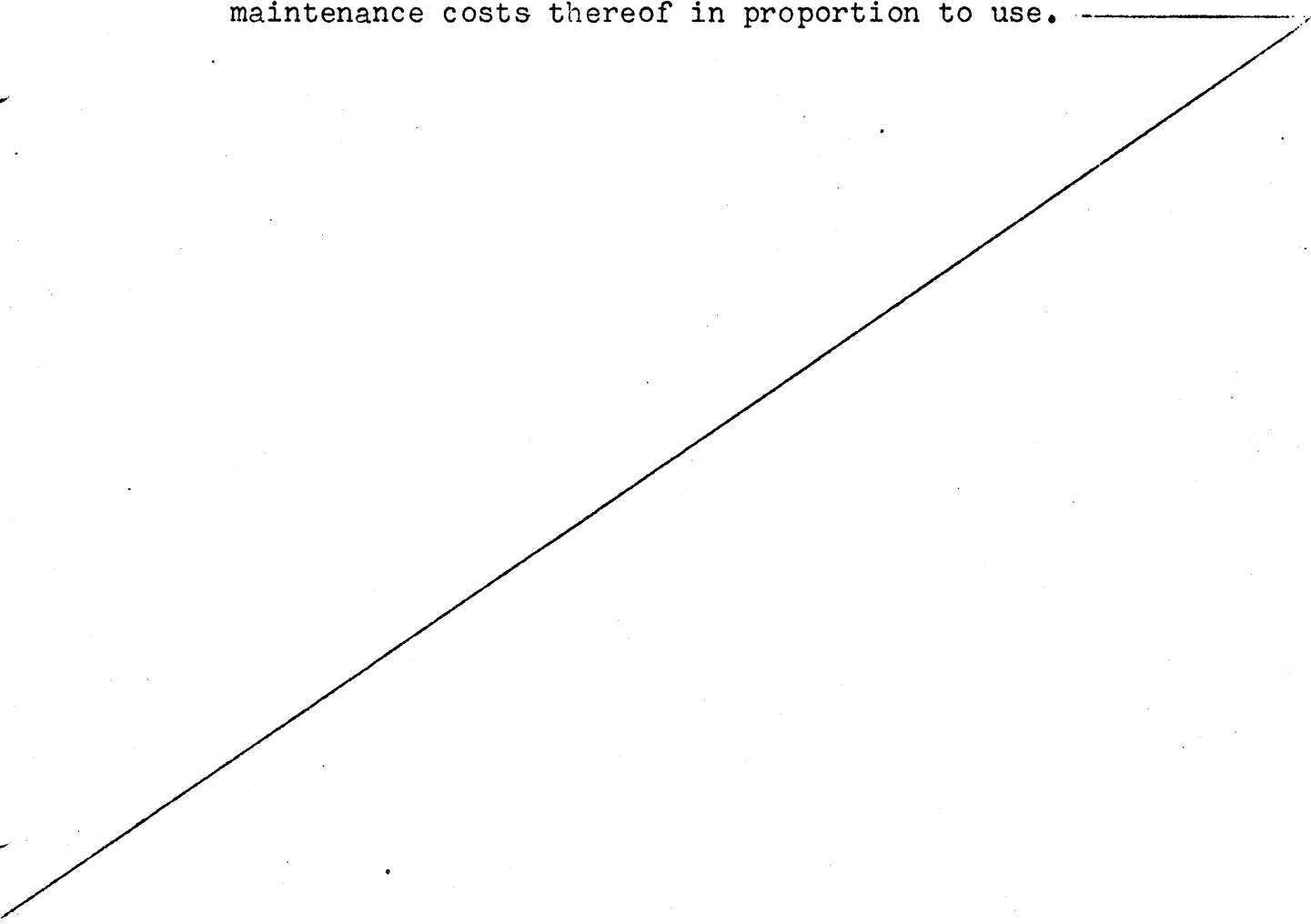
22.1 Notwithstanding anything in this Lease contained, any railway company approved by the Lessor in writing for such purpose, may construct, maintain and operate, without payment or compensation to the Lessee whether by statute or otherwise, a line or lines of railway over or upon any of the said lands, provided such construction, maintenance or operation will not interfere with any operations which the Lessee is carrying on at the time of such construction.



## ARTICLE 23

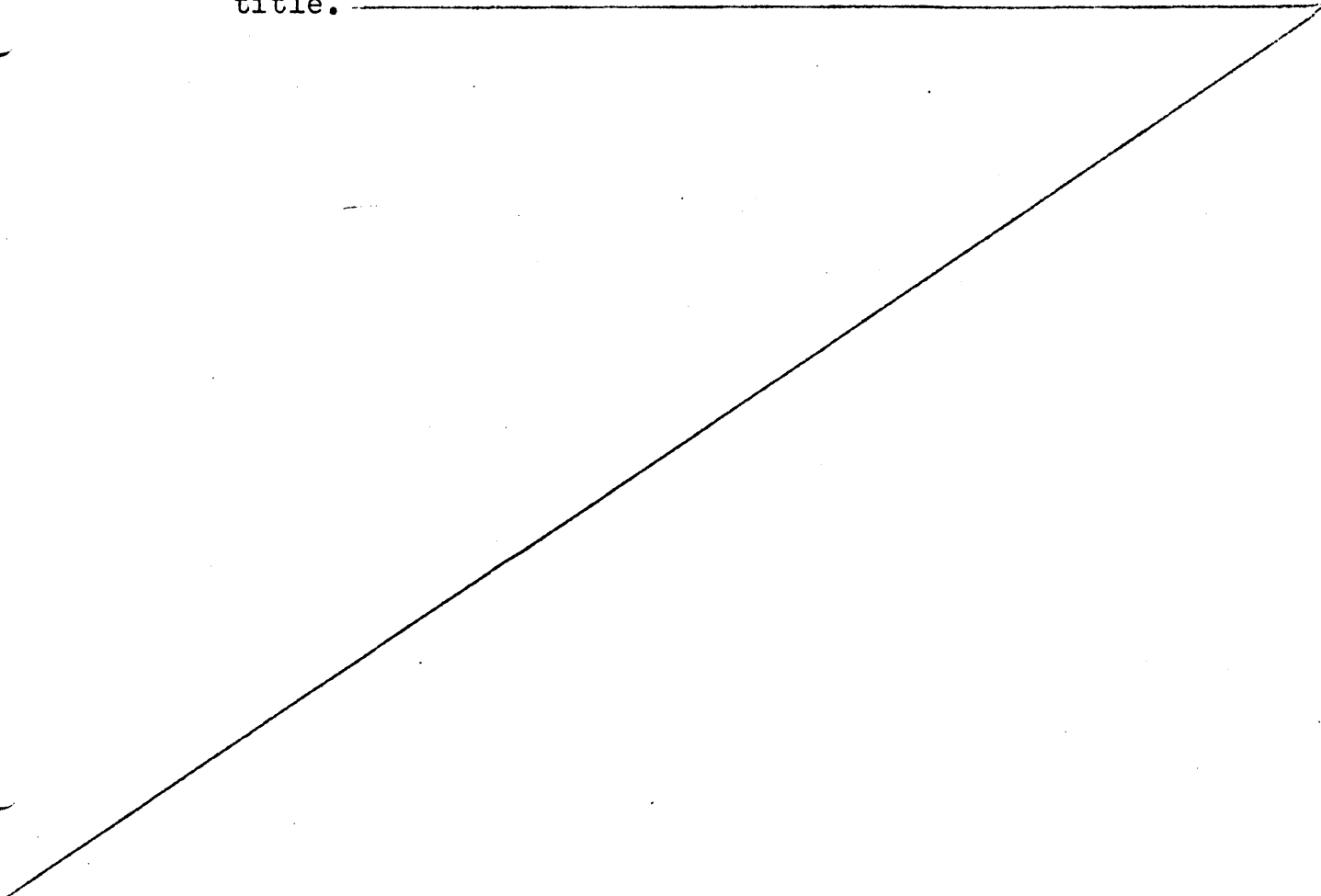
Use of Roads by Lessor

23.1 The Lessor and any nominee or nominees of the Lessor shall be entitled to use, free of charge, all roads, trails, paths or other ways made by the Lessee on the said lands whether or not such use is related to this Lease, provided such user does not unreasonably interfere with the Lessee's operations thereon and further provided that if such use is more than casual the Lessor or the nominee, as the case may be, may be required by the Lessee to contribute to the maintenance costs thereof in proportion to use.



## ARTICLE 24

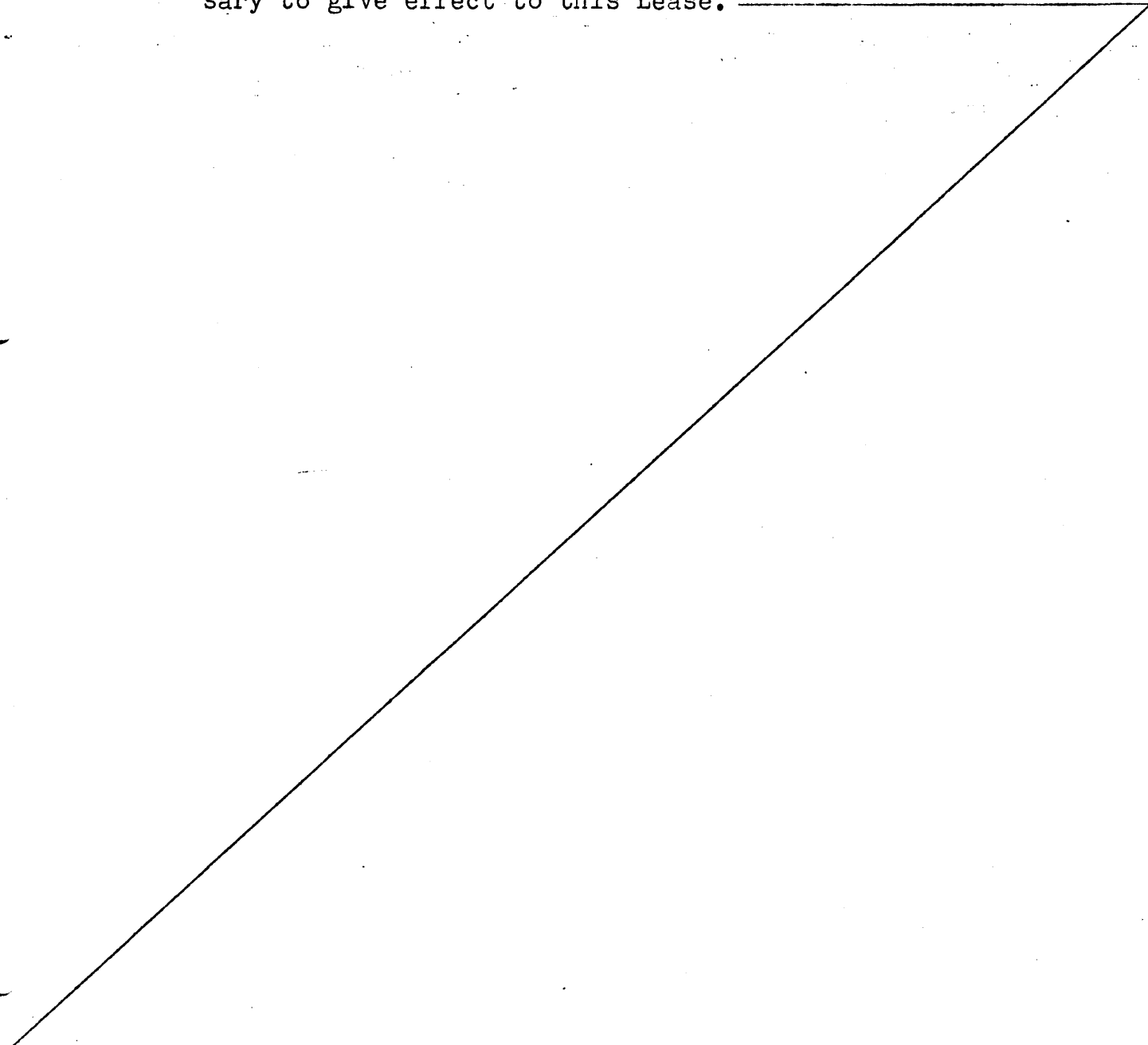
Title

- 24.1 The Lessor covenants that it has acquired, directly or indirectly, the right or title of The Esquimalt and Nanaimo Railway Company to the minerals, as such right or title existed on the 31st day of May, 1962.
- 24.2 The Lessee hereby accepts the Lessor's right or title to the minerals hereby leased and agrees that nothing in this Lease, expressed or implied, shall operate or have effect as any warranty or guarantee or covenant of such right or title.
- 

ARTICLE 25

Covenant for Further Assurances

25.1 The Lessor and the Lessee shall each do and perform all such acts and things, and execute all such deeds, documents and writings, and give all such assurances, as may be necessary to give effect to this Lease.

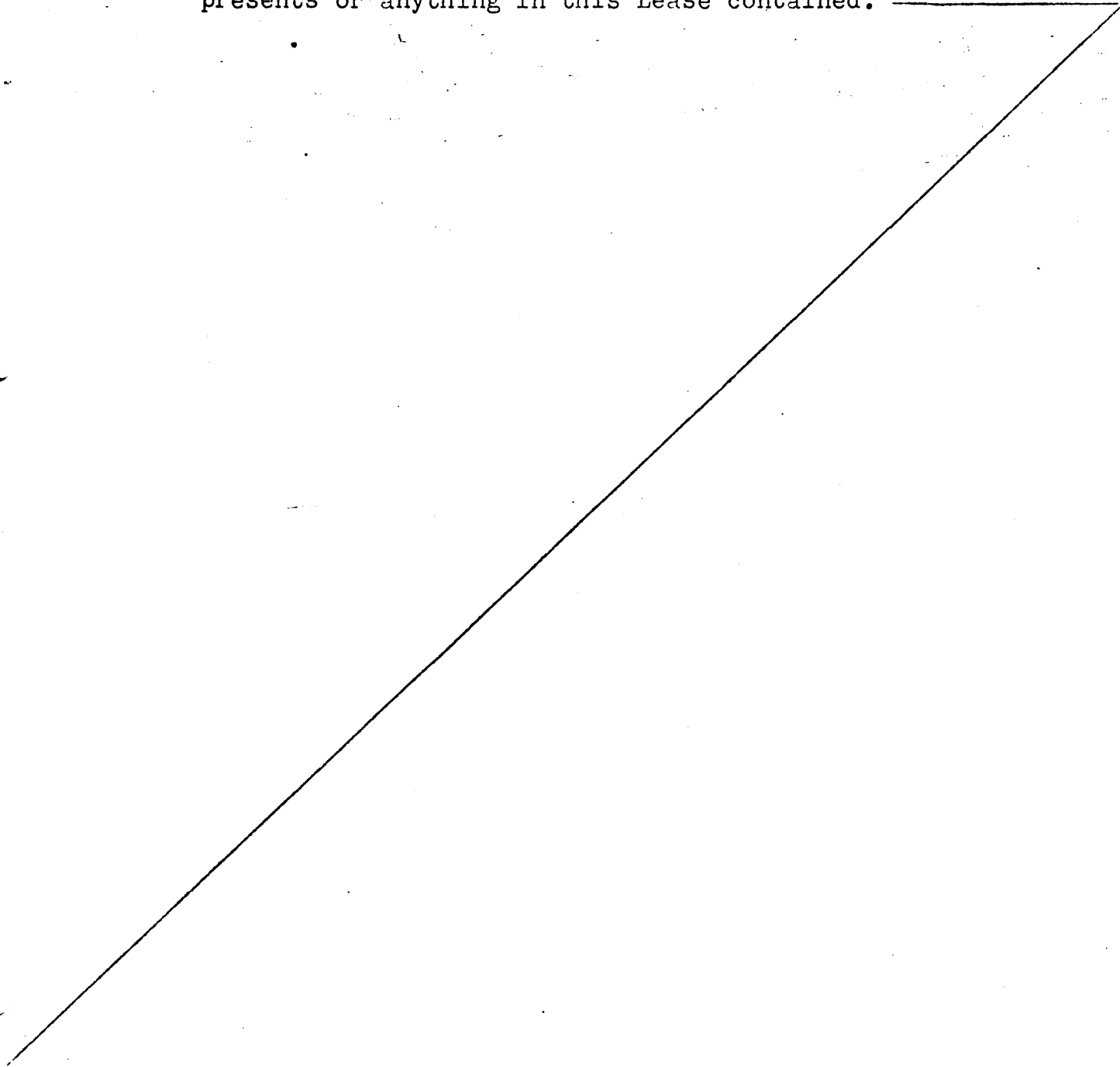




ARTICLE 26

No Implied Covenants

26.1 No implied covenant or liability of any kind on the part of the Lessor is created or shall arise by reason of these presents or anything in this Lease contained.



## ARTICLE 27

Alienation

- 27.1 The Lessee shall not in any way alienate this Lease or any part thereof without the written consent of the Lessor first had and obtained, but such consent shall not be unreasonably withheld.
- 27.2 This Lease is subject to that certain Agreement between the parties hereto dated the 15th day of November 19 64, and the rights of the Lessor under said Agreement shall be unaffected by any alienation of this Lease or any part thereof.
-

## ARTICLE 28

Surrender

- 28.1 When not in default under this Lease, the Lessee may surrender at the end of any year during the term of this Lease its interest in the minerals within, upon or under
- (i) any part or parts of the said lands, or
  - (ii) all the said lands,
- provided, however, that the Lessee shall not be entitled to any refund of rent, royalty or taxes paid by it prior to such surrender.
- 28.2 The Lessee shall make any such surrender by giving written notice thereof to the Lessor at least ninety (90) days prior to the end of such year.
- 28.3 Upon such surrender being made, all the rights and interests of the Lessee under this Lease in and to the lands so surrendered and the minerals within, upon or under the same shall be extinguished and determined.
- 28.4 If any such surrender is not in respect of all the said lands, said notice shall be accompanied by a plan of survey of such of the lands not so surrendered, which plan shall be acceptable to the proper Land Registry Office.
-

## ARTICLE 29

Removal of Charge

29.1 Forthwith after:

(a) a surrender relative to the said lands or of any part thereof, or

(b) the termination of this Lease,

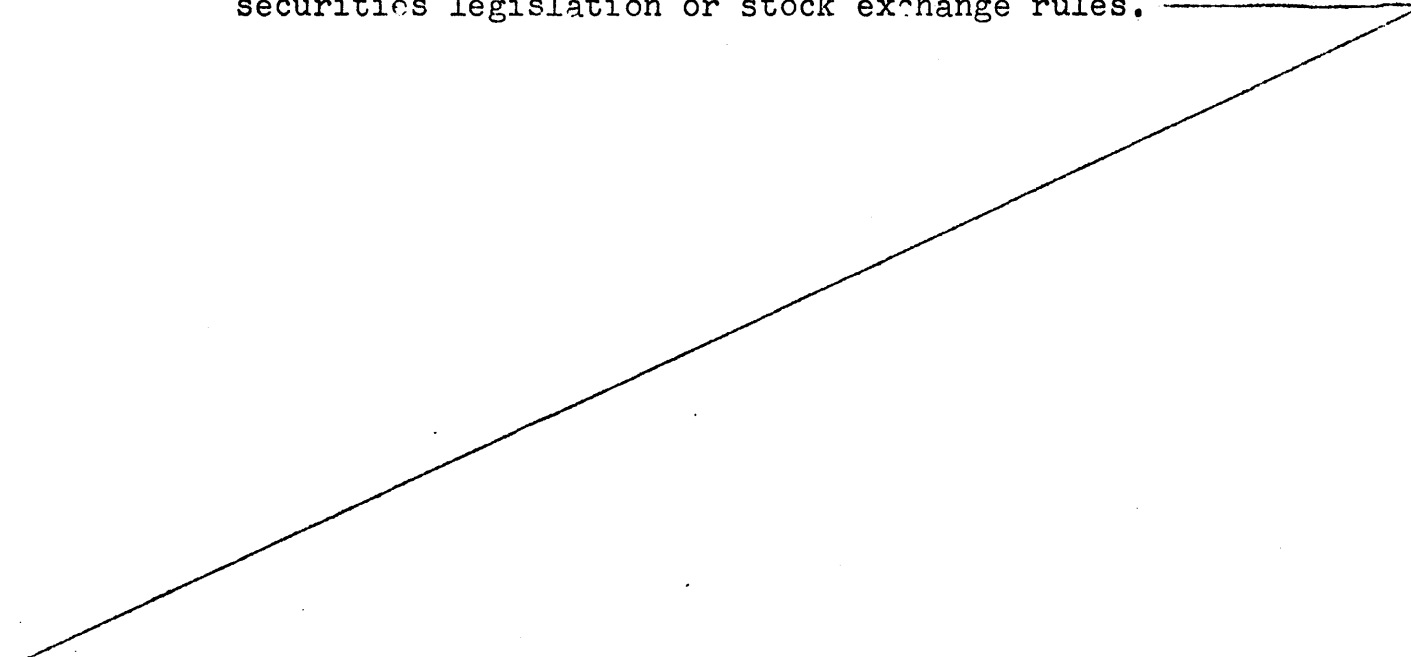
the Lessee at its own expense shall cause to be removed, withdrawn or discharged any caveat, charge, encumbrance or other instrument registered, recorded or filed by the Lessee against the title to the said lands and the minerals or any of them by reason of this Lease, provided that if only a part of the said lands is surrendered such removal; withdrawal or discharge need only relate to the lands so surrendered.

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## ARTICLE 30

Use of Name

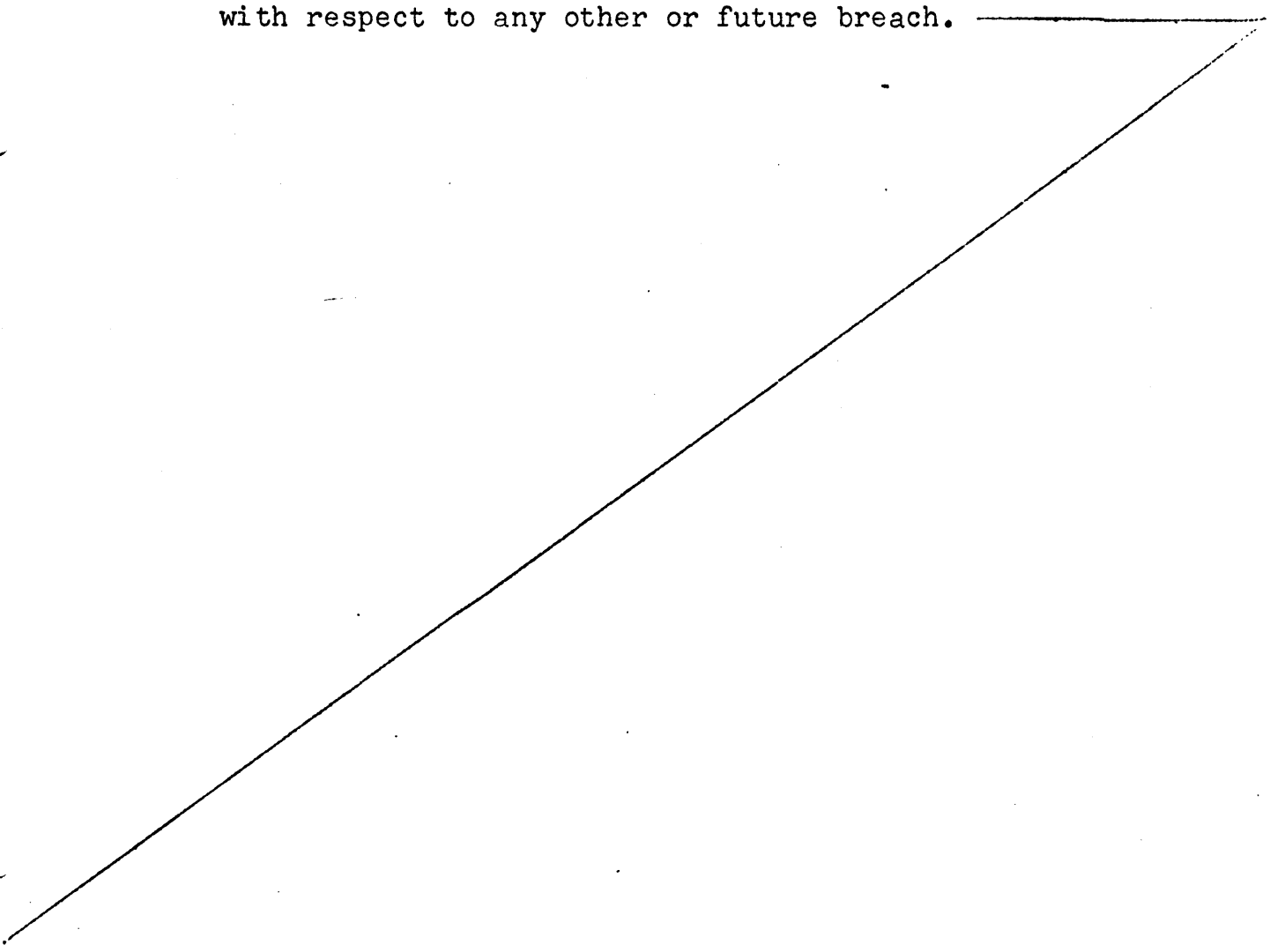
30.1 Each of the parties covenants and agrees that it will not use, suffer or permit to be used, directly or indirectly, without the consent of the other party, the name of the other party or of the other party's parent or subsidiary companies for the purpose of or in connection with the financing of or obtaining financial assistance for any of the operations under this Lease or the promotion of any corporate enterprise, syndicate, partnership or other association designed, intended or purporting to control, direct or finance, directly or indirectly, such operations, provided that the Lessee may state, declare or certify that it holds this Lease from the Lessor and may give accurate particulars thereof to the extent required by any securities legislation or stock exchange rules.



## ARTICLE 31

Waiver

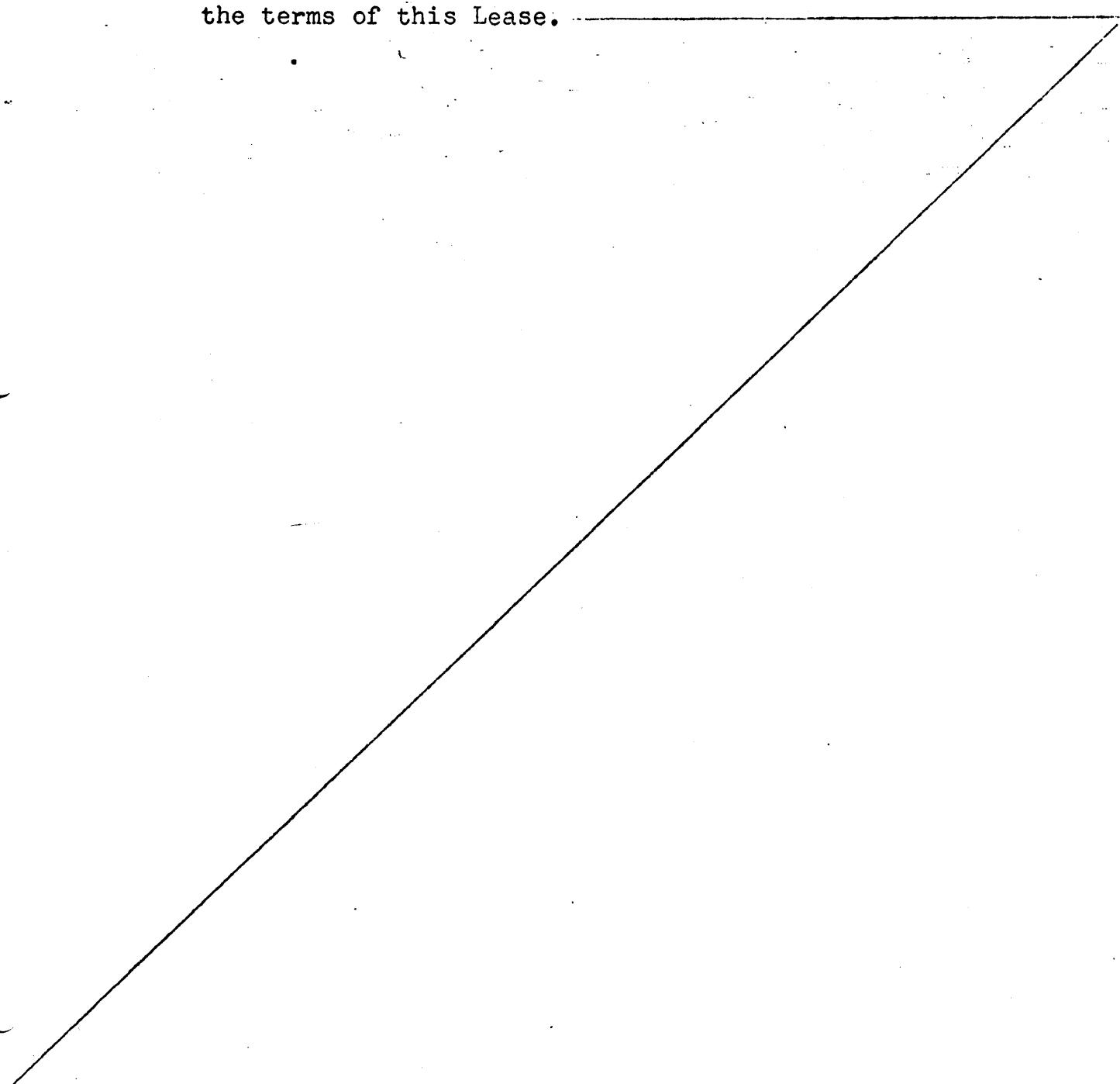
31.1 No waiver by the Lessor of any breach of any of the covenants, provisoes, restrictions and stipulations in this Lease contained, whether negative or positive in form, shall be effective unless such waiver is expressed in writing and signed by the Lessor, and any waiver so expressed shall extend only to the particular breach so waived and shall not limit or affect the Lessor's rights with respect to any other or future breach.



## ARTICLE 32

Interest

32.1 The Lessee shall pay to the Lessor interest at the rate of eight percent (8%) per annum on all moneys overdue under the terms of this Lease.



## ARTICLE 33

Insurance

33.1 Prior to and throughout the continuance of operations under this Lease, the Lessee shall have, pay for and maintain the following insurance with a reputable insurance company or companies, namely:

- (a) public liability and property damage insurance covering all operations under this Lease up to the inclusive limit of \$100,000 for or in respect of any one accident,
- (b) automobile public liability and property damage insurance covering all automotive units engaged in operations under this Lease up to the inclusive limit of \$ 100,000 for or in respect of any one accident.

33.2 If requested in writing by the Lessor the Lessee shall furnish to the Lessor a certificate from said insurance company or companies containing the following information and undertakings:

- (a) the name of the insurance company or companies,
- (b) the policy number or numbers,
- (c) the expiry date of the insurance,
- (d) the nature and limits of the insurance,
- (e) that the insurance covers all operations under this Lease,
- (f) that the insurance cannot be altered or cancelled prior to its expiry date without ten (10) days' prior notice in writing being given to the Lessor.

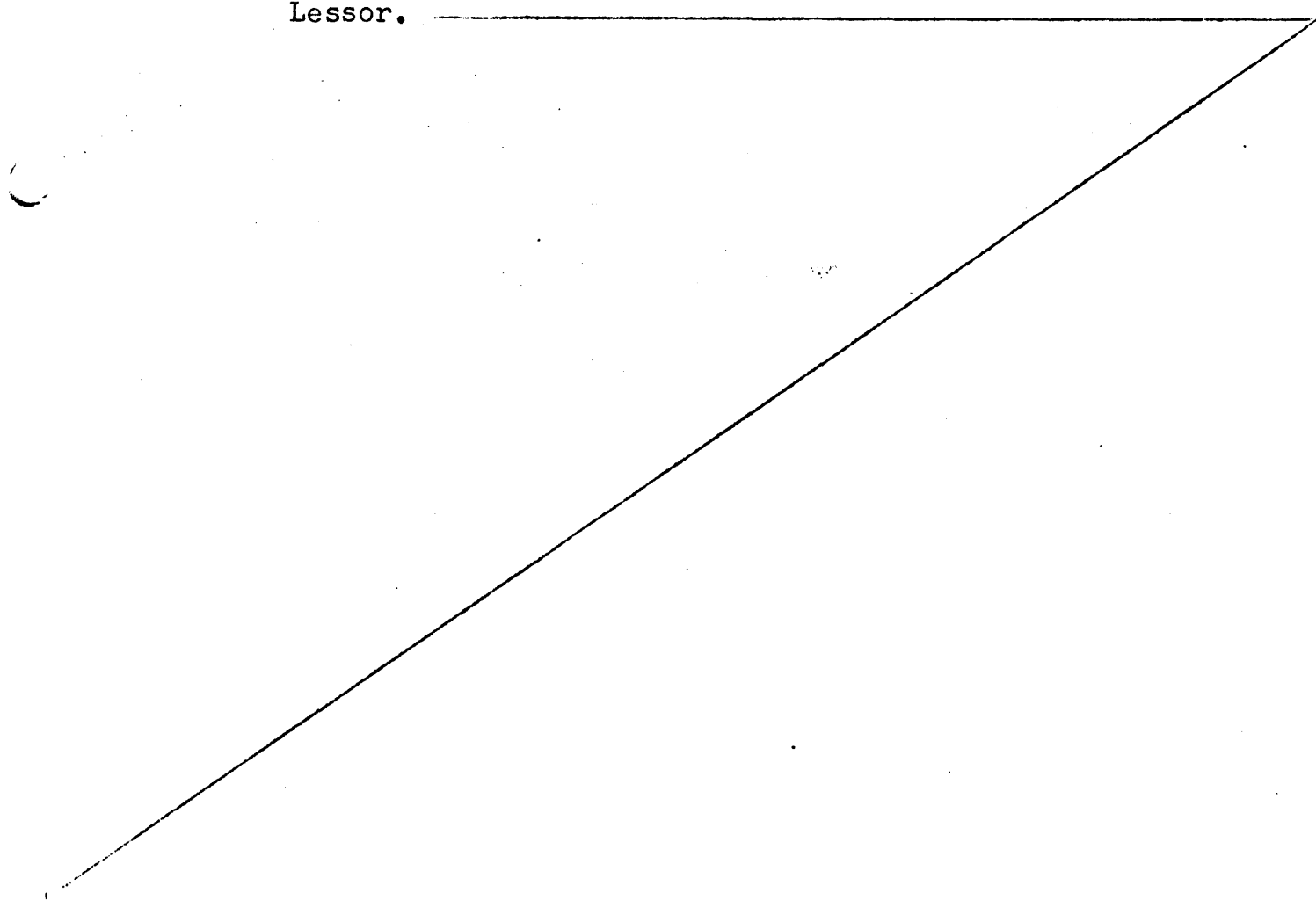
33.3 The limits of insurance above set forth are not to be construed as limiting the liability of the Lessee under this Lease.



## ARTICLE 34

Quiet Enjoyment

34.1 Subject to the foregoing covenants and conditions the Lessor covenants with the Lessee that the Lessee, paying the rental and royalty in this Lease reserved and performing the other covenants in this Lease on the Lessee's part contained, shall and may peaceably possess and enjoy the rights and privileges granted to the Lessee by this Lease without any interruption or disturbance from the Lessor.



## ARTICLE 35

Notices and Addresses

35.1 Every request, notice, statement or bill provided for in this Lease shall be in writing directed to the addressee's mailing address or delivery address, as the case may be, as follows:

Lessor:

- (a) mailing address - Canadian Pacific Oil and Gas Limited,  
205 - 9th Avenue S.E.,  
Calgary 21, Alberta.
- (b) delivery address - Canadian Pacific Oil and Gas Limited,  
205 - 9th Avenue S.E.,  
Calgary 21, Alberta.

Lessee:

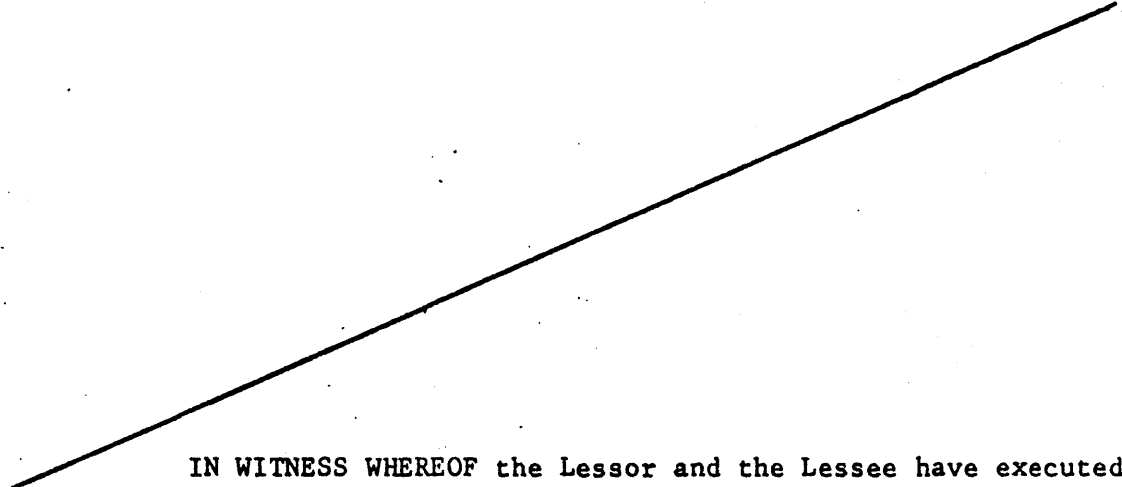
- (a) mailing address - Concorde Explorations Ltd. (N.P.L.),  
Suite 404 - 510 West Hastings Street,  
Vancouver, B.C.
- (b) delivery address - Concorde Explorations Ltd. (N.P.L.),  
Suite 404 - 510 West Hastings Street,  
Vancouver, B.C.

Any notice mailed by registered mail shall be deemed to have been given to and received by the addressee seventy-two (72) hours after the mailing thereof, and, in the event that the same is delivered, as soon as such delivery has been made to the addressee's said delivery address. Each party may change its mailing and delivery addresses or either of them at any time and from time to time by giving written notice to the other party of the new address or addresses, provided, however, that such new address or addresses shall be in the Province of British Columbia, or the Province of Alberta.

ARTICLE 36

Time of Essence

36.1 Time shall in all respects be of the essence of this Lease.



IN WITNESS WHEREOF the Lessor and the Lessee have executed this Lease effective as of the day and year first above written.

CANADIAN PACIFIC OIL AND GAS LIMITED

M. Henry  
Witness

J. Taylor  
Its Attorney

CONCORDE EXPLORATIONS LTD. (N.P.L.)

J. L. LeBourdais

*Blair*  
*RTHM*

CANADA )  
PROVINCE OF ALBERTA )  
TO WIT: )

AFFIDAVIT OF EXECUTION

I, MERLA-LYNNE MENARY., of the City of Calgary, in  
the Province of Alberta, Secretary, make oath and  
say:

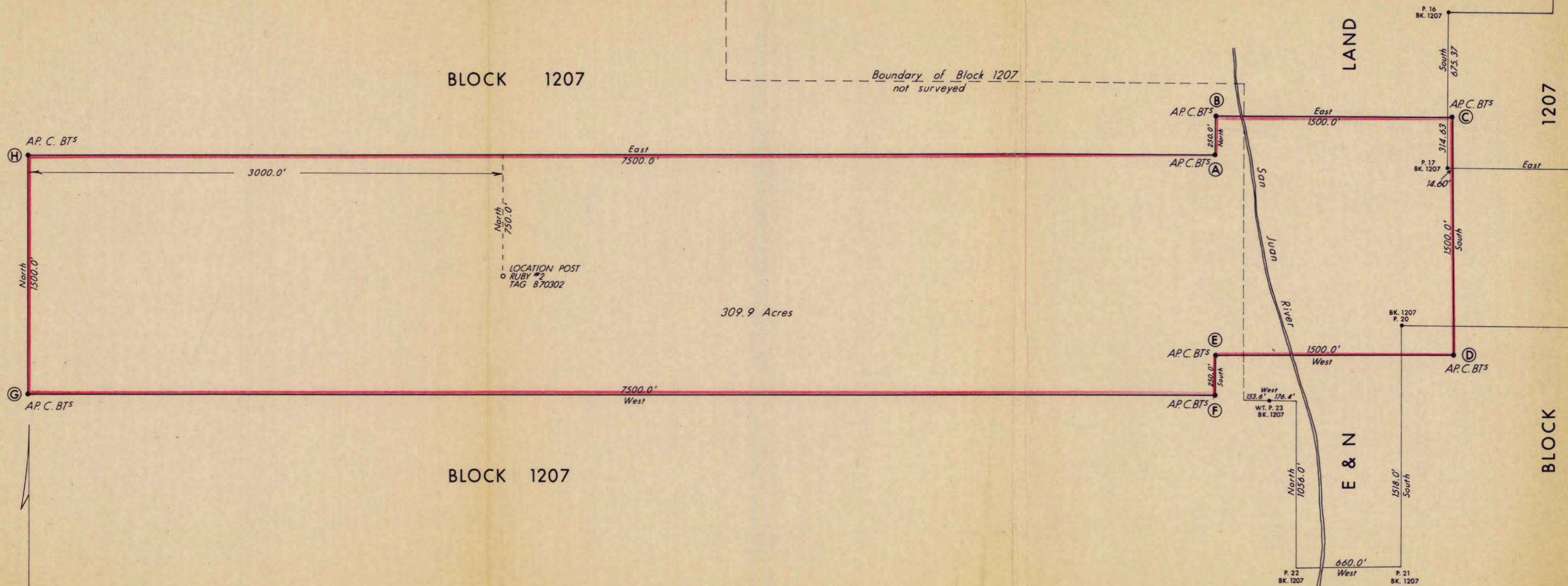
1. THAT I was personally present and did see John McGuire  
Taylor, attorney for Canadian Pacific Oil and Gas  
Limited named in the within instrument, who is personally known  
to me to be the duly appointed attorney for Canadian Pacific Oil  
and Gas Limited named therein, duly sign and execute the same for  
the purposes named therein.
2. THAT the same was executed at the City of Calgary, in the  
Province of Alberta, and that I am the subscribing witness  
thereto.
3. THAT I know the said John McGuire Tay<sup>lor</sup> and he is, in my belief,  
of the full age of twenty-one years.

SWORN before me at the City )  
of Calgary, in the Province of )  
Alberta, this 22 day of )  
September, 1969. )

M. Menary

A NOTARY PUBLIC in and for the Province  
Alberta.

[Signature]

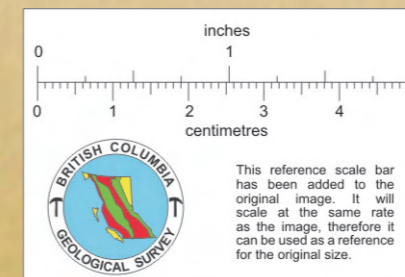


N

LEGEND

- AP. denotes aluminum post set
- C. denotes rock cairn
- BT. denotes bearing tree

*Astronomic bearings are derived from solar observations.*



**Canadian Pacific**  
OIL AND GAS LIMITED  
MINING DIVISION

PLATE 1  
MINING LEASE 15

AREA COMMITTED TO CONCORDE  
EXPLORATIONS LTD. (NPL)

DATE - JULY 11, 1969	CONT. NT
AUTHOR - G. R.	APPROVAL BY -
SCALE - 1" = 500 FT.	FILE NO. -

4/63 L

DATED the 15th day of November , 1968

---

BETWEEN:

CANADIAN PACIFIC OIL AND GAS LIMITED  
OF THE FIRST PART

- and -

CONCORDE EXPLORATIONS LTD. (N.P.L.)  
OF THE SECOND PART

---

MINING LEASE

---

D.B. HODGES  
Solicitor  
Canadian Pacific Railway Company  
Department of Natural Resources Bldg.  
Calgary Alberta

*File - Vault  
Concordia - M.L.*

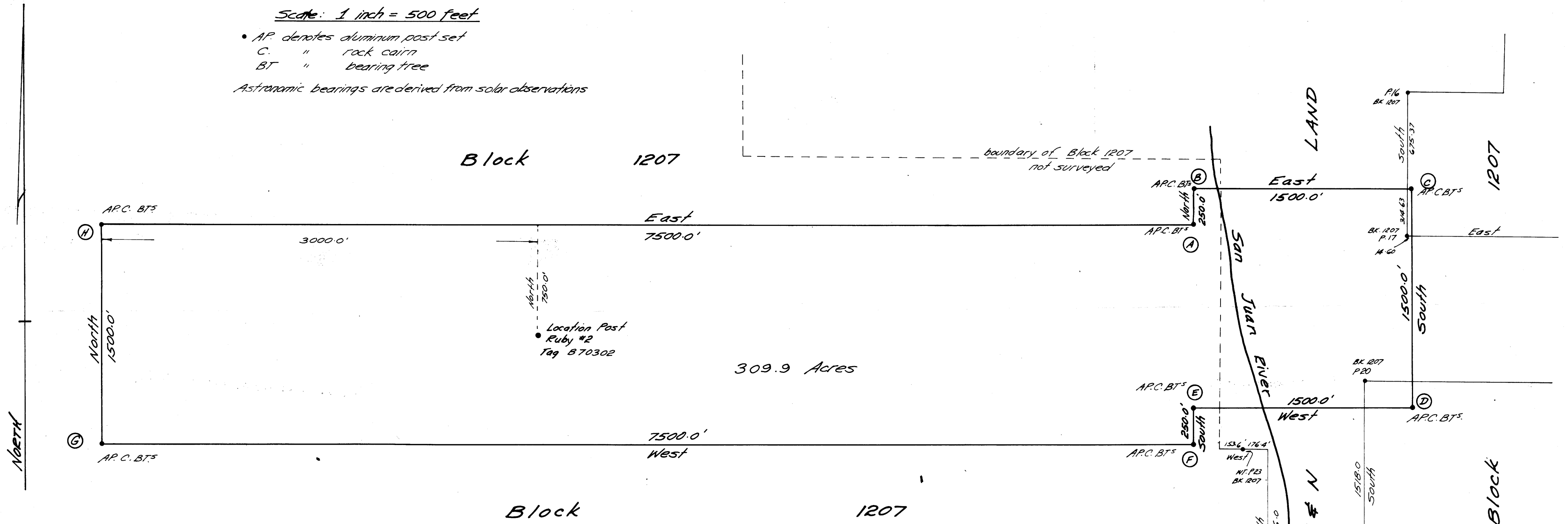
# PLAN OF MINERAL LEASE OVER PART OF THE MALAHAT DISTRICT BRITISH COLUMBIA

Scale: 1 inch = 500 feet

- AP. denotes aluminum post set
- C.   "   rock cairn
- BT   "   bearing tree

*Astronomic bearings are derived from solar observations*

Block 1207



NORTH

Block 1207

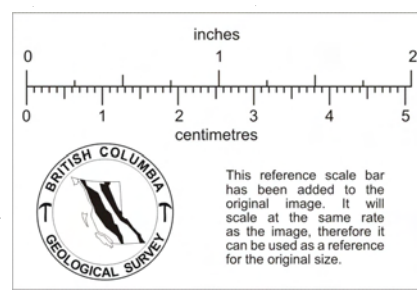
Block

*I, H.P. Nicolson of the City of Victoria, British Columbia Land  
Surveyor, make oath and say that I was present at and  
did personally superintend the survey represented by  
this plan and that the survey and plan are correct. The  
said survey was completed on the 11<sup>th</sup> day of July, 1969*

*Sworn before me this  
14<sup>th</sup> day of July, 1969* H.P. Nicolson B.C.L.S.

Bunny B. Hoag

*A Commissioner for taking Affidavits within British Columbia*



*Hugh A. Noakes  
B.C. Land Surveyors  
Victoria, B.C.*