

FORM 14

MINING LEASE
(Mining Act, S.N.B. 1985, c. M-14.1, s. 69(1))

The parties to this lease are:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF NEW BRUNSWICK, represented by the Minister of Natural Resources and Energy for the Province of New Brunswick, the "lessor"

AND _____, having its head office at the _____ of _____, _____, being a duly constituted corporation under the laws of _____, the "lessee"

WHEREAS the lessee has applied to the Minister of Natural Resources and Energy (the "Minister") for a mining lease under the *Mining Act*, chapter M-14.1 of the Acts of New Brunswick, 1985 (the "Act");

AND WHEREAS the Minister has approved the lessee's application for a mining lease;

THEREFORE, for and in consideration of the royalties, taxes and rents payable and the grant of lease made herein, the lessor and the lessee covenant and agree as follows:

1 The lessor grants and leases exclusively to the lessee all minerals, not otherwise reserved to the lessor under section 25 of the Act, ownership of which is vested in the Crown in Right of the Province of New Brunswick within, upon or under the lands described in Schedule "A" hereto (the "lease area"), together with all the right, title, estate and interest, if any, of the lessor in and to the leased minerals or any of them, within, upon or under any lands excepted from the said lands and any roadways, lanes or rights of way adjoining the said lands.

2 The lessee shall have and enjoy the lease area for a period of twenty years from the date hereof, with renewals for twenty year periods, in all to eighty years from the date of this lease, subject to provisos and in the manner and on the terms and conditions set forth in this lease and in the Act.

3 The lessee shall pay to the lessor at the Office of the Minister at Fredericton a yearly rental of _____ dollars for the lease area. The rental shall be paid yearly in advance, at such times and under such conditions as are set forth in section 70 of the Act.

4 The lessee agrees that the lessor has made no representations with respect to the interest of the lessor in the minerals referred to in section 1.

5 The lessee shall pay to the lessor at the Office of the Minister at Fredericton a royalty or a mining tax upon all the minerals taken by the lessee from the lease area. The royalty shall be set in accordance with the Act and the regulations from time to time and shall be payable at the Office of the Minister on the twentieth days of January, April, July and October in every year during the continuance of this lease. The mining tax shall be set in accordance with the *Metallic Minerals Tax Act* from time to time or at such other rate as is hereafter fixed by an Act of the Legislative Assembly of New Brunswick or an Order in Council under any such Act, and shall be payable at the Office of the Minister in every year during the continuance of this lease

- (a) not later than thirty days after the end of each month of the first ten months of the taxation year, and
- (b) at the time of making the statement required under section 8 of the *Metallic Minerals Tax Act*.

6 The royalties or mining taxes payable during the continuance of this lease may at any time be increased, diminished or otherwise dealt with by the Legislative Assembly.

7 The lessee shall

- (a) where a royalty is payable, on or before the twentieth days of January, April, July and October in each year, or
- (b) where a mining tax is payable, not later than thirty days after the end of each month of the first ten months of the taxation year, and at the time of making the statement required by section 8 of the *Metallic Minerals Tax Act*,

make to the lessor a true return setting out the quantity of minerals taken from any mine in or on the lease area during the time covered by that return and the probable use or destination of them, and the amount of royalty or mining tax that has accrued during that time.

8 The lessee shall

- (a) where a royalty is payable, on or before the twentieth days of January, April, July and October in each year, or
- (b) where a mining tax is payable, not later than thirty days after the end of each month of the first ten months of the taxation year, and at the time of making the statement required by section 8 of the *Metallic Minerals Tax Act*,

make to the lessor a true return, setting out the number of days of labour in the mine for the time covered by the return, and the number of

persons ordinarily employed in or about the mine, and the classes of employment in which they were engaged and the number in each class, which return shall be in the form or forms provided by the Minister, and shall be verified by the oath or solemn affirmation of the lessee and of an agent or officer of the lessee principally employed in the work of the mine.

9 The lessee shall not assign, transfer, set over or otherwise part with all or any of the lessee's rights granted under this lease to any person without the written consent of the lessor, which consent may be withheld if, in the opinion of the lessor, it is in the public interest to do so.

10 Subject to the Act and the regulations, the lessee shall have during the continuance of this lease, the exclusive right to prospect for, to carry on mining for, to carry on production of and to remove from the lease area all minerals, not otherwise reserved, contained in the lease area, ownership of which is vested in the Crown in Right of the Province of New Brunswick.

11 Nothing in this lease shall authorize or permit the lessee, or the lessee's servants or agents, to enter upon or interfere with the lease area except under and in accordance with the terms and conditions of the Act and the regulations.

12 The lessee is liable for actual damage to or interference with the use and enjoyment of property caused by the lessee or anyone acting on the lessee's behalf in or on the lease area.

13 The lessee shall immediately give notice to the lessor of a failure to commence, reduction in or cessation of production, as required under subsection 76(1) of the Act.

14 The lessee shall

- (a) institute and carry out a program for the protection of the environment affected by the mining operation under the lease; and
- (b) undertake and complete a program for the reclamation and rehabilitation of the environment affected by the mining operation and undertake to leave the environment in a condition satisfactory to the lessor.

15 The lessee agrees

- (a) to submit or deposit all security required under the Act, conditioned for the payment of costs with respect to protection, reclamation and rehabilitation of the environment during and on discontinuance of mining and for compensation of an owner or lessee of property for actual damage to or interference with the use and enjoyment of the property caused by the lessee;
- (b) to cooperate fully in any negotiation or payment of the security; and
- (c) to maintain the security in accordance with the Act.

16 At least ninety days before discontinuing any mining operation in the lease area, or rendering any mine inaccessible, the lessee shall give to the lessor written notice of such action and shall, before taking the action, provide the lessor with the plans required by regulation.

17 The lessee shall complete and submit to the Minister all statements of work performed, reports of work, statements of information regarding interest holdings in a mining lease, summaries of work performed and statements of cost, feasibility study reports, returns, statements verifying conditions of boundary lines and claim posts and other documentation required by the Act and the regulations, within the time limits provided.

18 During the continuance of this lease, the lessee shall keep at the lease area or at some place satisfactory to the lessor proper books of account in compliance with section 9 of the *Metallic Minerals Tax Act*, which books shall at all times be open for inspection by the lessor.

19 The lessee shall keep and file those plans required under sections 25 and 26 of the *General Regulation - Mining Act* in accordance with its provisions.

20 The lessee shall keep at the lease area or at some place satisfactory to the lessor one copy of the plans required under section 25 of the *General Regulation - Mining Act*, and the plans shall at all times be open to inspection by the lessor with liberty to take any copies or extracts the lessor deems fit.

21 The lessee shall at all times work any mine in the lease area in a good and workmanlike manner and shall observe and comply with the provisions of this lease and of the Act and the regulations and any other Act governing the operation of mines and the protection of the environment and all orders and regulations duly made under that Act.

22 If the lessee fails to pay on time any rent, tax or royalty provided for in this lease or in the Act or the regulations, or otherwise fails to comply with any provision of this lease or the Act or the regulations, the lessor may without any proceeding other than is provided for under the provisions of the Act, cancel this lease, and thereupon the rights granted by this lease shall revert to the lessor and may be released or otherwise disposed of as though this lease had not been made, and the lessor shall have the right of re-entry, but notwithstanding such forfeiture the lessee shall remain liable in respect to any debt, claim, liability, omission or default existing at the date of the forfeiture and any act, matter, thing, omission or default done or committed by the lessee before the forfeiture.

23 The lessee may at any time surrender this lease by notice in writing, signed by the lessee, and filed together with the lessee's

counterpart of the lease, in the office of the Recorder, and thereupon the estate of the lessee in the lease area shall cease and determine and the estate and the mining rights under the lease shall revert to the lessor. The lessee so surrendering shall be liable for any rent, tax or royalty then due, and shall also remain liable in respect to any debt, claim, liability, omission or default existing at the date of the surrender and any act, matter, thing, omission or default done or committed by the lessee before the surrender.

24 Upon the surrender, expiration or cancellation of this lease, the lessee shall peacefully and quietly deliver to the lessor the lease area, and may, within one year after that surrender, expiration or cancellation remove any structure, equipment, machinery or other property that the lessee may have placed or erected on the lease area, and the lessee may remove any minerals which the lessee may have extracted from the lease area and in relation to which the lessee has paid the royalty required under the Act or the tax required under the *Metallic Minerals Tax Act*, but the lessee shall not remove any supports placed within a mine or any timbers or framework installed for the use and maintenance of any shafts or other approaches to any mine.

25 All the terms, conditions and provisions of the Act and the regulations, so far as they are applicable to a mining lease, are terms and conditions of this lease.

26 The lessee shall comply with the Act and any amendments to or Acts passed in substitution of the Act, with any order or regulation now or at any time in the future made under the Act or any Act passed in substitution of the Act, and with all Acts, orders or regulations that now or at any time in the future prescribe, relate to or affect the rights and obligations of lessees of minerals referred to in section 1.

27 This lease shall enure to the benefit of and shall be binding upon the parties and their respective heirs, executors, administrators, successors and assigns.

Signed, Sealed and Delivered at the _____ of _____, the _____ day of _____, 19____,

In the presence of: Witness

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF NEW BRUNSWICK BY
THE MINISTER OF NATURAL RESOURCES AND ENERGY

THE LESSEE BY:

(Authorized Attorney, Agent or Officer)

(Corporate Seal)

(Authorized Attorney, Agent or Officer)

PROVINCE OF _____

COUNTY OF _____

I, _____, of the _____
of _____, in the County of _____ and _____
of _____, MAKE OATH (OR SOLEMN AFFIRMATION) AND SAY AS FOLLOWS:

1. I am the _____ of _____
(the "Company") and have a personal knowledge of the matters and things herein deposed to and have authority to make this Affidavit on behalf of the Company.
2. The _____ and _____ are the authorized signing officers to execute documents in the name and on behalf of the Company.
3. The signature " _____ " affixed to the foregoing Mining Lease (the "Mining Lease") is the signature of _____, of the Company and the signature " _____ " is in the proper handwriting of me this deponent on behalf of the Company.
4. The Seal affixed to the Mining Lease is the corporate seal of _____ and was so affixed by order of the Company for the purposes of the execution of the Mining Lease.
5. The Mining Lease was so executed by the Company on the _____ day of _____, 19____, as and for its act and deed for the uses and purposes therein expressed and contained.

Sworn to (or Solemnly affirmed) *)
 before me at the _____)
 of _____ in the County)
 of _____ and _____)
 of _____ the _____)
 day of _____, 19____.)
 _____)

*A Notary Public or A Commissioner of
 in and for the Oaths, Being a Solicitor/
 _____ *My Commission
 Expires _____
 of _____

(Seal)