

Licence No.: 2151

Licence Issued: February 26, 1996

In accordance with the Manitoba Environment Act (C.C.S.M. c. E125)

THIS LICENCE IS ISSUED TO:

GOLDEN POCKET RESOURCES LTD.; "the Licencee"

to develop and operate a surface trenching gold mining and milling Development called "Golden Pocket" located about 7 radial kilometres south-east of the Town of Bissett within an area covered by Mining Lease #322, in accordance with the Proposal filed by the Licencee under The Environment Act on November 28, 1995, subject to the following specifications, limits, terms and conditions:

DEFINITIONS

In this Licence:

"approved" means approved by the Director in writing;

"Director" means an employee of the department so designated by the minister;

"mine" includes the access road, trails, surface trenches, crushers, mill, generator building, waste rock and ore stockpiles, tailings pit, reclaim water dugout and any other ancillary buildings and facilities associated with the Development;

"mine site" means the whole operational, disturbed or impacted surface area of land and any water body or waterway located within the boundaries of the surface rights acquired by the Licencee under Mining Lease #322 for the development and operation of the Development;

"minewater" means polluted liquids being circulated through the mill, the tailings pit or the reclaim water dugout associated with this mine;

"mothballed" means placed into a state of non use, or temporarily closed, while at the same time maintained in a state of readiness for potential re-use or re-opening;

"sewage" means sewage as defined in Manitoba Regulation 95/88R, or any future amendment thereto, respecting private sewage disposal systems and privies;

"solid waste" means solid waste as defined in Manitoba Regulation 150/91, or any future amendment thereto, respecting waste disposal grounds; and

"tailings" means those granular solids which are discarded as waste in the process of concentrating commercial minerals present in milled ore.

GENERAL SPECIFICATIONS

1. Notwithstanding any of the following limits, terms and conditions specified in this Licence, the Licencee shall, upon the request of the Director:
 - a. sample, monitor, analyze and/or investigate specific areas of concern regarding any segment, component or aspect of pollutant storage, containment, handling, treatment, and disposal or emission systems, for such pollutants or ambient quality, aquatic toxicity, leachate characteristics and discharge or emission rates, for such duration and at such frequencies as may be specified; and/or
 - b. determine the environmental impact associated with the release of any pollutants from the said mine; and/or

- c. provide the Director, within such time as may be specified, with such reports, drawings, specifications, analytical data, descriptions of sampling and analytical procedures being used, bioassay data, flow rate measurements and such other information as may from time to time be requested.
2. The Licencee shall carry out all preservations and analyses on liquid samples in accordance with the methods prescribed in the most current edition of "Standard Methods for the Examination of Water and Wastewater" published jointly by the American Public Health Association, the American Waterworks Association and the Water Pollution Control Federation, or in accordance with an equivalent analytical methodology approved by the Director.
3. The Licencee shall report all the information requested through the provisions of this Licence in a manner and form acceptable to the Director.

LIMITS, TERMS AND CONDITIONS

4. The Licencee shall restrict the construction and operation of this Development to only such lands to which the Licencee possesses the mineral rights, surface rights or complete ownership.
5. The Licencee shall ensure that the construction and operation of this Development is carried out in compliance with any work permits and timber cutting permits as may be required by the Department of Natural Resources.
6. The Licencee shall retain all the top soil and clays, which are stripped from the overburden at the mine site and stockpile them separately from any waste rock stockpiles at that mine site, for future mine site rehabilitation measures.
7. The Licencee shall, except where further exploration activity is required in any trench, backfill the mined out trenches as soon as practical using only non-acid generating tailings and waste rock generated on-site, or other naturally occurring overburden from the general area.
8. The Licencee shall:
 - a. not use, nor release to any person, any contaminated soil, or acid generating rock/materials, as a construction material; and
 - b. undertake such remedial work as may be specified by the Director should any of the construction materials used by the Licencee in the course of this Development be determined to have been contaminated soil or acid generating rock/material.
9. The Licencee shall restrict the crushing and milling of ore at the mine site to only that ore which is mined by the Licencee on Mining Lease #322.
10. The Licencee shall not use any chemicals or chemical reagents on the mine site for the recovery of gold from the mined ore.
11. The Licencee shall not increase the rate of mining beyond 8 tonnes per day without prior approval of the Director.
12. The Licencee shall:
 - a. implement and maintain a closed circuit recycling system for the minewater from the mill, involving only the mill, the tailings pit and the reclaim water dugout; and
 - b. not discharge or allow the overflow of any minewater into the environment.
13. The Licencee shall not discharge, or allow the overflow, of any accumulated water within any mined out or backfilled trench into the environment if the quality of that water is such that the:
 - a. pH is less than 6.0 pH units or greater than 9.5 pH units;
 - b. total arsenic concentration is greater than 0.5 milligrams per litre;
 - c. total copper concentration is greater than 0.3 milligrams per litre;

- d. total lead concentration is greater than 0.2 milligrams per litre;
 - e. total nickel concentration is greater than 0.5 milligrams per litre;
 - f. total zinc concentration is greater than 0.5 milligrams per litre; or
 - g. total suspended solids concentration is greater than 25 milligrams per litre.
14. The Licencee shall comply with:
- a. Manitoba Regulation 97/88R, or any future amendment thereto, respecting the storage and handling of gasoline and associated products, and ensure that all petroleum product storage tanks are set back at least 100 metres from any waterway or water body;
 - b. The Manitoba Dangerous Goods Handling and Transportation Act, and regulations issued thereunder, respecting the handling, transport, storage and disposal of any dangerous goods brought onto or generated at the mine site; and
 - c. Manitoba Regulation 95/88R, or any future amendment thereto, respecting private sewage disposal systems and privies in regards to any sewage which is generated on the mine site.
15. The Licencee shall not deposit solid waste, excluding waste rock or tailings, into the environment except into a waste disposal ground operating under the authority of a permit issued pursuant to Manitoba Regulation 150/91 or any future amendment thereto.
16. The Licencee shall not deposit bulky metallic wastes, used tires, used oil or other fluid lubricants, hydraulic fluids, and any other class of recyclable waste substances as may be specified by the Director, into the environment except to:
- a. a facility or infrastructure which accepts such materials for recycling, or
 - b. a waste disposal ground operating under the authority of an operating permit issued pursuant to Manitoba Regulation 150/91, or any future amendment thereto, where these recyclable substances are kept distinctly segregated from each other and are not buried (unless otherwise specified by the Director) so as to readily facilitate their recycling.
17. Respecting the handling and storage of used oil and hydraulic fluids removed from on-site machinery, the Licencee shall ensure that these substances are collected, transported and stored in secure, properly labeled, non-leaking containers until recycled, and that the storage area consists of a base and dikes lined in a fashion satisfactory to the Director so as to prevent the loss of any spilled oil or hydraulic fluids to the subsoil at that storage area.

DECOMMISSIONING

18. The Licencee shall:
- a. within six months following the date of issuance of this Licence, submit to the Director a preliminary Closure Plan to address any progressive and final decommissioning and rehabilitation measures respecting the Development, for the consideration, possible amendment and approval of the Director;
 - b. provide the Director with:
 - i. written notice three months in advance of any imminent permanent closure of this Development;
or
 - ii. provide the Director with an immediate notice of any decision to temporarily close this Development whereby the Development would be placed in a mothballed state for re-opening in the foreseeable future;
- and shall within one month of the date of such a notice, submit to the Director a detailed Closure Plan for the Development, with respect to the decommissioning and rehabilitation of the affected areas, the release of pollutants into the environment, the decommissioning of access roads, and any safety concerns as may be associated with the abandonment of the Development, for the consideration, possible amendment and approval of the Director; and
- c. upon the permanent or temporary closure of this Development, take all necessary steps to carry out the approved detailed Closure Plan within the time interval specified or accepted by the Director.

REVIEW OR REVOCATION

19. This Licence may be reviewed and amended if, in the opinion of the Director, any changes made in respect of the development, operation or closure of the mine, as proposed in the Licencee's Proposal dated November 28, 1995, are likely to alter the environmental effects of the Development, or if any information acquired through the provisions of this Licence, or otherwise, gives rise to new evidence to warrant any change(s) to this Licence.
20. If in the opinion of the Director the Licencee has failed or is failing to comply with any of the specifications, limits, terms or conditions set out herein, the Director may, temporarily or permanently, revoke this Licence.

"original signed by"

Larry Strachan, P. Eng.

Director

Environment Act

Client File No.: 4098.00