



BETWEEN:

THE PROVINCE OF SASKATCHEWAN, as represented by the Minister of the Economy

- and -

FORTUNE MINERALS LIMITED (35248)

DEFINITIONS

In this Agreement:

- “Act” means *The Crown Minerals Act*;
- “Crown” means Her Majesty the Queen in right of Saskatchewan;
- “Lands” means the lands described in Paragraph 1;
- “Lessee” means **Fortune Minerals Limited**
- “Minister” means the Minister of the Economy for Saskatchewan;
- “Space” means the spaces described in Paragraph 1.

INTRODUCTION

Pursuant to Section 27.2 of the Act, the spaces are property of the Crown.

The Lessee wishes to **dispose of waste water generated from a metal processing plant** in the spaces.

The Minister may, pursuant to Section 27.2 of the Act, enter into agreements to lease spaces for any period on any terms and conditions the Minister considers appropriate.

CONDITIONS OF LEASE AGREEMENT

SPACES TO BE LEASED

- 1 The Minister leases to the Lessee all rights and interests in the spaces, which may be found to exist within the **Top Souris River Formation to Base Souris River Formation** in the lands described as:

Lsds 2 and 3 of Section 13-39-07W3

Total Hectares: **32.38** (more or less)

Restrictions: N/A

INITIAL TERM OF LEASE

- 2(1) The term of the lease shall be **20 years** from the date of execution hereof.
- 2(2) Upon the expiration of the 20 year period mentioned in Paragraph 2(1) and subject to an application by the Lessee, the lease shall be renewed for another 20 year period providing:

- (a) the lease is in good standing;
- (b) the Lessee is in compliance with all acts and regulations which exist at the time of the application pertaining to the operation of the disposal project.

CONTINUANCE

- 3(1) The Lessee may terminate this agreement at any time by giving 60 days notice in writing to the Minister.
- 3(2) Should the Lessee breach any of the provisions of this agreement or the Act or regulations or any laws, statutes or regulations respecting the drilling and abandonment of wells and **dispose of waste water generated from a metal processing plant** the Minister may serve a notice on the Lessee as contemplated by Section 9 of the Act granting the Lessee 60 days to remedy or commence remedying the default to the satisfaction of the Minister.

- 3(3) In the event that the Lessee does not remedy the default or commence to remedy the default to the Minister's satisfaction within 60 days of service of the notice, then this Agreement shall forthwith become terminated without further action by the Minister.

TERMINATION

- 4(1) The Lessee shall within the first five years of the term construct and install the necessary facilities to **dispose of waste water generated from a metal processing plant** within the spaces and shall continue to operate such facilities for such purpose.
- 4(2) Notwithstanding Paragraph 2, the lease may terminate if disposal operations are discontinued for more than 24 consecutive months.

RENTAL

- 5(1) The Lessee agrees that the rental shall be payable by the Lessee to the Minister at such times and at rates to be determined from time to time by regulations under the Act.
- 5(2) The Crown shall be entitled at any time during the term or a renewal thereof to vary the annual rental and the due date according to regulations under the Act.

USE OF SPACES

- 6 The Lessee shall use the said spaces for the purpose of **dispose of waste water generated from a metal processing plant** and for no other purposes.

SURFACE RIGHTS

- 7(1) This lease shall not convey to the Lessee any right or interest in or privilege with respect to the surface of the lands.
- 7(2) The Lessee shall obtain from the surface owner a right of access over the lands for the purpose of obtaining access to the spaces, as may be required.

OTHER DISPOSITIONS

- 8 The Minister agrees that, during the term of this lease or any renewal thereof, the Crown shall not dispose of mines and minerals within, upon or under the lands, so as to injuriously affect or interfere with the Lessee's use of the spaces, without the consent of the Lessee.

EXAMINATION OF SPACES BY THE CROWN

- 9 The Lessee shall permit the Minister or his agent, at all reasonable times, to examine the state and condition of the spaces and related facilities and shall assist the Minister or his agent in entering upon the lands for the purpose of such examinations.

LESSEE'S INDEMNIFICATION

- 10 The Lessee indemnifies the Province of Saskatchewan, the Minister and their agents and employees against all actions, suits, claims and demands by any person in respect of any loss, injury, damage or obligation to compensate arising out of or connected with the operations of the Lessee associated with this lease to the extent that the loss, injury, damage or obligation to compensate did not arise or was caused by the Province of Saskatchewan, the Minister or their agents or employees.

NOTICES

- 11(1) Any notice or document required to be given or served pursuant to this lease, the Act or its regulations shall be given or served by personal service or registered mail in the case of the Minister at:

Ministry of the Economy
1000, 2103 11th Avenue
REGINA SK S4P 3Z8

and, in the case of the Lessee, at the last known address of the Lessee shown on the records of the Minister.

- 11(2) Either the Lessee or the Minister may change their respective addresses under Paragraph 11(1) by written notice to the other.

ASSIGNMENT

- 12 The Lessee shall not assign, transfer or sublet this agreement or the spaces or any rights or privileges or obligations hereunder without the prior written consent of the Minister which consent will not be unreasonably withheld.

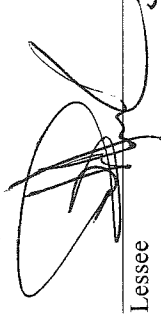
EXECUTION

The Minister and the Lessee execute this Agreement effective **January 12, 2015**.

THE PROVINCE OF SASKATCHEWAN
as represented by the Minister of Energy and Resources

for  Director Petroleum Tenure

Fortune Minerals Limited


Lessee