

PROVINCE OF MANITOBA
DEPARTMENT OF AGRICULTURE AND CONSERVATION
WATER CONTROL AND CONSERVATION BRANCH

FINAL LICENSE FOR THE DEVELOPMENT OF WATER POWER

No. 2 Power Site, Laurie River

Issued in accordance with the provisions of the Water Power Act, Chapter 288, Revised Statutes of Manitoba, 1954 and amendments, and of the Regulations in force thereunder to govern the mode of granting and administering provincial water power rights.

WHEREAS Sherritt Gordon Mines Limited, a company duly incorporated under the laws of the Province of Manitoba and having its head office at 25 King Street West, in the City of Toronto, in the Province of Ontario, was granted by an Interim License dated the 1st of January, 1957, under the provisions of the Water Power Act and of the Regulations in force thereunder, the right to impound, divert and use the waters of the Laurie River at No. 2 Power Site to develop power or energy therefrom and to transmit, distribute, sell and deliver the said power or energy for use within the said Province; and,

WHEREAS the said Sherritt Gordon Mines Limited, hereinafter called the Licensee, has completed and is operating the initial development required to be constructed under the said Interim License according to the plans previously approved, and has otherwise fulfilled and complied with all the terms and conditions of the said Interim License and of such of the provisions of the said Water Power Act and Regulations as are applicable to its case; and,

WHEREAS the said Licensee by letter dated the twelfth day of November A.D. 1962 has applied for the issue of a Final License; and,

WHEREAS the Licensee has duly executed an acceptance of the terms and conditions of this Final License and has undertaken to observe and fulfill all the terms and conditions which under this Final License and under the Regulations the said Licensee is required to observe or fulfill, with particular reference to the right of Her Majesty, in Right of the Province of

Manitoba, to take over the works, lands and properties occupied by the Licensees under and by virtue of this Final License in certain contingencies as in the said Regulations and in this Final License provided;

NOW THEREFORE, under authority of and subject to the provisions of the Water Power Act and Regulations thereunder, this Final License is issued granting to the lawful holder thereof the right to impound, divert and use the waters of the Laurie River at No. 2 Power Site in the Granville Lake Mining Division of The Pas Mining District of the Province of Manitoba, to develop power or energy therefrom and to transmit, distribute, sell and deliver the said power or energy for use within the said Province, subject, nevertheless, to the provisions of any Act or Regulations now or hereafter in force governing the granting and administering of provincial water-powers and the lands required in connection with the development and use thereof, and to the following special terms and conditions, namely:

1. The Licensee may divert and use continuously for the development of power at the said No. 2 Power Site the entire flowage of the Laurie River at that point.
2. The authorized diversion and use of water shall be subject to the control and regulation of the stream flow as provided in Sections 72 and 73 of Regulation No. 95/15.
3. The undertaking in respect of which this Final License is to be issued comprises: a concrete dam, earth dykes and a power-house at No. 2 Power Site on the Laurie River with an installed capacity of 7,000 horsepower; a private road connecting both No. 1 and No. 2 Power Sites with the Canadian National Railway at Mile 136.7; a transmission tie-line between No. 2 and No. 1 Power Sites; and all necessary works, machinery and equipment for the complete development and utilization of the power available at the said No. 2 Power Site, the location and description of which are shown upon the record plans filed in the office of the Director of Provincial Water-Powers at Winnipeg as follows:

| <u>Manitoba Water Control and Conservation Branch File Number</u> | <u>Licensee's File Number</u> | <u>Description</u> |
|---|-----------------------------------|---|
| 65-34- ⁵⁰⁰² 5002 | 633-D-37 | General Plan of Development. |
| 65-34-5003 | 633-D-1012 | Powerhouse and Headworks General Arrangement. Plans at Elevation 175 and Eleva- tion 183. |
| 65-34-5004 | 633-D-1013 | Powerhouse and Headworks General Arrangement. Sec- tions through Center Line of Unit. |
| 65-34-5005 | 633-D-1014 | Gravity Dam and Sluiceway. |
| 65-34-5006 | 633-B-1113 | Dykes A and B - Plans and Sections (revised). |
| 65-34-1020 | 8900 | Plan of Survey of Land Re- quired for Transmission Line between Power Site No. 1 and Power Site No. 2 and for ac- cess Right-of-Way between Power Site No. 1 and C.N.R. Lynn Lake Branch. |

4. The lands of the Province (Crown Lands) which may be entered upon, used or occupied for the maintenance and operation of the said works are as follows:
- (a) Crown lands required for dams, main diverting works, powerhouse, channels, storage or pondage of water within the Severance Line as shown on record plan numbered 65-34-1017 (formerly 63-1-1017) on file, in the office of the said Director at Winnipeg.
 - (b) Crown lands required for rights-of-way for transmission line and road as shown on record plan No. 65-34-1020, on file in the office of the said Director at Winnipeg, together with such additional crown lands as may hereafter be required by the Licensee for similar purposes, in accordance with plans thereof previously approved and filed with the said Director.
 - (c) Crown lands required for sub-stations, distributing stations and other works of a like nature as may hereafter be required by the Licensee for such purposes, in accordance with plans thereof previously approved and filed with the said Director.
5. The energy developed under this said Final License may be transmitted, distributed, sold and delivered for all purposes throughout The Pas Mining District of the Province of Manitoba.
6. The term of this Final License shall be forty (40) years from the first day of March A.D. 1958 provided, however, that Her Majesty may, at any time after 30 years from such date aforesaid and following twelve months

notice to that effect given to the Licensee by the Minister, repossess Herself of the works, lands and properties of the Licensee within the Severance Line paying, therefore, compensation in lawful money of Canada as provided in the regulations then in force, and included in such compensation there shall be added such sums as are specifically provided in Section 45, sub-section 2, of Regulation No. 95/45.

7. The Licensee shall pay to the Minister during the first twenty years of the term of this Final License for the use of the Crown Lands described in Section (a) of Article 4 hereof lying within the Severance Line, an annual rental in advance of one hundred dollars (\$100.00). The Licensee shall in addition pay during the said twenty year period for the use of Crown Lands described in Section (b) and (c) of Article 4 whether lying within or without the Severance Line an annual rental in advance of one dollar (\$1.00) per acre. The rentals payable for the use of provincial lands both within and without the Severance Line shall be subject to revision at the end of the said twenty years and at intervals of ten years thereafter during such time as they continue to be used or occupied by the Licensee.
8. The Licensee shall also pay an annual rental during the term of the Final License for the use of water for the development of power, determined in accordance with the principles set out in Section 48 of Regulation No. 95/45, and payable at the times and in the manner therein provided, and at the following rates:
 - (i) The rentals in the twenty year period commencing the first day of March A.D. 1958 shall be the greater of
 - (a) an annual rental of fifty (50) cents per installed horsepower;
 - (b) an annual rental of \$1.25 per horsepower year.
 - (ii) The annual rental to be paid after the expiry of the said twenty year period shall be determined as provided in the Regulations in force at such time.
9. In the event that rates of rental for water are at any time changed by a general Regulation, the said new rates shall apply as from the first day of January of the year following the date on which such change was made.

10. The Severance Line as defined in the Regulations shall be as shown in red and marked "Severance Line" upon record plan number 65-34-1017 on file in the office of the said Director.
11. All record plans filed by the Licensee with the said Director in connection with the undertaking authorized hereby are incorporated herewith and made a part hereof.
12. This Final License is issued upon the express condition that it shall be deemed to incorporate and shall be subject to the provisions of the Water Power Act and amendments thereto and of the Regulations now or hereafter in force thereunder insofar as applicable to this License without re-statement of the said provisions herein, and this condition shall apply, but not so as to restrict the generality of the foregoing terms of this Article, with special reference to the giving up of the possession and the transfer of any lands, works and properties which may be required under the terms of this License or of Section 47 and 82 of the said Regulation No. 95/45.

This Final License is issued by and at the direction of the Honourable the Minister of Agriculture and Conservation of Manitoba and is effective as and from the 1st day of March, A.D. 1958.

Issued at Winnipeg this 31st day of May

A.D. 1963.

Original Signed By: Minister of Agriculture and Conservation