

Approved and ordered this 21st day of March, A.D. 1961.

At the Executive Council Chamber, Victoria,

Henry J. Leake
Lieutenant-Governor.

PRESENT:

The Honourable

in the Chair.

Mr. Bennett
Mr. Gaglardi
Mr. Black
Mr. Bonner
Mr. Williston
Mr. Richter
Mr. Kiernan
Mr. Peterson
Mr. Martin
Mr. Chant
Mr. Westwood
Mrs. Brown

AK
To His Honour

The Lieutenant-Governor in Council:

The undersigned has the honour to report:

THAT Section 17 of the "Highway Act" provides that the Lieutenant-Governor in Council may, under special circumstances, transfer or direct the issue of a lease to any person of any part of a highway vested in the Crown; but no transfer shall be made or direction be given under this section until the Minister has given thirty days' public notice of the intention to make the transfer or issue the lease, by notice published in one issue of a newspaper published in the Province and circulating in the locality in which the highway or part thereof is situate;

AND THAT pursuant to Section 6 of the "Highway Act" the Zeballos River Road is a public highway with the soil and freehold vested in Her Majesty, her heirs and successors;

AND THAT Zeballos Iron Mines Ltd. of Vancouver, B.C., are constructing facilities to produce iron concentrate from their property in the Zeballos area;

AND THAT Mr. Alfred H. Upton, a Director of Zeballos Iron Mines Ltd., has applied on behalf of Zeballos Iron Mines Ltd., for the issuance of a lease for 3.10 miles of the Zeballos River Road for ingress and egress purposes relative to their mining operations;

AND THAT public notice of intention to issue the lease was published on February 16th, 1961, in the Twin City Times Ltd. and West Coast Advocate of Port Alberni, British Columbia, and no complaints or objections respecting the proposed lease have been received;

AND TO RECOMMEND THAT the Minister of Highways be authorized to enter into a lease with Zeballos Iron Mines Ltd. in the form of the draft attached hereto.

DATED this 21st day of March A.D. 1961

[Signature]
Minister of Highways

APPROVED this 21st day of March A.D. 1961

[Signature]
Presiding Member of the Executive Council

BETWEEN:

HER MAJESTY THE QUEEN, represented by the
Minister of Highways for the Province of
British Columbia (hereinafter called
"the Lessor")

OF THE ONE PART

AND

ZEBALLOS IRON MINES LTD., a body corporate,
having its registered office at 10th Floor,
Credit Foncier Building, 850 West Hastings Street,
Vancouver, B.C., Canada, (hereinafter called
"the Lessee")

OF THE OTHER PART

WITNESSETH that Her Majesty, under and by virtue of all
powers her thereto enabling, doth hereby demise unto the said Lessee,
its successors and assigns, All that parcel of land comprised within
the 66 foot road allowance from the north boundary of Village of
Zeballos, Province of British Columbia: thence northerly along the
East side of the Zeballos River to the high water mark on the East
side of the Zeballos River, at the highway bridge, a distance of 3.1
miles, more or less, all as indicated in red on the plan attached
hereto and designated "Map 'A'".

TO HOLD the same premises unto the said Lessee, its success-
ors and assigns as a private trucking road for a term of Three (3) years
certain and thereafter from year to year unless notice is given to the
contrary.

YIELDING and paying therefore unto Her Majesty, in advance,
yearly and every year, the rent of Ten Dollars (\$10.00) per annum of
lawful money of Canada, and that payable on or before the First day
of January in each year at the office of the Minister of Highways at
the City of Victoria, and whether demanded or not. The first payment
to be made January 1st, 1961. And the said Lessee, for itself, its
successors and assigns hereby covenants with the said Lessor, her
successors and assigns, punctually to pay the said rent at the

respective times and in the manner aforesaid. AND also will pay all taxes, rates, duties, and assessments whatsoever, whether municipal, parliamentary, or otherwise, now charged or hereafter to be charged upon the said demised premises or any part thereof, or upon the rent thereof or any part thereof, or upon the said Lessor, her heirs (or executors, administrators) or assigns, in respect thereof. AND to observe all and singular the provisions of the Land Laws for the time being of the said Province, and not to assign or sublet this lease or the privileges and rights hereby conferred, or any part thereof respectively, without the written consent of the Minister of Highways thereto first had and obtained. PROVIDED that in case of any dispute or difference arising as to any matter or thing connected with this demise, or any matter or thing connected with any provisions herein contained, or the interpretation thereof, the same shall be settled finally, without appeal, by the said Minister of Highways or other person duly authorized by the said Minister of Highways in that behalf.

PROVIDED also that in case of neglect or default of the said Lessee, its successors and assigns, to observe, pay or fulfil any, or any part of any covenant, stipulation, condition or payment in this Indenture contained or referred to, it shall be lawful for the said Lessor, her successors or assigns, without further notice than a notification in writing by the said Minister of Highways, addressed to the Lessee at its last known place of residence, and sent to it in a registered post letter bearing said address, absolutely to forfeit all or any portions of the said premises as in such notification shall be specified, and all of the rights and privileges hereby conferred or expressed so to be from time to time in any such notification, and thereupon this demise shall at once (as to the part so specified only) be absolutely void and of none effect. PROVIDED also that any assignment by operation of any law of Bankruptcy or Insolvency of the premises and

privileges hereby conferred shall of itself be a forfeiture of such premises and privileges, but no forfeiture hereunder shall be deemed to affect any rights or damages which may have accrued to the said Lessor against the said Lessee by reason of any breach of any of the provisions herein contained. PROVIDED also that this demise is granted to and accepted by the said Lessee on the express conditions following, that is to say:

(a) That the demised premises shall be used by the Lessee only as a trucking road in connection with its mining operations in the area.

(b) That the said Lessee is to maintain the said roads in fit and proper condition throughout the term hereby created and until the termination of this lease.

(c) That the Lessee shall undertake the construction of all new portions of the road together with the reconstruction of that road indicated in green on the plan attached hereto and, excepting any portion of these respective roads owned by the Lessee, shall allow the public access thereto at all reasonable times. The Lessee covenants and agrees that: (1) the width of the travelled portion of the said road shall be twenty-eight (28) feet; (2) that the alignment shall be straightened to eliminate two curves; (3) the road gradient will be lowered at the Village end; (4) all existing bridges will be replaced or repaired; (5) corrugated steel culverts and/or pressure treated wood stave culverts will be installed where required; (6) the roadway will be crowned or banked for drainage purposes with road surfacing material; (7) the road alignment, degree of gradient, replacement and/or repair of bridges, location and type of culverts, and type of surfacing material, shall be to the satisfaction of the Lessor's Engineer and his decision and direction shall be final;

(d) No compensation is to be payable by the said Lessor to the said Lessee in respect of any roads constructed or maintained by the said Lessee in the course of its operation.

(e) No compensation is to be payable by the said Lessor to the said Lessee for any additional right-of-way required through private property for roadway construction or maintenance.

(f) That during the said term the said Lessee agrees to construct, operate, repair and maintain, at the expense of the Lessee, the Zeballos Village roads used as access from the Village limits 0.3 miles South to a point where the road turns off to the concentrate stockpile, such roads as coloured in green on "Map 'A'".

(g) That the said Lessee will limit the speed of its vehicles to twenty miles per hour, or such speed restrictions as may be established by the Village of Zeballos, through the built-up area and, at its own expense, provide a cross-walk adjacent to the public school. The establishment of the limits of the built-up area and the location of the cross-walk will be at the discretion of the Lessor's Engineer and his decision shall be final.

(h) That the said Lessee will: (1) Carry out the construction, maintenance, operation and repair of the said road to the satisfaction of the Lessor's Engineer; (2) Make application to the Lessor's Engineer for permission to locate utilities on the said road; (3) Inform the Lessor's Engineer as to the loaded weight and width of the vehicles using the road in connection with its mining operations; (4) Provide and perform dust laying and control, at its own expense, on the roads used as access from the Village limits to the Government Wharf, such roads shown coloured green and yellow on the designated "Map 'A'" as attached.

PROVIDED ALSO that any improvements whatsoever, constructed upon the highway by the Lessee, its agents or workmen, shall revert to the Crown, free of charge upon completion of the work, for which the Lessee is using this road or upon termination of the Lease whichever may be the sooner.

IN WITNESS WHEREOF the parties hereto have caused these presents to be executed the day and year first above written.

SIGNED, SEALED AND DELIVERED
by the within-named Minister
of Highways in the presence of:-

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Witness

MINISTER OF HIGHWAYS

THE CORPORATE SEAL of Zaballos
Iron Mines Ltd. was hereto
affixed in the presence of:

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