

106466  
renewal of  
103527.



**Province of Ontario  
Province de l'Ontario**

**Elizabeth the Second**, by the Grace of God of the United Kingdom, Canada and Her other Realms and Territories Queen, Head of the Commonwealth, Defender of the Faith.

**Elizabeth Deux**, par la grâce de Dieu, Reine du Royaume-Uni, du Canada et des autres royaumes et territoires, Chef du Commonwealth, Défenseur de la Foi.

**To all to whom these Presents shall Come, Greeting:**

**À tous ceux et celles qui prendront connaissance des présentes :**

WHEREAS under the authority of the MINING ACT,

THE CANADIAN SALT COMPANY LIMITED  
LA SOCIETE CANADIENNE DE SEL, LIMITEE  
incorporated under the laws of Canada,  
having its head office at the City of  
Montreal, in the Province of Quebec,

hereinafter called the "Lessee", is the registered leaseholder of Mining Lease numbered 103527 and dated the nineteenth day of March, 1981 with respect to the lands in the Township of Sandwich, in the County of Essex and Province of Ontario more particularly described in the attached Schedule "A", containing an area of 340.75 acres (137.902 hectares), more or less, and which said lease is registered in the Land Registry Office for the Registry Division of Essex as Instrument Number 831188;

AND WHEREAS the said Mining Lease numbered 103527 expired with the last day of January, 1990;

AND WHEREAS the Lessee has made application for renewal of the said mining lease for a term of twenty-one years commencing with the first day of February, 1990;

NOW KNOW YE that in consideration of the premises, the rents and conditions herein contained, We, hereinafter referred to as the "Lessor", hereby renew the said mining lease for a term of twenty-one years beginning with the first day of February, 1990;

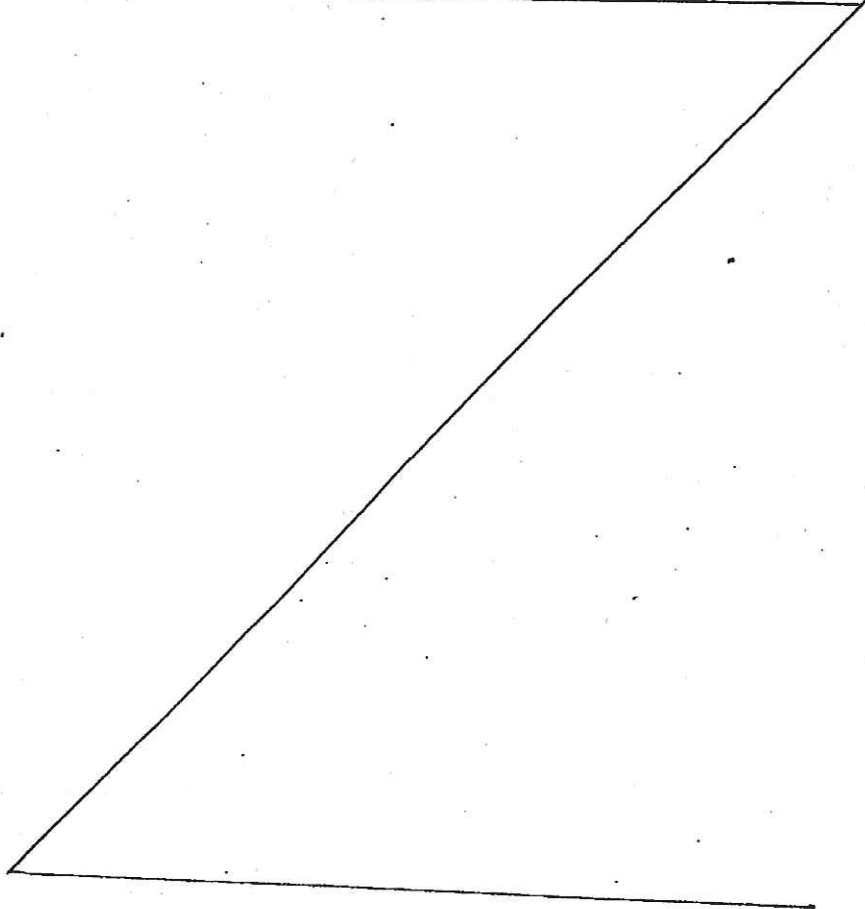
ASW

YIELDING and PAYING THEREFOR in lawful money of Canada unto Us, Our Heirs and Successors, in advance at the Ministry of Northern Development and Mines, Sudbury, for the first year of the said term the rent or sum of \$413.71, the receipt of which is hereby acknowledged, and for each and every subsequent year of the said term in advance the annual rental as prescribed under the Mining Act, on or before the first day of February in each and every year thereafter during the said term;

ALSO YIELDING and PAYING a royalty payable to the Ministry of Northern Development and Mines, Sudbury, of 1-1/2 per cent of the value of all salt as calculated in Schedule "B" annexed hereto which is or is deemed to be produced or derived and shipped during each year of the term of this Lease from the lands described in Schedule "A";

The annual rent and royalty payment provided for herein, shall be subject to review and adjustment by the Lessor in the year 1994 and in each fifth year thereafter during the term of this lease, each such adjustment shall take effect on the 1st day of February in the year next following; each such adjustment shall be determined by the Lessor or by arbitration under the Arbitrations Act where within thirty days of the Lessee being given notice of the Lessor's determination of the adjusted rent and/or royalty, the Lessee gives the Lessor notice that the said adjustment shall be determined under the Arbitrations Act.

PROVIDED that the said lease dated the nineteenth day of March, 1981, except that it is modified by these presents, shall continue in full force and effect;



1994.  
1999  
2004  
2009 - expiry 2011  
2014

This lease is issued under the authority of subsection 190(3) of the Mining Act R.S.O. 1980, as amended, pursuant to Order-in-Council No. 1731/91 dated August 1, 1991.

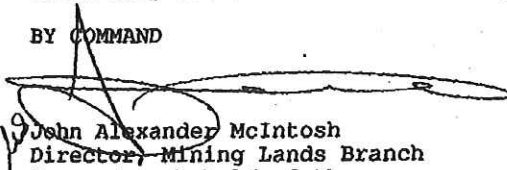
GIVEN under the Great Seal of Our Province of Ontario,

WITNESS: THE HONOURABLE HENRY NEWTON ROWELL JACKMAN,

LIEUTENANT GOVERNOR OF OUR PROVINCE OF ONTARIO.

At Our City of Toronto in Our said Province this thirtieth day of December in the year of Our Lord one thousand nine hundred and ninety-one and in the fortieth year of Our Reign.

BY COMMAND

  
John Alexander McIntosh  
Director, Mining Lands Branch  
for and on behalf of the  
Minister of Northern Development and Mines

AND IN WITNESS WHEREOF the Lessee has hereunto affixed its corporate seal under the hands of its proper officers duly authorized in that behalf.

THE CANADIAN SALT COMPANY LIMITED

BY:   
G.L. Leblanc, Vice-President

AND:   
J.M. Croisetière, Director

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Mining Lease No. 106466  
being renewal of Mining Lease No. 103527

File No. 136031

Land Registrar  
Ministry of Consumer and Commercial Relations  
will mail duplicate to:

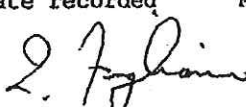
The Canadian Salt Company Limited  
c/o McTague and Clark  
Barristers and Solicitors  
455 Pelissier Street  
Windsor, Ontario  
N9A 6Z9

Attention: John McGivney

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For Ministry of Government Services use only.

Date recorded May 12, 1992 Liber 261 Folio 85

  
Manager, Official Documents, General Services Branch.

Schedule "A"

The mines, ores, minerals and mining rights in, upon and under All that parcel or tract of land in the City of Windsor, in the County of Essex and Province of Ontario, containing an area of 340.75 acres (137.902 hectares), be the same more or less, being composed of part of the bed of Detroit River in front of Lots 37 to 54, both inclusive, Concession I, as shown on the plan of the Township of Sandwich, and which parcel or tract of land may be more particularly described as follows:

COMMENCING at a point in the north limit of the water lot granted by Letters Patent dated March 2, 1888, to James Colebrook Patterson, where the said northerly limit is intersected by the Harbour Line as established by Order-in-Council dated May 19, 1913;

THENCE northerly along the said Harbour Line a distance of 4,225 feet, more or less, to the intersection with a line drawn parallel with the westerly production of the limit between said Lots 53 and 54, Concession I, and distant 194 feet measured northerly and at right angles therefrom;

THENCE westerly and parallel to the said westerly production of the limit between said Lots 53 and 54, Concession I, a distance of 1,080 feet, more or less, to the intersection with the International Boundary between Canada and the United States of America;

THENCE southerly along the said International Boundary to the intersection with the westerly production of the limit between Lots 36 and 37, Concession I, as shown on the plan of the Township of Sandwich;

THENCE easterly along the said westerly production of the limit between said Lots 36 and 37, a distance of 3,025 feet, more or less, to the high water mark of Detroit River;

THENCE in a general northerly direction following the said high water mark to the southerly limit of the water lot granted by Letters Patent dated October 22, 1901, to Alfred James Borge;

THENCE westerly along the southerly limit of said water lot granted to Alfred James Borge to the southwesterly corner thereof;

THENCE northerly along the westerly limit of said water lot granted to Alfred James Borge, to the northwesterly corner thereof;

THENCE easterly along the northerly limit of said water lot granted to Alfred James Borge, to the high water mark of Detroit River;

THENCE in a general northerly direction following the said high water mark to the southerly limit of said Lot 40, Concession I;

THENCE westerly along the westerly production of the southerly limit of said Lot 40, Concession I, a distance of 1,050 feet, more or less, to the southwesterly corner of the water lot granted by Letters Patent dated May 27, 1953, to Canadian Steel Corporation Limited;

Schedule "A" cont'd

THENCE northerly along the westerly limit of said water lot granted to Canadian Steel Corporation Limited to the northwest corner thereof, the said corner being common with the southwest corner of the water lot granted by Letters Patent dated May 14, 1954, to The Canadian Rock Salt Company Limited;

THENCE continuing northerly along the westerly limit of said water lot granted by Letters Patent dated May 14, 1954, to the northwest corner thereof;

THENCE easterly along the northerly limit of foresaid water lot to the northeast corner thereof being also a point in the westerly limit of the water lot granted by Letters Patent dated September 27, 1906, to Alberie Chappus;

THENCE northerly along the westerly limit of said water lot granted to Alberie Chappus to the northwest corner thereof, the said corner being also common with the southwest corner of water lot granted by Letters Patent dated March 6, 1895, to Daniel Scotten;

THENCE northerly along the westerly limit of the said water lot granted to Daniel Scotten to the northwest corner thereof;

THENCE easterly along the northerly limit of said water lot granted to Daniel Scotten to the intersection with the Harbour Line as established by Order-in-Council dated May 19, 1913;

THENCE northerly along the said Harbour Line to the intersection with the southerly limit of the water lot granted by Letters Patent dated March 2, 1888, to James Colebrook Patterson;

THENCE westerly along the southerly limit of said water lot granted to James Colebrook Patterson to the southwest corner thereof;

THENCE in a general northerly direction following the westerly limit of the said water lot granted to James Colebrook Patterson to the northwest corner thereof;

THENCE easterly along the northerly limit of the said water lot granted to James Colebrook Patterson to the point of commencement;

The parcel or tract of land as herein described is shown on a plan dated March 21, 1958, of record in the Ministry of Natural Resources at Toronto, a copy of which plan is attached to and forms part of Instrument Number 831188 registered with the Land Registrar at Chatham, Ontario, on March 30, 1981.

Schedule "B"

*Freight on Board*

Royalty shall be paid calculated at the rate of one and one-half per cent (1-1/2%) of the F.O.B. plant value of all salt produced or derived and shipped during each year of the term of this Lease from the lands described in Schedule "A". The "F.O.B." plant value shall be the weighted average selling price per ton, F.O.B. at the plant premises, of all salt sold loose as if it were loose in bulk, multiplied by the total number of tons of salt produced or derived and shipped during the year from the lands described in Schedule "A".

It is understood and agreed that:

- (a) Where salt is not sold at arm's length, the Lessor may request the Lessee to provide a written justification of its selling price, and;
- (b) If the justification is not acceptable to the Lessor the royalty for such sales shall be calculated on the greater of (i) the actual selling price paid by the non-arm's length purchaser, or (ii) the weighted average selling price for sales to non-arm's length purchasers during the preceding five years.

The rules determining "at arm's length" in Sub-sections 3 to 8 of Section 1 of the Corporations Tax Act, 1972, shall apply mutatis mutandis for the purpose of this Lease.

"Weighted Average Selling Price" shall, for the purpose of this Lease, be computed in the manner shown in the following example:

<u>NUMBER OF TONS</u>	<u>SELLING PRICE PER TON</u>	<u>AMOUNT SHOWN ON INVOICES</u>
100,000	\$4.00	\$ 400,000.00
300,000	\$3.00	\$ 900,000.00
100,000	\$5.00	\$ 500,000.00
<u>500,000</u>		<u>\$1,800,000.00</u>

Weighted Average Selling Price is  $\$1,800,000.00 \div 500,000$  tons or \$3.60 per ton.