

WATER

WATER DIVERSION

Alberta Environment and Parks has been clear that water allocations within the Oldman River have not changed nor will any new allocations be granted to mining projects. Any water that may be sourced by a proposed mine under an existing allocation will continue to be subject to Alberta's priority system for water use, meaning such a diversion would receive a lower priority than existing users.

The priority system ensures existing water users such as municipalities, ranchers and farmers will maintain the priority of their licenses and always have access to their water allocation.

(1) Licensees and traditional agriculture users have priority among themselves according to the priority number that has been assigned to the license or registration.

(2) A licensee or traditional agriculture user diverting water pursuant to a licence or registration that has a numerically lower priority number is entitled to divert the whole allocation of water specified under the licence or registration before a licensee or traditional agriculture user has any right to divert water pursuant to RSA 2000 Section 31 Chapter W-3 WATER ACT 32 a licence or registration that has a numerically higher priority number.

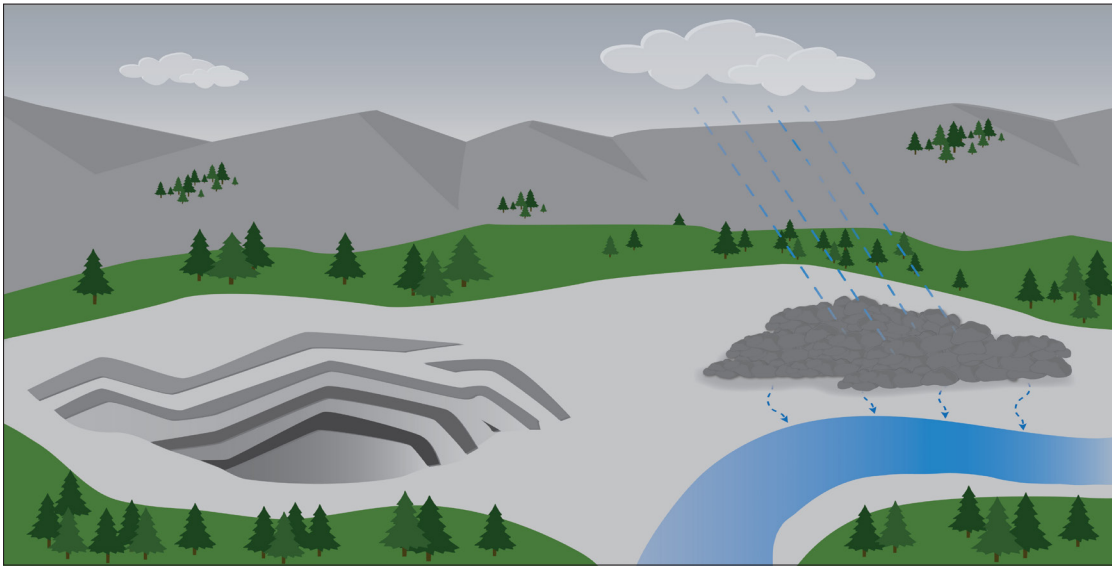
Water Act (Alberta), Chapter 30

WHAT ABOUT SELENIUM?

Selenium is often referred to when discussing water quality. Selenium is a naturally occurring, non-metallic mineral that is found in rocks, soils and water. It is naturally released into watercourses when rocks and soils containing selenium are exposed to runoff and/or precipitation. If this water is not treated, higher concentrations of selenium can be experienced. Lack of capture and treatment of selenium enriched waters is what has created the issues that have been observed with older mining practices.

We take the conservation of water very seriously. Our project will maintain selenium and nitrates at their natural levels in watercourses and we will not release untreated water. Through the life of our proposed project, we will work closely with regulators to ensure that any discharge of treated water meets the stringent parameters established by both provincial and federal authorities.

WATER MANAGEMENT

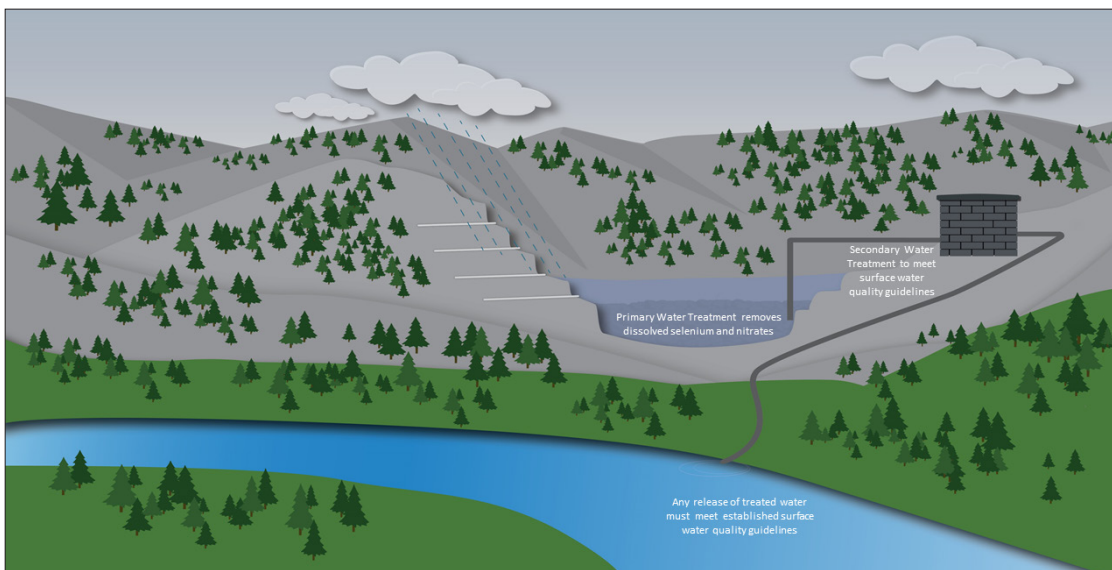


Mine planning plays a key role in meeting water quality objectives. This means that overburden (rock) with a higher potential to release selenium is strategically segregated where possible to minimize contact with precipitation.

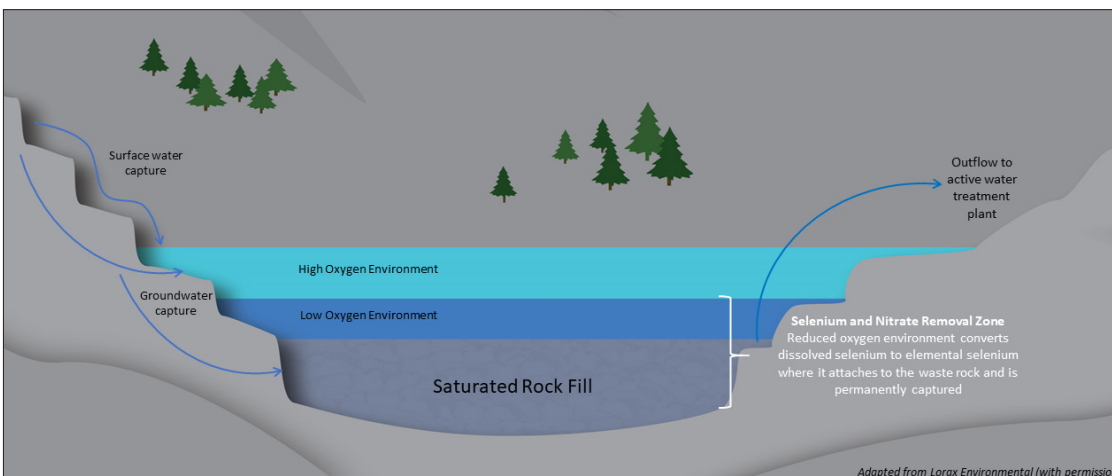
Passive, in-situ treatment processes create environments that convert dissolved selenium into its solid mineral form where it attaches to the waste rock and remains buried indefinitely in the final rehabilitated landform.

Active treatment involves established water treatment processes to ensure any residual selenium is below legislated water quality guidelines prior to release.

Existing environmental legislation prohibits the release of substances that would impact the environment, including possible impacts to wildlife.



Modern Mining Practices capture and treat water affected by mining



Primary Water Treatment – Saturated Rock Fill