

PROVINCE OF MANITOBA  
DEPARTMENT OF MINES AND NATURAL RESOURCES

---

FINAL LICENSE FOR THE DEVELOPMENT OF WATER POWER

No. 1 Power Site, Laurie River

---

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

---

WHEREAS Laurie River Power Company Limited, a company duly incorporated under the laws of the Province of Manitoba and having its head office at Lynn Lake, Manitoba, was granted by an Interim License dated the 20th of March, 1952, under the provisions of the Water Power Act and of the Regulations in force thereunder, the right, (a) to impound, divert and use water for the development of power at No. 1 Power Site on the Laurie River in the Province of Manitoba, (b) to impound and store water in Russell and Eager Lakes for the purpose of regulating the flow thereof, and (c) to raise and divert to the said Laurie River the entire flowage of the Loon River; and,

WHEREAS the said Laurie River Power Company Limited under date of March 10th, 1953, with the approval of the Minister of Mines and Natural Resources (as at March 24th, 1953), assigned all its rights under the said Interim License to Sherritt Gordon Mines Limited, a company duly registered in Manitoba and having its head office at 25 King Street West in the City of Toronto in the Province of Ontario; 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 thirty-first day of May A.D. 1955 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 fulfil all the terms and conditions which under this Final License and under the Regulations the said Licensee is required to observe or fulfil, with particular reference to the right of Her Majesty, in right of the Province of Manitoba, to take over the works, lands and properties held by the Licensee 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 the said Regulations in force thereunder, this Final License is issued granting to the lawful holder thereof the right:

- (a) to impound, divert and use the waters of the Laurie River at No. 1 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;
- (b) to impound and store water in Russell and Eager Lakes in the watershed of the said Laurie River for the purpose of regulating the flow thereof;
- (c) to raise and divert to the said Laurie River the entire flowage of the Loon River;
- (d) to use and occupy the lands of the Province hereinafter described.

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. 1 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 the Regulations.
3. The undertaking in respect of which this Final License is issued comprises a dam and a power-house at No. 1 Power Site on the Laurie River, with an installed capacity of 7,000 horsepower; a control-dam at the outlet of Russell Lake for storage purposes; a control-dam at the outlet of Eager Lake for storage purposes; a diversion dam on the Loon River and diversion channels from the Loon River to the Laurie River for the purpose of diverting to the Laurie River the entire flowage of the Loon River; a transmission line from the said No. 1 Power Site to the property of Sherritt Gordon Mines Limited in the vicinity of the townsite of Lynn Lake; and all necessary works, machinery and equipment for the complete development and utilization of the power available at the said No. 1 Power Site, the location and description of which are shown upon the record plans filed and numbered in the office of the Director of Water Power at Winnipeg, except as the said works may be modified or extended with the approval of the Minister, in accordance with plans previously submitted and approved.
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, power-house, channels, storage or pondage of water within the Severance Line as shown on record plan numbered 63-1-1017 on file, in the office of the Director at Winnipeg.
  - (b) Crown lands required for rights-of-way for transmission lines, tramways, roads, etc. as shown on record plans Nos. 63-1-1018 and 63-1-1019, now 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 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 Director.

5. The energy developed under this Final License may be transmitted, distributed, sold and delivered for all purposes throughout The Pas Mining District of the Province of Manitoba.
6. The Licensee through its wholly-owned subsidiary Laurie River Power Company Limited shall be given the sole right to supply light and power within the townsite of Lynn Lake as defined in the agreement dated the 31st of March, 1951, approved by the Lieutenant-Governor-in-Council on May 9th, 1951, and made between His Majesty the King in the right of the Province of Manitoba and Sherritt Gordon Mines Limited of the second part and Cecil R. Neely, Resident Administrator of the Local Government District of Lynn Lake of the third part, and be authorized to charge such rates for light and power as may be approved by the Municipal and Public Utility Board.
7. The term of the said Final License shall be forty years (40) from and after the first day of January A.D. 1953 provided, however, that Her Majesty may notwithstanding anything to the contrary in the said Regulations, at any time after thirty 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, subsection 2, of the said present Regulations.
8. 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 Sections (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 Crown Lands both within and without the Severance Line shall be subject to revision at the end of the said twenty-year period, and at intervals of ten years thereafter during such time as they continue to be used or occupied by the Licensee.

9. Subject to the provisions of Clause 10 hereafter the annual rental during the term of the Final License for the use of water for the development of power shall be determined in accordance with the principles set out in Section 48 of the Regulations and shall be payable at the times and in the manner therein provided.

- (i) The initial annual rental during the first twenty-year period shall be fifty (50) cents per installed horsepower.
- (ii) The regular annual rental during the remaining part of the said twenty-year period shall be calculated upon the following basis and at the following rates:

Annual rental per horsepower-year of output:-

When the annual load factor as defined in the said Section 48 is less than 40 per cent, the rate shall be ninety (90) cents per horsepower-year;

When the annual load factor lies between 40 per cent and 50 per cent the rate shall be 87.5 cents per horsepower-year;

When the annual load factor lies between 50 per cent and 60 per cent, the rate shall be 85 cents per horsepower-year;

When the annual load factor lies between 60 per cent and 70 per cent, the rate shall be 82.5 cents per horsepower-year;

When the annual load factor lies between 70 per cent and 80 per cent, the rate shall be 80 cents per horsepower-year;

When the annual load factor lies between 80 per cent and 90 per cent, the rate shall be 77.5 cents per horsepower-year;

When the annual load factor lies between 90 per cent and 100 per cent, the rate shall be 75 cents per horsepower-year.

Whenever during the said twenty-year period the amount determined by applying the schedule set out above to the output in horsepower-years exceeds the initial annual rental established according to the preceding paragraph (i), then the amount so determined shall constitute the annual rental.

The annual rental to be paid after the expiry of the said twenty-year period shall be determined as provided in the said Section 48 of the said Regulations.

10. 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.
11. The Severance Line as defined in the Regulations and shown in red and marked "Severance Line" upon record plan numbered 63-1-1017 on file in the office of the Director shall not be deemed to include lands required for transmission lines.
12. All record plans filed by the Licensee with the Director in connection with the undertaking authorized hereby are incorporated herewith and made a part hereof.
13. 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 in so far 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 Sections 47 and 82 of the said Regulations.

Issued at Winnipeg this 17th day of June, A.D. 1958,  
at the direction of the Honourable, the Minister of Mines and Natural  
Resources.

Original Signed By: Minister of Mines &  
Natural Resources  
Minister of Mines & Natural Resources.

