

APPENDIX B
EXISTING APPROVALS



Natural Resources

PO Box 698
Halifax, Nova Scotia
B3J 2T9

Fax: 902 424-7735

Our File Number: 71500-60/WG.00

June 21st, 2001

Mr. W. G. Shaw, P. Geol., President
W. G. Shaw and Associates Ltd.
65 Beech Hill Road
Antigonish, Nova Scotia
B2G 2P9

Dear Mr. Shaw:

Subject: Letter of Authority to Bulk Sample Silica and Kaolin, Yarmouth County

Nova Industrial Minerals Inc. (formally Black Bull Resources), through your office, has requested an extension of their Letters of Authority to Bulk Sample Silica and Kaolin from claim Q, Tract 52, Tract Map 21A 4A (Exploration License #2429), Yarmouth County.

Specifically, the Company wishes to delay the reclamation of the property for a period of one year. Normally, excavations are to be filled within 30 days of the site work being completed.

Reclamation of the site, as stipulated in the Letters of Authority, to bulk sample silica and kaolin, may be delayed until May 24th, 2002, unless:

- garbage accumulates at the site;
- the site becomes a danger to the public or to wildlife; or
- the site is deemed by an officer of NSDEL to be harmful to the environment.

Should any of the above conditions occur, the site shall be reclaimed immediately.

Yours truly,

Patrick Hannon, MSASc, PEng.
Acting Director of Mines

/mam

cc: S. Swinden, Executive Director
Minerals and Energy Branch NSDNR

D. Jones, Director
Mineral Management - NSDNR

J. Gammie
NSDEL - Yarmouth District Office

J. Campbell, Manager
Mineral Development and Policy-NSDNR

T. Lamb, Mining Engineer
Mineral Development and Policy - NSDNR

S. Marshall
NSDNR - Western Region

R. Ratcliffe, Registrar
Mineral and Petro. Titles-NSDNR

P. Francis
NSDNR - Lawrencetown

Natural
ResourcesPO Box 698
Halifax, Nova Scotia
B3J 2T9

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Our File Number:

Ex. Permit Nos. E-146 and E-152

June 26, 2001

Mr. W.G. Shaw
Nova Industrial Minerals Inc.
c/o W.G. Shaw and Associates Ltd.
65 Beech Hill Road
Antigonish, Nova Scotia B2G 2P9

Dear Mr. Shaw:

RE: Excavation Permits Nos. E-146 and E-152 - Flintstone Rock

Further to your letter dated April 19, 2001 and Mr. Patrick Hannon's, Acting Director of Mines, letter to you dated June 21, 2001, I hereby extend the time to reclaim the site disturbed under the authority of Excavation Permit Nos. E-146 and E-152 to May 24, 2002, provided Nova Industrial Minerals Inc. remains compliant with the permits, letters and applicable legislation.

Yours truly,

R. Ratcliffe
Registrar
Mineral & Petroleum Titles

RR/jg

cc: Dr. D. Jones
Mr. J. Campbell
Mr. G. McCulloch
Ms. S. Marshall

Mr. P. Hannon
Mr. P. Woodland
Mr. B. Matlock
Mr. P. Francis



DEPARTMENT OF NATURAL RESOURCES
Province of Nova Scotia

PERMIT FOR MINERAL EXPLORATION ON CROWN LAND

AREA:

1. This Permit authorizes Nova Industrial Minerals Inc. (hereinafter referred to as the "Permit Holder") to enter upon Crown land for the purpose of mineral exploration, the said lands (hereinafter called the "Site") being situated at Flintstone Rock Area, in the County of Yarmouth, Province of Nova Scotia, in an area more particularly shown outlined in red on a plan marked Schedule "A".

TERM/RENEWAL:

2. The term of this Permit commences on the 27th day of June, A.D., 2001 and remains in effect for the duration of the exploration license held by the applicant 24th day of May, A.D., 2002. This permit may be renewed with renewal of the exploration license by forwarding a written request for renewal along with a copy of the renewed exploration license to the Regional Resource Manager (hereinafter referred to as the Manager), in the Regional office of the Department of Natural Resources where the major part of the site is located.

MINERAL PERMITS:

3. No Permit shall be issued unless the applicant holds a valid exploration license from the Nova Scotia Department of Natural Resources which shall be presented to the Manager upon his request. Should the exploration license be cancelled or terminated for any reason whatsoever, this Permit shall automatically be terminated.

CROWN LANDS:

4. This Permit applies to exploration on Crown land as determined by the Department of Natural Resources. This Permit does not authorize exploration work in whole or in part on privately owned land. Should the Manager or the Permit Holder determine there may be problems with the Crown's title to the land in question, this matter shall immediately be reported to the Deputy Minister, Department of Natural Resources or his designated agent and the Permit Holder shall cease exploration work on the Site until the matter is clarified. If the land is determined not to be Crown land, the Permit Holder shall be so notified and this permit will be terminated immediately without any claim, demand or recourse by the Permit Holder against the Crown.

CROWN LANDS UNDER LEASE OF LICENSE:

5. The Permit Holder understands that the Site or any portion thereof covered by the permit may be subject to a lease, license, agreement, letter of authority or otherwise issued by the Crown to another person or company before or after the signing of this Permit. The Permit Holder shall check from time to time with the Manager to identify such persons or companies and the Permit Holder shall respect their rights. Prior to the commencement of any exploration program, the Permit Holder shall contact the following Lessees or Licensees (or otherwise) and adhere to the general terms and conditions herein outlined and others which may be required by the Lessee or Licensee (or otherwise):

1. Campsite #3284 Louis Pothier
2. _____
3. _____
4. _____

5.1 Trees which must be felled are to be cut and disposed of in accordance with the direction of the Lessee or Licensee (or otherwise). All merchantable wood cut remains the property of the Lessee or Licensee (or otherwise).

5.2 Roads belonging to and administered by the Lessee or Licensee (or otherwise) may not be used without appropriate permission from the same.

5.3 The cost of damage to properties, including roads, caused by the Permit Holder must be paid for in full to the Lessee or Licensee (or otherwise).

EXCLUSIVE USE:

6. This Permit does not give the Permit Holder exclusive use of the Crown land.

SECURITY DEPOSIT:

7. The Permit Holder shall pay, if necessary, a Security Deposit in the amount of Twelve Thousand Five Hundred (\$ 12,500.00) Dollars which shall be refunded if the Site is restored to the satisfaction of the Manager and if the Permit Holder has complied with all the terms and conditions of this Permit. Security Deposits are required when work is being performed requiring some form of site reclamation work on sensitive or special areas.

FEES:

8. This Permit Holder shall pay to the Department of Natural Resources the following stumpage rates as charged by the Department from time to time:

Softwood Pulpwood	\$	<u>17.00 per cord</u>
Hardwood Pulpwood	\$	<u>--</u>
Fuelwood	\$	<u>15.00 per cord</u>
Softwood Sawlogs	\$	<u>75.00 per MFBM</u>
Hardwood Sawlogs	\$	<u>74.00 per MFBM</u>
Oak Sawlogs	\$	<u>122.00 per MFBM</u>

EXTRA WORK:

9. Once this Permit is issued, the Permit Holder may apply to the Manager to perform extra work on the Site. The Manager shall review the request and may by means of a written memorandum authorize the Permit Holder to perform the extra work. The Manager may request an increase in/or a new Security Deposit to be paid by the Permit Holder. All terms and conditions of this Permit shall apply to extra work to be performed.

MERCHANTABLE TIMBER:

10. Where feasible and practicable all merchantable wood fibre shall be cut into appropriate lengths, whether for sawlogs, pulpwood, fuelwood or other products and shall be piled roadside. Where this is not feasible or practicable as determined by the Manager, approval must be identified in the Special Conditions clause #24. In all cases, the stumpage rates outlined in clause #8 above shall be required. If cutting rights to the site have been previously leased or licensed by the Crown to some other person or company, the merchantable wood fibre shall belong to that person or company unless directed otherwise by the Manager.

FIRE HAZARDS:

11. The Permit Holder shall not do and will not permit to be done anything which will or might increase the fire hazard on the Crown land. Burning of brush during the fire season shall not be carried out by the Permit Holder unless the Permit Holder has obtained a burning permit from the Department of Natural Resources.

WATERCOURSES:

12. Watercourses as defined under the Water Act, R.S.N.S. 1967, C.133, as amended, must be kept free from debris, refuse, or other material considered objectionable by the Department of Natural Resources and/or the Department of Environment. Watercourses shall not be disturbed by construction or otherwise without prior written approval from the Nova Scotia Department of Environment.

CROWN SURVEYS:

13. Crown survey posts and boundary lines are not to be damaged in any way and must be kept clear and free of debris. Exploratory survey lines, mining claim boundaries or grid lines may be marked only with flagging tapes or ribbons and are not to be blazed. Line cutting by the Permit Holder will only be permitted after he has presented documentation to the Manager supporting the necessity for doing the same. The Manager, in his discretion, may authorize this cutting by giving express authorization in the Special Conditions outlined below.

CONDITION OF SITE:

14. The Permit Holder must keep the Site clean and tidy at all times to the satisfaction of the Manager and will not cause or permit any nuisance or damage to the Crown land or to adjacent or adjoining properties, and at the expiration or earlier termination of this Permit, the Permit Holder shall at his or its own expense, leave the Crown land in a condition satisfactory to the Manager. The Permit Holder shall pay all costs incurred by the Department of Natural Resources to restore the Site should the Permit Holder fail to do this within a reasonable period of time after this Permit has expired.

STRUCTURES:

15. No structure shall be placed on the site without the prior written approval of the Manager and all authorized structures shall be removed within 30 days of the expiration of this Permit unless otherwise permitted by the Manager.

ASSIGNMENT:

16. The Permit Holder shall not assign or sublet this Permit in whole or in part without the prior written consent of the Manager. This Permit enures to the benefit of and is binding upon the parties hereto and their respective successors and permitted assigns.

PERMITS:

17. This Permit does not release the Permit Holder from any requirement to obtain other permits or authorization required by law, whether federal, provincial or municipal.

LIABILITY/INDEMNITY:

18. The Permit Holder will take all reasonable and necessary precautions to ensure that no person is injured and no property is damaged on the Site or in respect of the Site. The Permit Holder shall be liable for any injury or damage to the person or for any loss, damage or claim to the property of the Permit Holder and/or third parties based upon, occasioned by or in any way attributable to the Permit Holder's performance or non-performance under this Permit. The Permit Holder shall indemnify and save harmless the Crown from and against any and all damages, claims or losses in respect of any injury to persons or damage to property occasioned by the use or occupation of the Site, or directly or indirectly attributable to the issuance of this Permit.

LAWS:

19. This Permit shall be construed and interpreted in accordance with the laws of Nova Scotia.

TERMINATION/NOTICE:

20. This Permit may be terminated by the Minister of Natural Resources for breach of the terms and conditions contained herein by giving five (5) days written notice to the Permit Holder at the address stated herein. If the Permit Holder is not a resident in Nova Scotia, the name and address of some person resident in Nova Scotia, upon whom service may be made, must be given as follows:

Nova Industrial Minerals Inc.

c/o W.G. Shaw & Associates Ltd.

Highland Professional Centre

65 Beech Hill Road

Antigonish, NS B2G 2P9

ATTENTION: William G. Shaw, Agent

The Permit Holder may by written notice designate a new address for the receipt of notices.

INSPECTION:

21. Upon completion or earlier termination of the exploration program covered by this Permit, the Manager will normally conduct or have conducted an inspection of the Site to determine if the terms and conditions of this Permit have been met.

AMENDMENTS:

22. This Permit may only be altered by means of a written memorandum signed by both parties. The said memorandum shall be supplemental to and shall be deemed to form part of this Permit.

WAIVER:

23. No term, condition or provision hereof shall be or be deemed to have been waived by reason of any act, forbearance, indulgence, omission or event. Only an express written waiver signed by the Minister shall be conclusively deemed to be limited to the circumstance or right or remedy therein specified.

OTHER SPECIAL CONDITIONS:

24.
 1. Fencing and/or rock berms must be maintained around the sides of the test pits.
 2. Test pits are to be filled in and revegetated with native shrubs from the site if no further activity is to take place. These areas are not to be seeded with grasses;
 3. Proper control structures must be maintained to prevent any silt or other contaminants from moving off-site;
 4. Extreme care must be taken that no activity takes place near or inside the Tobeatic Protected Area. Gordon Wilson, the Area Supervisor, in the Tusket office is to be contacted when working near the Protected Area so that the boundary line can be identified;
 5. The Area Supervisor is to be notified whenever any work is to be carried out. This notification can be given to the Tusket Office of DNR at 648-3540.

DATED the 13 day of July, A.D., 20 01, at Lawrencetown,
in the County of Annapolis, Province of Nova Scotia.

On Behalf of the Regional Resource Manager

Nancy Besner
Witness

Peter J. Francis
Peter J. Francis, P. Eng.
Regional Coordinator, Land Administration

Nova Industrial Minerals Inc.
Permit Holder (if a company is involved, two
officers are to sign and the company seal affixed.
If the company has appointed an agent to make an
application on its behalf, the company must
present a letter to this effect to the Manager.)

Witness

per D. L. Wood PRESIDENT

Witness

per [Signature] VICE PRESIDENT