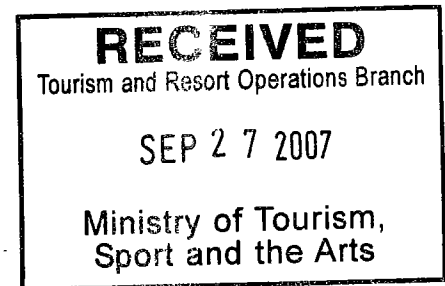




September 25, 2007

Terry Pratt,  
Manager, Major Projects  
Ministry of Tourism, Sport and the Arts  
510 – 175 2<sup>nd</sup> Ave  
Kamloops, BC V2C 5W1



Dear Terry:

**Re: Application for License of Occupation**

Please find enclosed an application for a License of Occupation over Crown land within our existing Controlled Recreation Area for construction of a new ski lift and ski trails, as part of our ongoing development plan on Hudson Bay Mountain. Our application package includes the following:

- Crown Land Application Form
- Application Fee (\$265.00)
- General Location Map
- Detailed Site Plan
- Letter confirming that *DON VANDERHORST CONSULTING* has been retained to act on our behalf with regards to this application.

*Application Summary*

Hudson Bay Mountain Adventures Ltd (HBMA) has recently prepared an updated Ski Area Master Plan, which outlines a plan of development for the resort area over the next 10 – 20 years. In Phase 1, as outlined in the aforementioned Ski Area Master Plan, HBMA is proposing to install a new lift, with related ski trails, within Terrain Pod I, which is located northeast and below the bottom terminal of the existing Skyline Chair, on the east slope of the mountain. A portion of the lift and trails (lower section) is currently located outside of HBMA's existing Controlled Recreation Area (CRA), although the updated Ski Area Master Plan contemplates an amendment to the CRA that will include this area.

The development of this terrain pod (lift and ski trails) will provide an increase to the total amount of vertical currently offered at the ski hill, and will provide a significant increase in ski terrain, not only for the east slope of the mountain, but for the resort as a whole. This terrain pod will focus primarily on Intermediate



and Novice ski runs, with approximately 70% designated as Intermediate. The expectation of HBMA is to have the lift and ski runs available for use during the 2007/08 operating season.

Although HBMA would normally have submitted this application following review and approval of their updated Master Plan, the company has been able to acquire a lift from Whistler Blackcomb, and part of the agreement with Whistler Blackcomb is to have the lift removed at this time, and as result, HBMA is proposing to have the lift and related equipment transported to Smithers and installed on the mountain in time for the upcoming winter season.

Terrain Pod I is located northwest of the bottom of the Skyline Chair and directly north of D.L. 8081 and Right of Way 6400097 (Skyline Lift). The existing BC Hydro right of way, which provides electrical power to the mountain, is located southeast of proposed Lift I.

Previous site assessments for this area (which are outlined in the updated Ski Area Master Plan) do not identify any environmental issues, including wildlife habitat concerns.

The details of the application area include:

- Total area of application (Terrain Pod I) 63  
225 ha +/-
- Total area of ski trail construction 18 ha +/-
- Total area of Lift I right of way (30 m r/w width) 4.8 ha +/-
- Total area proposed for removal of timber 23 ha +/-
- Average length of ski run 1500 m +/-
- Average vertical/run 250 m +/-

Please contact Don van der Horst at 604 – 802 – 1864 if you have any further questions or concerns regarding this application.

We look forward to your timely review and an offer of tenure at your earliest convenience.

Yours truly

A handwritten signature in blue ink, appearing to read "Lorne Borgal", is written over a horizontal line.

Lorne Borgal