

## **New Nadina Explorations Limited**

### **LANDOWNER LAWSUITS, SURFACE RIGHTS BOARD (SRB) DECISION AND CHRONOLOGY**

**November 9, 2012:** A petition was filed in the Supreme Court of British Columbia by land owners holding the surface rights over certain Silver Queen mineral claims, C. Donald Christmann and 0712249 B.C. Ltd., against the Mine Inspector with Ministry of Mines and the Company seeking judicial review of the amended Ministry of Mines permit issued to the Company, and both a permanent and interim order stopping the Company from conducting any and all mining activities authorized under such permit. At the hearing of an *ex parte* application for an interim injunction, the court ordered that the matter should not proceed without notice to New Nadina, and ordered that Christmann serve the petition materials on New Nadina before proceeding any further.

**Note:** In order to work the Company complied and adhered to a winter drill program honouring conditions presented (June 4, 2012) by land owner appointee Gary Thompson, lowprofileventures@telus.net Representative & Industry Advisor for Mission Outpost Ranch. This representative then, without notice or authorization from the site mine manager, singly entered the drill mine site. It is unknown whether he entered any site structures, but did report to the land owner incorrect information stating the Poly-Drill solids recovery system was not being used as stipulated.

**November 28, 2012:** The Court ordered that by consent the Petition (above) be dismissed and the parties entered into an informal settlement agreement with the effect that the Company could continue its mandate to explore the Silver Queen mineral claims and complete the exploration program currently underway.

**April 24, 2013:** Subsequent to the above Petition, C. Donald Christmann and 0712249 BC Ltd submitted to the Surface Rights Board of BC (SRB) claiming that a large portion of the area covered by the New Nadina exploration permit is "under cultivation" within the meaning of the Mineral Tenure Act, and therefore not subject to right of entry for mining activity. Mediated telephone conference meeting pre-arbitration attempts to resolve private landowner issues were unsuccessful. The parties disagreed and the mediator recommended the issue to the SRB for a decision.

**June 3 – 6, 2013:** Surface Rights Board hearing took place at Smithers, BC.

**September 6, 2013:** The BC Surface Rights Board agreed with the Company's position that once the seasonal opportunity to harvest or pasture a crop has passed, land is no longer considered "land under cultivation" within the meaning of the Mineral Tenure Act until such time as cultivation activities for the purpose of raising and harvesting or pasturing a crop begin again the following season. This interpretation allows New Nadina access to such areas after the crop, if any, has been harvested or once the time has lapsed to harvest and also in early fall and winter.

**October 25, 2013:** C. Donald Christmann and 0712249 BC Ltd.\* are not satisfied with the decision of the SRB and have now filed a Petition with the Supreme Court of B.C. against New Nadina Explorations Limited and Cheryl Vickers in her capacity as Chair of the Surface Rights Board to set aside parts of the decision. The petition is seeking such changes to redefine "Land Under Cultivation" as set out in the Mineral Tenure Act be land that is improved or is being improved for the purposes of crop production including:

- a. land lying fallow for a period of time as part of an agriculture plan;
- b. land being rested in order deal with invasive weeds;
- c. land on which the present season's crop has been harvested; and
- d. land on which the opportunity to harvest the present season's crop has been lost due weather, disease, or the like.

New Nadina believes this latest application is yet another tactic to obstruct the Company's exploration plans, and it is confident that it has succeeded in obtaining the required approval to proceed with its exploration as planned.

The decision of the SRB continues to be in effect during this challenge by the surface landholders and New Nadina will continue to update its shareholders on the developments of the proceedings.

The Company has been advised of a proposed court date during the week of June 9, 2014.

\* As of December 23, 2013 BC Registry Services shows the directors of 0712249BC Ltd. as:

Charles Donald Christmann of Patagonia AZ, USA, Director, Secretary

Gary Blaine Thompson of Houston, BC., Director, President and

Mary Elizabeth MacGregor of Kamloops, Director & solicitor, same address as the Registered Office of the company.

**June 11, 2014:** The Company presented at the BC Supreme Court hearing in Kamloops BC and at this time there has been no decision.

Until a decision to the contrary is granted the land owner(s), the Company will abide by the Sept 6, 2013 SRB decision and continue to work respecting that decision.

**November 24, 2014:** A decision from the BC Supreme Court has dismissed the Petition brought by C. Donald Christmann and 0712249 B.C. Ltd., awarding costs to New Nadina. The Court found that such an interpretation would go beyond the ordinary and grammatical sense of the phrase in the context of overall legislative scheme, and would be inconsistent with the intent of the Legislature. The Court also stated that the legislation clearly allows New Nadina, as a recorded mineral tenure holder with a permit under s.10 of the *Mines Act*, to enter private lands. The land owner may apply to the SRB for the settling of entry conditions and compensation. (refer to October 25, 2013 note)

**December 12, 2014:** Received notice where C. Donald Christmann and 0712249 BC Ltd, on December 3, 2014 filed an appeal regarding the decision of Madam Justice Donegan of the BC Supreme Court of Appeal. Christmann holds the surface rights over some of the Silver Queen mineral tenures and is objecting to the right of any access mainly claiming the lands are 'lands under cultivation'. Plans to explore and develop the underground vein system on the Silver Queen property or work on Crown owned land are not affected by the landowner appeal. New Nadina expects the Court of Appeal to hear the case sometime in the summer of 2015. Our legal counsel has reviewed in detail the decision of Madam Justice Donegan substantiating that it is correct and that the landowner's appeal is unlikely to succeed.

**March 2015:** Notice where C. Donald Christmann and 0712249 BC Ltd. are appealing to the BC Supreme Court of Appeal the decision of Madam Justice Donegan.

**April 22, 2015:** Notice advising the Appeal will be heard by the BC Court of Appeal on May 5, 2015, starting at 10am at the Law Courts located at 800 Smithe Street in Vancouver. The hearing is open to the public and industry support is welcomed. New Nadina expects the appellants to argue that the exclusions to a Free Miner's right of entry set out in s. 11(2) of the Mineral Tenure Act also apply in situations where a party has acquired a mineral tenure and is exercising a right of entry under s. 14 of the Mineral Tenure Act. The appellants are also seeking to redefine "Land Under Cultivation" as listed reference Oct 25, 2013.

**June 3, 2015:** New Nadina Explorations Limited (the "Company", TSX VENTURE: NNA) is pleased to report that we have been successful at the Court of Appeal – the Petition brought by C. Donald Christmann and 0712249 B.C. Ltd. has been dismissed. In coming to its decision, the Court of Appeal rejected the arguments put forward by the Appellants, and agreed with the Surface Rights Board of BC (SRB) and the Chambers Judge that "land under cultivation" can have a seasonal aspect. The Appeal was heard by the Court of Appeal in Vancouver on May 5, 2015. The decision is a victory for New Nadina and also for others in the industry who can now benefit from the guidance given by the Court of Appeal in this matter. As a result of this decision, New Nadina can now continue its exploration work. Any remaining issues surrounding conditions on entry or compensation to be paid to the landowner can be dealt with by the Surface Rights Board on an as needed basis.

**July 27, 2015:** Onsite meeting held with landowner mediated by Mineral Title Inspector as to objection of July 3, 2015 notice to work. Work proposal found to be valid with essentially no activities being impacted by exploration. Landowner again contested and on **Aug 20, 2015** the Company made application to SRB for Right of Entry (ROE) to conduct a drill program. The land owners' continue to oppose on grounds that "activity would obstruct or interfere with existing operations and activities on those lands and/or with the construction and maintenance of buildings, structures, improvements, or work on those lands...objection made pursuant to s. 19(7) of the *Mineral Tenure Act*."

**October 2, 2015:** Conference with SRB mediator to determine issues resulting in a proposal request for ROE within one month after communication between the two parties. If no resolution is found and a ROE is not granted, an SRB hearing will be scheduled.