

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0121  
Expires: February 28, 2013

PROSPECTING APPLICATION AND PERMIT

1. Serial Number (See Specific Instructions - Item 1)

2. What mineral(s) are you applying for?  
Cu, Mo, Ag, Au, Re, Pb, Zn

3a. Applicant's name  
Ascot USA Inc.

3b. Applicant's address  
Suite 420-475 Howe St., Vancouver, B.C. Canada, V6C 2B3

5. Legal description of land included in permit  
**APPLICANT DOES NOT FILL IN THIS SPACE**

4. Give legal description of land requested (See General Instructions, Item 4)  
The following properties located in portions of sections 7, 8, 9, 16, 17, 18 and 19 of Township 10 North, Range 6 East, Willamette Meridian, Skamania County, Washington.

Name	Serial #	Patent Date	Acres	Lot #
Index Group	43393	March 8, 1906	247.932MS	779
Earl Group	43189	November 20, 1906	266.148MS	774
Judy/April Group	46820016	August 6, 1982	163.892MS	1329
Wendy Group	46820017	August 6, 1982	2.699	MS 1330

Total acres 680.671 acres      Rental submitted \$ 340.50

Total acres      Rental retained \$

6. Are the lands administered by a government agency?  Yes  No (If "Yes," give name of agency)

7. Are you the sole party in interest?  Yes  No (See Specific Instructions - Item 7)

8a. Are you a citizen of the United States?  Yes  No

8b. Are you over the age of majority?  Yes  No

9a. Is application made for a corporation or other legal entity?  Yes  No (If "Yes," see Specific Instructions - Item 9a)

9b. Has a statement of qualification been filed?  Yes  No (If "Yes," give file number, if "No," see regulation 43 CFR 3502)

10. A processing fee will be determined on a case-by-case basis. (See Specific Instructions - Item 10)

11. Be sure to enclose the first year's advance rental computed at the rate of 50¢ per acre or fraction thereof (See Specific Instructions - Item 11)

I CERTIFY That my interests, direct or indirect, in leases, permits, and applications therefor, do not exceed the maximum permitted by law or regulation, and that the statements made herein are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Ascot USA Inc  
(Signature of Applicant)

By R. Evans Secretary-Treasurer  
(Signature of Applicant)

March 1, 2011  
(Date)

(Attorney-in-fact)

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

DO NOT WRITE BELOW THIS LINE

\_\_\_\_\_  
(Name of Mineral(s))      PROSPECTING PERMIT

A permit for the lands in Item 5, above, is hereby issued under the  Mineral Leasing Act, 30 U.S.C. 181 et seq.,  Acquired Lands Leasing Act, 30 U.S.C. 351 et seq.,  Section 402 of Reorganization Plan No. 3 of 1946, 5 U.S.C. Appendix 1031,  Other Special Act(s) (as indicated below) and is subject to all

regulations found in 43 CFR 3500 and to the terms and conditions set forth on the reverse hereof.

This permit, to the extent applicable, is subject to standard and/or special stipulations.  Stipulations if any are attached.

THE UNITED STATES OF AMERICA

Effective date of permit \_\_\_\_\_ By \_\_\_\_\_

This permit is issued for a period of \_\_\_\_\_ years

\_\_\_\_\_  
(Title)      (Date)

## PERMIT TERMS AND CONDITIONS

**Sec. 1. Rights conferred by issuance of prospecting permit.** Permittee is granted the exclusive right to prospect on and explore the lands to determine the existence of a valuable deposit of the mineral applied for or any compound of that mineral in accordance with the terms and conditions of the permit. Permittee must diligently prospect the lands by core drilling or other acceptable methods. The permittee may remove only such material as is necessary to demonstrate the existence of a valuable mineral deposit.

**Sec. 2. Operating regulations.** (a) Permittee must comply with all regulations of the Secretary of the Interior; and, as to the lands described herein under his jurisdiction, to the regulations and orders of the Secretary of Agriculture.

(b) Permittee must comply with the provisions of the operating regulations of the Bureau of Land Management (BLM) (43 CFR 3590) and all orders issued pursuant thereto. Copies of the operating regulations may be obtained from the BLM.

(c) Permittee must maintain a permit bond in the amount determined by the BLM.

(d) Permittee must allow inspection of the premises and operations by representatives of the Departments of the Interior, Agriculture, or other agency administering the lands and provide for the free ingress and egress of Government officers and users of the lands under authority of the United States.

**Sec. 3. Multiple use.** (a) Valid existing rights acquired prior hereto on the lands described herein will not be adversely affected hereby.

(b) The granting of this permit will not preclude the issuance of other permits, leases, or other development of the same lands.

(c) The permitted lands will be subject, at all times, to any other lawful uses by the United States, its lessees, permittees, licensees, and assigns, but such use should not materially interfere with the permittee's operations hereunder.

(d) The Government reserves the right to sell or otherwise dispose of the surface of the permitted lands under existing law or laws hereafter enacted, insofar as such disposal will not materially interfere with the rights of the permittee.

(e) The permittee must afford all facilities for inspection of the prospecting work on behalf of the Secretary of the Interior or head of agency administering the lands and to make a report, on demand, of all matters pertaining to the character, progress, and results of such work.

(f) The permittee must observe such conditions as to the use and occupancy of the surface of the lands as provided by law, in case any of said lands will have or may be entered or patented with a reservation of mineral deposits to the United States.

**Sec. 4. Removal of deposits.** Permittee must remove from the lands only such deposits as may be necessary to experimental work or to establish the existence of valuable deposits within the permit area and must keep a record of all minerals mined.

**Sec. 5. Rental.** Permittee must pay an annual rental of 50 cents per acre, or fraction thereof, but not less than \$20 per year. The annual rental payment must be made on or before the anniversary date of the permit, payable to Minerals Management Service.

**Sec. 6. Extension of permit.** (a) This permit may be subject to extension under applicable regulation upon approval by the Bureau of Land Management (BLM) and upon the showing of entitlement hereto. (*No extension may be granted for sodium or sulphur prospecting permits.*)

**Sec. 14. Special Stipulations:**

(b) Application for extension of this permit, where authorized by law or regulation, must be filed in the proper BLM office at least 90 days prior to the date of expiration of this permit. Unless such an application is filed within the time specified, this permit will expire without notice to the permittee.

**Sec. 7. Assignments.** All assignments or transfers of this permit or of any interest therein must be filed with the BLM for approval in accordance with the provisions of the appropriate regulation and will take effect as of the first day of the month following approval thereof, or, if transferee so requests, as of the first day of the month during which such approval is given.

**Sec. 8. Relinquishment of permit.** Permittee may relinquish this permit, in whole or part, by filing in the proper BLM office a written relinquishment which, upon acceptance by the BLM, will be effective as of the date of filing.

**Sec. 9 Termination or cancellation.** (a) This permit will terminate automatically upon failure of the permittee to pay the rental on or before the anniversary date thereof.

(b) This permit may be cancelled in accordance with the regulations upon failure by permittee to comply with the regulations or the provisions of the law, or for violation of any of the terms or stipulations of the permit and exploration plan. Such cancellation may occur if such failure or default continues for 30 days after service of written notice thereof by the BLM.

**Sec. 10. Protection of surface, natural resources, and improvements.** The permittee agrees to take such reasonable steps as may be needed to prevent operations on the permitted lands from unnecessarily: (1) causing or contributing to soil erosion or damaging crops, including forage, and timber growth thereon or on Federal or non-Federal lands in the vicinity; (2) polluting air and water; (3) damaging improvements owned by the United States or other parties; or (4) destroying, damaging or removing fossils, historic or prehistoric ruins, or artifacts; and upon any partial or total relinquishment or the cancellation or expiration of this permit, or at any other time prior thereto when required and to the extent deemed necessary by the lessor to fill any pits, ditches and other excavations, remove or cover all debris, and so far as reasonably possible, restore the surface of the permitted land and access roads to their former condition, including the removal of structures as and if required. The BLM will prescribe the steps to be taken and restoration to be made with respect to the permitted lands and improvements thereon whether or not owned by the United States.

**Sec. 11. Antiquities and objects of historic value.** When American antiquities or other objects of historic or scientific interest including but not limited to historic or prehistoric ruins, fossils or artifacts are discovered on lands covered by this permit, or discovered during performance of this permit, the item(s) or condition(s) will be left intact and immediately brought to the attention of the contracting officer or his representative.

**Sec. 12. Discovery of Valuable Deposit:** A permittee may file an application for a noncompetitive lease not later than 60 days after expiration of the prospecting permit. An applicant for a noncompetitive lease must show that a valuable deposit of the mineral specified in the prospecting permit was discovered within the permit area and during the life of the permit. For noncompetitive lease applications for sodium, potassium and sulphur, it additionally must be shown that the lands are chiefly valuable for that mineral (*as opposed to nonmineral disposition of the lands*). See regulations in 43 CFR, Part 3500 for filing requirements for specific minerals.

**Sec. 13. Equal opportunity clause.** This permit is subject to the provisions of Executive Order No. 11246 of Sept. 24, 1965, as amended, which sets forth the nondiscrimination clauses. A copy of this order may be obtained from the BLM.

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GENERAL INSTRUCTIONS

*Number of copies.* Three copies of the application, typewritten or printed plainly and signed in ink, must be filed in the BLM office having jurisdiction for the State in which the lands are located.

If additional space is needed to furnish any of the required information, the information should be prepared on additional sheets (8 1/2 x 11"), initialed, and attached to this application.

SPECIFIC INSTRUCTIONS

**NOTE:** After an initial review and clearance of the application, but prior to the BLM's issuance of the prospecting permit, the applicant will be required to file in triplicate an exploration plan reasonably designed to determine the existence or workability of the deposit. See regulations in 43 CFR Part 3500, for specific requirements regarding information to be included in exploration plan.

*Item 9a - Application by a Corporation.* If the applicant is a corporation, an officer or authorized attorney-in-fact of the corporation must submit the information specified in regulation 43 CFR 3502.30.

*Application by an Association including a partnership.* If the applicant is an unincorporated association, the application must be accompanied by a copy of the articles of association together with a showing as to citizenship and holdings of its members, as are required of an individual.

*Application by a trust:* See regulation 43 CFR 3502.29 for specific requirements.

*Item 9b - Statement of Qualifications:* If information as to qualifications has been filed previously with BLM, reference to that serial number may be made.

*Item 10 - A processing fee will be charged which will be determined on a case-by-case basis under 43 CFR 3000.11.*

*Item 11 - Advance rental:* An advance rental at the rate of 50 cents per acre, or fraction thereof, but not less than \$20 made payable to the Department of the Interior - Bureau of Land Management must be submitted with this application. (For example, the advance rental payment for an application covering 40.1 acres would be \$20.50).

*Item 1 - Serial Number* will be issued by the BLM at the time the application is filed. Any future correspondence concerning this application/permit should reference the serial number.

*Item 2 - Specify mineral(s) applied for.*

*Item 4 - Land description:* A complete and accurate description of the lands for which the permit is desired must be given in accordance with the regulations at 43 CFR 3503. The acreage must not exceed the maximum permitted by laws or regulations. In instances where the United States does not own a 100-percent interest in the mineral deposits in any particular tract, the applicant should indicate the percentage of Government ownership.

*Item 7 - Party in interest:* Applicant must indicate whether or not he is the sole party in interest. If not, the applicant must submit, at the time the offer is filed, a signed statement setting forth the names of the other interested parties. All interested parties must furnish evidence of their qualifications to hold an interest in this permit, if issued.