

Draft
W. E. Wallace

LETTER OF AGREEMENT made this

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, A.D. 19

BETWEEN:

Giant Yellowknife Mines Limited,
of the City of Yellowknife, in
the Northwest Territories,

- hereinafter called the Vendor

- and -

Koppers Incorporated
of Pittsburg, Pennsylvania, U.S.A.

- hereinafter called the Customer

WITNESSETH: That the Vendor and the Customer undertake and
agree as follows:

1. The Vendor shall supply the Customer with a minimum of 3,000 tons of arsenic trioxide annually, with an average monthly grade of 90%, and a minor amount of gold.
2. The Vendor shall lease to the Customer for \$1.00 a year sufficient land on the Vendors property on which the Customer shall construct at no cost to the Vendor a storage and loading facility to handle the arsenic trioxide produced by the Vendor.
3. The Vendor will supply the necessary electrical power at no cost to the Customer for the operation of the storage and loading facility and will maintain and keep in good repair said facility.
4. The Customer to pay the Vendor a base price of 3¢ per pound of arsenic trioxide for the arsenic trioxide delivered to the Customers storage facility.

The price to be adjusted every two months according to the latest U.S. Arsenic Market price as quoted in Metals Week. The Vendor to receive 50% of any increase in the U.S. producer price above the base price of 3¢ per pound.

i.e., if the U.S. producer price is now 15¢/pound and the price increases to 18¢/pound, the Vendor would be entitled to 1.5¢/pound increase in the base price.

The initial price for any adjustment will be that market price in force on the date of the signing of this Agreement.

The price will be determined and payable in U.S. dollars.

The Customer will pay the Vendor in U.S. dollars for the amount of arsenic trioxide delivered to their silo within 90 days after receiving the previous month's production figures from the Vendor.

For every 1% below a grade of 90% As_2O_3 the Vendor will accept a decrease in price of 1/10¢ per pound.

For every 1% above the grade of 90% As_2O_3 the Vendor shall be paid an increase of 1/10¢ per pound.

The grade to be determined by a mutually acceptable method of analysis, by both parties. Any disagreement to be settled by a mutually acceptable referee laboratory.

5. The customer shall build at the Vendors mine site a storage silo and vehicle loading facility at no cost to the Vendor. The silo to be capable of holding six weeks production or 700 tons of arsenic trioxide.
6. The Customer to be responsible for and to take delivery of the arsenic trioxide when it is placed in their storage and loading facility, and to be responsible for transporting it off the Vendors property.

7. The Customer will return to the Vendor, at the option of the Vendor, all gold possible contained in the raw arsenic trioxide received at their plant, which they recover in their treatment process.
8. Delivery of the first arsenic trioxide to depend upon the completion of the silo and loading facility, which are to be completed no later than March 1, 1979.
9. The Customer to take all reasonable precautions with their employees operating their vehicles on the Vendor's property against all risks of life or injury to the Vendors employees or damage to the Vendor's property.
10. The Customer shall protect itself and indemnify and save harmless the Vendor from any and all claims which may arise from the construction of the silo and loading facility on the Vendor's property and the subsequent loading and operation of the Customer's vehicles on the Vendor's property, including the leased space on the Vendor's property.

The Customer shall maintain the necessary public liability and general insurance, and vehicle liability insurance.
11. The Customer is responsible for transporting the vehicle loads of arsenic trioxide safely off the Vendor's property, and should an accident occur when a vehicle load is all or partly spilled, and released to the environment, that steps are taken to quickly recover or render harmless the arsenic trioxide so released, at the Customer's expense.
12. This Letter of Agreement shall be in force and binding upon both parties from the date of signing of this Agreement, until a formal contract is drawn up.

KOPPERS INCORPORATED

GIANT YELLOWKNIFE MINES LIMITED

For the Customer

For the Vendor