



To: E. A. Seth

Subject: Giant As203 Sales Agreement with Koppers

Date: April 11, 1980

INTER-OFFICE MEMORANDUM

From: D. N. Zeraldo

H.O. 331-4-79

Copies to: DJE, TJD, PJR, FGTP, W. Moore

APR 16 1980



Attached is a copy of the final contract sent to Koppers
for signing.

DNZ:d1r

D. N. Zeraldo



April 14, 1980

Mr. J. D. Hite
Vice President and General Manager
Specialty Wood Chemicals Division
Forest Products Group
Koppers Company, Inc.
Pittsburgh, PA.
U.S.A. 15219

Dear John:

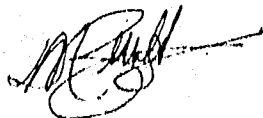
We are pleased to enclose two original copies of our Agreement covering the sale of Giant Yellowknife crude arsenic trioxide to Koppers Company, Inc. Our legal people have approved this document and therefore from our standpoint, it is ready for signing. If the Agreement is acceptable to you and your lawyers would you please have both copies signed by officers of Koppers Company, Inc. under Koppers' corporate seal and returned to us. We will then have both copies of the Agreement executed and one such fully executed copy returned to you promptly.

Alternately, Koppers may wish to write the Agreement; if so please incorporate all the details of our enclosed contract into any such Agreement Koppers might write (and which, of course, would be subject to our lawyers approval).

We look forward to receiving two original copies of our Agreement signed and sealed by Koppers and ready for execution by Giant Yellowknife Mines Limited.

Yours very truly,

FALCONBRIDGE CANADA



D. N. Zeraldo
Supervisor - Minerals Marketing

DNZ:dlr
Encl.

This Agreement made as of the Thirteenth Day of March 1980

between:

Giant Yellowknife Mines Limited

a company incorporated under the laws
of the Province of Ontario, Canada,
(hereinafter called "Giant")

of the First Part

- and -

Koppers Company Inc.

a company incorporated under the laws
of the State of Delaware, one of the
United States of America,
(hereinafter called "Koppers")

of the Second Part

WHEREAS Giant agrees to sell and Koppers agrees to buy crude
arsenic trioxide (the "product" as hereinafter defined) on the terms and
conditions hereinafter set forth;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the mutual
covenants and agreements herein contained and subject to the terms and
conditions hereinafter set forth, the parties hereto agree as follows:

1. Definitions:

Wherever used herein:

- (a) The term "short ton" means a ton of 2,000 pounds, avoirdupois, wet or
dry basis as specifically stated herein;
- (b) Amounts of money stated in "Dollars" (\$) and "Cents" (¢) are stated in
terms of the lawful money of the United States of America;
- (c) The term "month" means a calendar month.

2. Material:

The product is produced by Giant as a by-product from roasting gold bearing concentrate in the fluosolids roaster in its plant located at its mine ("the mine") near the City of Yellowknife, Northwest Territories. Such product is subsequently captured in the baghouse without further processing by Giant, and has the following typical analysis, dry basis:

As ₂ O ₃	90 % (minimum 85%)
Fe	2%
Sb	0.4%
S	0.3%
Cu	0.1%
Au	0.08 ounces per short dry ton
Acid Insoluble	4%

3. Duration:

Subject to Clauses 5 and 20 hereof, the term of this Agreement shall be for a period of 36 months commencing September 1, 1980 and ending August 31, 1983 and shall continue thereafter one additional 12 month period unless and until terminated by either party giving written notice to the other at least 12 months on advance of the date of termination, provided however this Agreement shall not continue beyond August 31, 1984.

4. Quantity:

The quantity of product to be delivered by Giant and received by Koppers hereunder during each of the undermentioned 12 month periods shall be approximately as follows:

	<u>QUANTITY OF PRODUCT</u>
	<u>DELIVERED</u>
September 1, 1980 - August 31, 1981	3,500 short dry tons
September 1, 1981 - August 31, 1982	3,500 short dry tons
September 1, 1982 - August 31, 1983	3,500 short dry tons
September 1, 1983 - August 31, 1984	3,500 short dry tons

In the event Giant's output of product during any of the aforementioned 12 month periods exceeds 3,500 short dry tons, then Giant may offer for sale to Koppers such excess quantities. In the event such an offer is made, if Koppers agrees to purchase such excess quantities, then the total quantity of product to be purchased by Koppers hereunder during such period shall be correspondingly increased by the amount of such excess.

5. Payable Content of Product:

Subject to deduction of charges as referred to in Clause 8 hereof Koppers shall pay Giant for arsenic trioxide contained in product delivered, hereunder as follows:

ARSENIC TRIOXIDE: An amount determined by multiplying the quantity of contained arsenic trioxide by a base price of seven cents per dry pound ("base price") during the period September 1, 1980 to August 31, 1981.

After August 31, 1981 the base price for contained arsenic trioxide shall be increased by an amount equal to the difference by which:

- (a) the amount by which the 'Trioxide/Tacoma' price as published weekly in 'Metals Week' averaged for the quotational period exceeds 24.250 cents per dry pound ("increase in the published price"),

Exceeds

- (b) the amount by which Koppers' truck freight rate, or a verifiable comparative common carrier rate in the event Koppers transports product in its own vehicles, between the mine and Koppers' Conely Georgia plant ("the plant") for the quotational month, expressed in cents per pound of contained arsenic trioxide, exceeds the corresponding freight rate prevailing during the first month product is delivered hereunder ("allowance for transportation cost"), provided however such allowance for transportation cost shall not exceed 50 percent of the increase in the published price.

In the event the 'Trioxide/Tacoma' price ceases to be published in "Metals Week" both parties hereto shall meet promptly to negotiate a mutually acceptable alternate published price.

6. Quotational period:

The quotational period for product delivered hereunder to Koppers shall be the month of arrival of product as specified in Clause 17 hereof.

7. Residue:

It is the intention of the parties hereto that Koppers shall return to Giant and Giant shall accept residue, f.o.b. trucks at Conely Georgia, resulting from the processing of the product at Koppers' plant (the "residue") provided that such residue has a typical moisture content of 10% but not in any event in excess of 15% and provided further that such residue can, in Giant's sole opinion, be economically transported and profitably treated in order to recover its gold content.

In the event that the moisture content exceeds 15%, the cost of freight on such excess moisture content incurred by Giant in transporting the residue either from Koppers' plant to the mine or from Koppers' plant to disposal as specified in Clause 8 hereunder shall be borne by Koppers.

8. Charges:

Subject to Clause 7 hereof, if Koppers disposes of residue, all transportation, handling and disposal costs incurred by Koppers, with respect to such disposal, shall be deducted from the amount due and payable by it to Giant as determined under Clause 5 hereof. Such transportation, handling and disposal costs shall be subject to prior verification and approval by Giant.

If notice of termination of this contract is not given by either party as of August 31, 1982, the end of the second 12 month period, the contract shall continue for another 24 month period and terminate August 31, 1984. The full contract term in this case would be 48 months. In this event, Koppers will undertake to dry the residue commencing September 1, 1982 so that it can be loaded in bulk at Koppers' plant and discharged in bulk at the mine using pneumatic loading and discharging equipment. All freight costs from Koppers' plant to the mine in the case of bulk shipments of residue commencing September 1, 1982 shall be borne by Koppers.

9. Delivery:

The quantity of product to be purchased and sold hereunder shall be delivered to Koppers in approximately equal monthly quantities f. o. b. trucks at the mine, except during freeze-up/break-up periods (usually November and April).

10. Sampling, Assaying and Moisture Determinations:

Samples and moisture determinations of each truck load of product shall be carried out by Giant at its mine at its own expense in accordance with standard practices and the samples and moisture determinations so obtained shall govern final settlement.

The samples from each truck load shall be divided into three portions; one for Giant; one for Koppers and one for reserve. The Koppers and reserve portions shall be carefully sealed and retained by Giant.

Koppers shall have the right to be represented at the sampling and moisture determinations at its own expense.

Giant's assays for water soluble As_2O_3 shall be deemed the final settlement assays, however, Koppers shall have the right to check any or all of Giant's assays at its own expense.

11. Weighing:

Final weighing of each lot of product delivered hereunder shall be carried out by Koppers at its plant at its own expense according to standard practices. Giant shall have the right to be represented at the weighing at its own expense. Koppers' weights shall be used for final settlement. The weights obtained by Koppers along with the date of weighing and Koppers truck freight rate, or a verifiable common carrier rate in the event Koppers chooses to transport product in its own vehicles, between the mine and the plant for the quotational month expressed in cents per pound of product shall be promptly telexed by Koppers to Giant.

12. Shipment:

Koppers shall make all arrangements for shipment of product at its own expense from the mine to its plant.

In addition, Koppers shall use its best efforts to minimize handling and intransit losses. Giant shall promptly load all trucks on arrival at the mine during the period of 8:00 AM to 8:00 PM daily when provided with notification that a truck is ready for loading. Koppers shall provide Giant with a 24 hour notice of each truck arrival at the mine for the purposes of loading product. Giant shall endeavour to complete loading of a truck in a two hour time period.

13. Liability:

Koppers shall comply with all federal, provincial, state or other laws and regulations applicable in Canada or the United States with respect to the handling, transportation, or processing of the product, or the sale or the use of arsenic trioxide, or the disposal of residue therefrom, and shall hold Giant harmless from and against all third party claims which may arise out of the handling, transportation, processing, use, or sale of arsenic trioxide or the disposal of the residue therefrom.

14. Taxes and Duties:

All taxes or other duties which may be exigible on the product in Canada shall be for Giant's account and all such taxes or duties which may be exigible thereon in the U.S. shall be for Koppers' account.

15. Payment:

All accounting and payments hereunder shall be in United States funds.

Final determination of the amount payable by Koppers to Giant for product delivered each month hereunder shall be made in accordance with the terms hereof as soon as all settlement weights, moisture determinations,

assays, prices, and freight rates are known. Giant shall promptly invoice Koppers for all product delivered during any month hereunder. Payment shall be made to Giant by Koppers 10 days following the date of invoice. Remittance of the amount due Giant shall be made by Koppers to Giant by first class airmail.

16. Title and Risk:

Title to product and risk of loss thereof shall pass from Giant to Koppers at the moment product is loaded into trucks at the mine.

17. Date of Arrival:

Product delivered hereunder shall be deemed to have arrived at Koppers' plant on the date such material is weighed at Koppers' plant.

18. Arbitration:

In case of disputes or differences arising under this Agreement which are not settled within a reasonable time and not exceeding three (3) months, the parties hereto shall refer such disputes and differences to arbitration under the Arbitration Act of Ontario.

19. Force Majeure:

If at any time(s) either party is delayed in or prevented from exercising its rights or performing its obligations under this Agreement, which delays or preventions are caused by a cause beyond the reasonable control of such party (including, without limiting the generality of the foregoing, Acts of God, strikes, lockouts, or other labour or industrial disturbances, interruptions by government or court orders, future orders of any regulatory body having jurisdiction, acts of the public enemy, wars,

riots, sabotage, blockages, embargoes, failure or inability to secure fuel, power, materials, contractors or labour failure of machinery and equipment, snowslides, landslides, lightning, weather conditions materially preventing or impairing work, fires, storms, floods, washouts, and explosions), the period of all such delays resulting from such causes or any of them shall be excluded in computing and shall extend the time within which such party may exercise its rights or perform its obligations hereunder, provided that such affected party shall promptly advise the other party of the occurrence and cessation of such cause in writing, and provided further that if the delay or prevention extends or is reasonably anticipated to extend beyond 60 days, the party not affected may cancel the tonnage so delayed, or if beyond 120 days, either party may cancel the tonnage so delayed, without any liability for payment of penalty or damages. This clause shall not affect Koppers' liability to pay for products in which title has already passed to Koppers.

20. Economic Clause:

In the event that Giant decides to cease operations at the mine because of either:

- (a) the depletion of its ore reserves; or
- (b) metal prices which, in Giant's opinion, render mining operations at the mine uneconomic,

Giant may notwithstanding anything herein contained to the contrary, terminate this Agreement upon giving Koppers at least six months' written notice thereof. In the event of such termination, Giant shall not be liable in any manner whatsoever to Koppers.

21. Notices:

Any notice to be given to Giant pursuant to or concerning this Agreement shall be in writing and may be given by prepaid registered mail addressed to:

Giant Yellowknife Mines Limited
P. O. Box 40
Commerce Court West
Toronto, Ontario

or by delivering the same to it at said address, and any such notice to Koppers shall be in writing and may be given by mailing by prepaid registered mail addressed to:

Koppers Company Incorporated
Forest Products Group
Pittsburgh, Pennsylvania
U.S.A. 15219

or by delivering the same to it at said address. If mailed, such notice shall be deemed to have been received not later than the tenth day after the mailing thereof.

22. Acceptance:

This Agreement shall be governed by and interpreted according to the laws of the Province of Ontario, Canada, and shall extend to be binding upon and enure to the benefit of the parties thereto and to their respective successors and assigns.

Giant Yellowknife Mines Limited

by: _____

by: _____

Koppers Company Inc.

by: _____

by: _____