

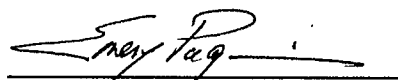
Memorandum of Understanding

The Environmental Protection Division of Renewable Resources and Royal Oak Mines Inc. agree to jointly develop and cost share a study to develop computer dispersion modelling of sulphur dioxide and arsenic emissions from the Royal Oak Giant Yellowknife Mine as specified in the Terms of Reference.

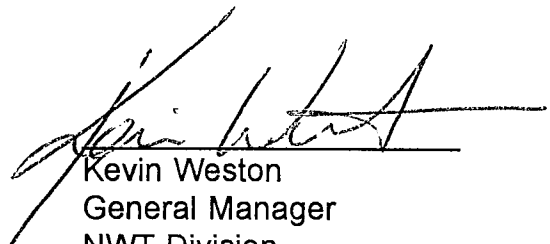
The Terms of Reference #94-03 dated August, 1994 are accepted. The contract shall be jointly awarded to M.M. Dillon Limited and administered by a representative from the two parties. Both parties agree to provide the consultant with the information required to complete this study. For the purposes of this study the two parties shall be represented by Jim Sparling, Air Quality Specialist, Environmental Protection Division and Dave Anthony, Manager, Environmental Services, Royal Oak Mines Inc.

The cost for the project will be divided equally and each party shall be invoiced directly by the contractor for payment. Upon approval of the final report by the two parties, each party shall separately maintain the rights to use and publish the materials contained in the report.

The project shall be completed by January 31, 1995, or as mutually agreed upon.



Emery Paquin
Director
Environmental Protection Division



Kevin Weston
General Manager
NWT Division
Royal Oak Mines Inc.

14 October 1994