

# BULL, HOUSSER & TUPPER

BARRISTERS & SOLICITORS  
Patent & Trade-Mark Agents

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BOARD.	6
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W. RES.	0043
File #	1574

3000 ROYAL CENTRE • P.O. BOX 11130 • 1055 WEST GEORGIA STREET • VANCOUVER, BRITISH COLUMBIA • CANADA V6E 3R3  
TELEPHONE (604) 687-6575 • FAX (604) 641-4949

Reply Attention of: Max Collett  
Direct Line: 641-4912  
Direct Fax: 646-2576  
e-mail: RMC@bht.com  
Our File No.: 97-3141  
Date: November 2, 1999

## BY COURIER

Northwest Territories Water Board  
P.O. Box 1500  
Yellowknife, N.W.T.  
X1A 2R3

**Attention:** Vicki Losier, Executive Assistant

Dear Sirs/Mesdames:

**Re: Application to Assign Water Use Licence N1L2 - 0043 (Renewal) and  
Water Use Licence N1L2 - 1574 (the "Licences")**

We are counsel for Miramar Mining Corporation ("Miramar") in connection with the intended acquisition of the assets of the Giant Mine, N.W.T., which are owned by Royal Oak Mines Inc. ("Royal Oak").

Miramar is negotiating an acquisition agreement with Royal Oak's receiver, Pricewaterhouse Coopers Inc. ("PwC"). The acquisition of the Giant Mine assets is scheduled to occur this month.

The intended acquisition contemplates an assignment by PwC of the licences, leases and agreements associated with the operation of the Giant Mine, which include the Licences.

Miramar wishes to accept the assignment of the Licences. However, Miramar's acceptance of the assignment of Water Use Licence N1L2 - 0043 is conditional upon the Water Board's approval of the amendment to Water Use Licence N1L2 - 0043 which was requested in a letter of October 29, 1999 by counsel for PwC to the Chair of the Water Board. In this letter, counsel for PwC requested that the Water Board approve an extension of the deadline



*A Member of*

MCMILLAN BULL CASGRAIN

for submitting an "Arsenic Trioxide Management Project Description" to the Water Board, from October 1, 1999 to October 1, 2002.

Pursuant to section 19 of the *Northwest Territories Waters Act*, and sections 7 and 10 of the *Northwest Territories Waters Regulations* (the "Regulation"), we enclose for each water use licence to be assigned the following materials in support of this assignment application:

- a completed Application for Authorization to Assign a Licence;
- a signed Declaration of Licensee;
- a signed Declaration of Assignee; and
- a cheque payable to the Receiver General for Canada in the amount of \$30.00.

Since PwC has been appointed receiver for Royal Oak, an authorized representative of PwC has completed the present licensee requirements for this application. For your convenience, we enclose a copy of the court order appointing PwC as receiver for Royal Oak.

We request that the Water Board expedite the processing of this application and provide us with a decision at its earliest convenience, but no later than the end of November.

Thank you very much for your co-operation in this matter. If you have any questions, please call me.

Yours truly,

BULL, HOUSSE & TUPPER



Max Collett

RMC/cw/781401  
Encs

**BULL, HOUSSER & TUPPER**BARRISTER & SOLICITORS  
Patent & Trade Mark AgentsROYAL BANK OF CANADA  
Main Branch - Royal Centre  
1025 West Georgia Street  
Vancouver, B.C.

No. 148686

06/10/99

PAY \*\*EXACTLY\*\*\*\*\*30\* DOLLARS AND \*00\*CENTS

\$ 30.00

TO  
THE  
ORDER  
OF

RECEIVER GENERAL FOR CANADA

BULL, HOUSSER &amp; TUPPER

PER \_\_\_\_\_

PER Anathani

A MEMBER OF McMILLAN BULL CASGRAIN

⑈148686⑈ ⑆00010⑆003⑆ 111⑆103⑆8⑈

Indian and Northern Affairs Canada  
Affaires indiennes et du Nord CanadaGENERAL RECEIPT  
RÉCÉPISSÉ GÉNÉRAL

C 105029

Date	Nature and no. of remittance - Forme et n° de la remise	Invoice no. - N° de facture	Branch - Direction
08/11/99	CHEQUE NO 148686	02/11/99	NWT WATER BOARD
Received the sum of - Reçu la somme de		Location - Endroit	
THIRTY		YELLOWKNIFE, NWT	
		00 / 100 Dollars \$	30.00

From - De

For - Pour

LICENCE APPLICATION FEE 30.00

NILZ-0043

LINE OBJECT 5201

BULL, HOUSSER &amp; TUPPER

P.O. Box 11130

Vancouver, BC V6E-3R3

  
Authorized officer - Fonctionnaire autorisé





**BULL, HOUSSER & TUPPER**BARRISTER & SOLICITORS  
Patent & Trade Mark AgentsROYAL BANK OF CANADA  
Main Branch - Royal Centre  
1025 West Georgia Street  
Vancouver, B.C.

No. 149005

25/10/99

PAY \*\*EXACTLY\*\*\*\*\*30\* DOLLARS AND \*00\*CENTS

\$ 30.00

RECEIVER GENERAL FOR CANADA

BULL, HOUSSER &amp; TUPPER

TO  
THE  
ORDER  
OF

PER \_\_\_\_\_

PER *Nathan*

A MEMBER OF McMILLAN BULL CASGRAIN

⑈149005⑈ ⑆00010⑈003⑆ 111⑈103⑈8⑈

Indian and Northern  
Affairs CanadaAffaires indiennes  
et du Nord CanadaGENERAL RECEIPT  
RÉCÉPISSÉ GÉNÉRAL

C 105030

Date 08/11/99		Nature and no. of remittance - Forme et n° de la remise CHEQUE NO. 149005		Invoice no. - N° de facture 02/11/99		Branch - Direction NWT WATER BOARD	
Received the sum of - Reçu la somme de		THIRTY		00		Location - Endroit YELLOWKNIFE, NWT	
						/ 100 Dollars \$	

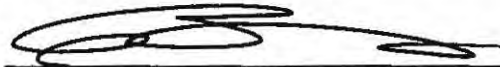
From - De

For - Pour

WATER LICENCE APPLICATION FEE

NILZ-1574

LINK OBJECT 5201



Authorized officer - Fonctionnaire autorisé

(BULL, HOUSSER &amp; TUPPER)

P.O. Box 11130

VANCOUVER, BC. V6E 3R3



NORTHWEST TERRITORIES WATERBOARD  
APPLICATION FOR AUTHORIZATION  
TO ASSIGN A LICENCE

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GENERAL INFORMATION

PRESENT LICENSEE: Royal Oak Mines Inc.

ADDRESS: C/O 145 King Street West, Toronto, Ont. M5H 1V8

PHONE NO.: (416) 869-1130

LICENCE NUMBER: N1L2-1574 EXPIRY DATE: September 30, 2001

LOCATION: Nicholas Lake Area, NWT

PURPOSE: Water Use and Waste Disposal for Care and Maintenance of  
an Exploration Property

PROPOSED ASSIGNEE: Miramar Giant Mine Ltd.

ADDRESS: 311 West First Street, North Vancouver, BC V7W 1B5

PHONE NO.: (604) 985-2572

PROPOSED DATE OF ASSIGNMENT: Such date as notified by Royal Oak Mines Inc.

WATER USE FEES PAID (Current Year)

Amount: \$ 30.00 Receipt No.: C117365 Date: July 5, 1999

APPLICATION FEE Amount \$30.00

Cheque to be submitted with Application form and made payable to  
the RECEIVER GENERAL FOR CANADA

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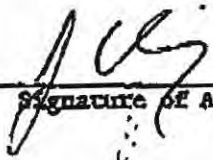
OFFICE USE ONLY Receipt No.: \_\_\_\_\_ Date: \_\_\_\_\_

## DECLARATION OF LICENSEE

I Jason Chang, Senior Associate  
(Name) (office)  
of PricewaterhouseCoopers Inc., Interim  
~~Representing~~ Receiver of Royal Oak Mines Inc.  
(Name of Licensee)  
representing Royal Oak Mines Inc.

hereby request the Northwest Territories Water Board to approve the  
assignment of Licence No. NLL2-1574 described in this  
application.

DATED this 2nd day of November, 19 99 in the  
City of Toronto, Ontario, Canada.  
(City/Town) (Name - City/Town) (Province/Territory)

  
Signature of Applicant



NOV-01-1999 11:09

## DECLARATION OF ASSIGNEE

I BRIAN LABADIE

(Name)

hereby declare that I am a signing authority for the Assignee and

## THAT

the Assignee, if a corporate entity, is registered to carry on business in the Northwest Territories as required by Government of Northwest Territories Statutes and

## THAT

I request the Northwest Territories Water Board to approve the assignment of Licence No. N1L2-1574 described in the application and

## THAT

such date as notified by Royal as of Oak Mines Inc., 19    , I accept all legal rights  
(Date)

and obligations conferred by the Licence referred to in this application, including any obligations of the Licensee which may be outstanding with respect to compliance with the said Licence,

2 but excluding the payment of water use fees for the year 1999.

DATED this 14 day of NOVEMBER, 1999 in the

CITY of NORTH VANCOUVER BRITISH COLUMBIA, Canada.  
(City/Town) (Name - City/Town) (Province/Territory)

  
Signature of Applicant

MIRAMAR GIANT MINE LTD.  
Name of Company

NORTHWEST TERRITORIES WATERBOARD  
APPLICATION FOR AUTHORIZATION  
TO ASSIGN A LICENCE

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GENERAL INFORMATIONPRESENT LICENSEE: Royal Oak Mines Inc.ADDRESS: C/O 145 King Street, West Toronto, Ontario M5H 1V8PHONE NO.: (416) 869-1130NIL2-0043LICENCE NUMBER: Renewal EXPIRY DATE: June 29, 2003LOCATION: Giant Mine Site, Yellowknife, N.W.T.PURPOSE: Water use and Waste Disposal for Industrial UndertakingsPROPOSED ASSIGNEE: Miramar Giant Mine Ltd.ADDRESS: 311 West First Street, North Vancouver, B.C. V7W 1B5PHONE NO.: (604) 985-2572PROPOSED DATE OF ASSIGNMENT: Such date as notified by Royal Oak Mines Inc.WATER USE FEES PAID (Current Year)Amount: \$ 46.07 Receipt No.: C117365 Date: July 5, 1999APPLICATION FEE Amount \$30.00

Cheque to be submitted with Application form and made payable to  
the RECEIVER GENERAL FOR CANADA

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OFFICE USE ONLY Receipt No.: \_\_\_\_\_ Date: \_\_\_\_\_

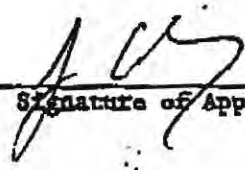
## DECLARATION OF LICENSEE

I Jason Cheng, Senior Associate  
(Name) (office)  
of PricewaterhouseCoopers Inc., Interim  
~~representing~~ Receiver for Royal Oak Mines Inc.  
(Name of Licensee)

representing Royal Oak Mines Inc.

hereby request the Northwest Territories Water Board to approve the  
assignment of Licence No. N1L2-0043 described in this  
application.

DATED this 2nd day of November, 19 99 in the  
City of Toronto, Ontario, Canada.  
(City/Town) (Name - City/Town) (Province/Territory)

  
Signature of Applicant

## DECLARATION OF ASSIGNEE

I BRIAN LABADIE

(Name)

hereby declare that I am a signing authority for the Assignee and

## THAT

the Assignee, if a corporate entity, is registered to carry on business in the Northwest Territories as required by Government of Northwest Territories Statutes and

## THAT

I request the Northwest Territories Water Board to approve the assignment of Licence No. <sup>NIL2-0043</sup> (renewal) described in the application and

## THAT

such date as notified by Royal as of Oak Mines Inc., 1999, I accept all legal rights (Date)

and obligations conferred by the Licence referred to in this application, including any obligations of the Licensee which may be outstanding with respect to compliance with the said Licence, but excluding the payment of water use fees for the year 1999.

DATED this 1<sup>st</sup> day of NOVEMBER, 1999 in the

CITY of NORTH VANCOUVER BRITISH COLUMBIA, Canada.  
(City/Town) (Name - City/Town) (Province/Territory)

  
Signature of Applicant

MIRAMAR GIANT MINE LTD.  
Name of Company

Court File No, 99-CL-3279

## ONTARIO COURT (GENERAL DIVISION)

## (COMMERCIAL LIST)

THE HONOURABLE,

MR. JUSTICE JAMES M. FARLEY

)  
)  
)

FRIDAY, THE 16TH DAY

OF APRIL, 1999

IN THE MATTER OF THE COMPANIES' CREDITORS  
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF THE COURTS OF JUSTICE  
ACT, R.S.O. c. C-43, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE  
OR ARRANGEMENT OF ROYAL OAK MINES INC.,  
AND THE APPLICANTS LISTED ON SCHEDULE "A"

APPLICATION UNDER THE COMPANIES' CREDITORS  
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED  
AND THE BUSINESS CORPORATIONS ACT, R.S.O. 1990, c.  
B. 16, AS AMENDED

**ORDER**

**THIS MOTION** made by Royal Oak Mines Inc. for an order:

- (a) dispensing with service of this Notice of Motion and declaring that all secured creditors who would be materially affected by the order sought have had adequate advance notice and an opportunity to make representations to the Court;
- (b) varying the Initial Order by extending the Stay Termination Date to June 30, 1999, and extending the time for filing a plan of arrangement or compromise to June 30, 1999;



- (c) appointing PricewaterhouseCoopers Inc. ("PwC"), the Monitor herein, as interim receiver of the property, assets and undertaking of Royal Oak Mines Inc. and all other corporations set out in Schedule "A" (collectively, "Royal Oak") under section 47(l) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA");
- (d) ordering Royal Oak to deliver forthwith to PwC, as interim receiver, possession and control of certain of the property, assets and undertaking of Royal Oak and all books, securities, documents, contracts, deeds, applications, surveys, plans, leases, mortgage papers, records, monies, accounts, deposit books, cheques, account statements and records of every kind relating thereto; and
- (e) granting certain other ancillary relief, all of which is set out in the terms of this order,

was heard this day at Toronto

ON READING the Reports filed by PwC in its capacity as Monitor, all material filed by The Bank of Nova Scotia and by Trilon Financial Corporation ("Trilon") in their respective motions for the appointment of an interim receiver of all or part of the undertaking, property and assets of Royal Oak, the affidavits filed in support and in response to such motions and all of the evidence filed in this proceeding, and on hearing the submissions of counsel for Royal Oak, Trilon, Northgate Exploration Limited, McQuarrie Bank Limited, BT Bank Company, The Bank of Nova Scotia, (sometimes referred to collectively as the "Hedge Lenders"), Glencore Ltd., the Unofficial Committee of Senior Secured Subordinated Noteholders (the "Note holders Committee"), Export Development

Corporation ("EDC"), Wajax Industries Limited, Department of Indian and Northern Affairs ("DIAND"), Her Majesty in Right of Newfoundland ("NFLD") and Her Majesty in Right of the Northwest Territories ("NWT"), Tercon Contractors Ltd., Peter Kiewit Sons Co. Ltd. and Focus Industrial Contractors Inc., and on being advised that PwC is consenting to the appointment:

**Service and Leave**

1. **THIS COURT ORDERS** that formal notice of the motion is hereby dispensed with and hereby declares that all secured creditors who would be materially affected by this Order have had adequate advance notice and an opportunity to make representations to the Court.
2. **THIS COURT ORDERS** that the Initial Order be and it is hereby varied by extending the Stay Termination Date for the further period ending 30 June, 1999 and extending the time for filing a plan or plans of arrangement or compromise until 30 June, 1999.
3. **THIS COURT ORDERS** that the liabilities and obligations of Royal Oak which are secured by the Administrative Charge as described in and constituted in the Initial Order shall not include any fees and disbursements of Royal Oak's counsel accrued after April 16, 1999 except the reasonable fees and expenses of Royal Oak's counsel incurred in connection with settling this Order and such other services as may be authorized by PwC.
4. **THIS COURT ORDERS** that the Directors' Charge, as defined and constituted in the Initial Order, shall continue in effect only to the extent of Liabilities (as that term is defined in paragraph 36 of the Initial Order) which arise from events which occurred on or prior to April 16, 1999.

**Appointment and Powers**

5. **THIS COURT ORDERS** that, subject to the other provisions of this Order, PwC is appointed as interim receiver under section 47 of the BIA, without security, of all the property, assets and undertaking of Royal Oak (the "Assets"), with authority to receive, preserve, protect, dispose of, deal with and sell the Assets or any part thereof as PwC sees fit subject to further order of the Court to the extent permitted herein. For greater certainty, this Order does not confer any powers or duties on PwC in its capacity as Monitor appointed pursuant to the Order of the Honourable Mr. Justice Blair dated 15 February, 1999 in these proceedings (the "Initial Order") and all such powers and duties shall remain in full force and effect.

6. **THIS COURT ORDERS** that Royal Oak and their present and former officers, directors, solicitors, auditors, agents, employees, shareholders, contractors and any person acting on their instructions or on their behalf and all persons having notice of this order shall forthwith deliver upon demand to PwC or to such agent or agents as PwC may appoint, all of the Assets and all books, securities, documents, contracts, deeds, applications, surveys, plans, leases, mortgage papers, records, monies, accounts, deposit books, cheques, account statements and records of any kind relating thereto and such persons are hereby restrained and enjoined from dealing with the Assets or interfering with PwC and with the exercise by PwC of its powers and the performance by PwC of its duties hereunder. All persons having notice of this Order shall permit PwC access to any premises where any books and records held or maintained by or on behalf of Royal Oak relating to or touching upon the Assets or affairs of Royal Oak are located.

7. **THIS COURT ORDERS** that, following consultation with Trilon, the Hedge Lenders, the Note holders Committee and EDC, PwC shall file a marketing plan and the timetable applicable thereto (the "Marketing Plan") on or before April 27, 1999

and shall apply to the Court for directions concerning the Marketing Plan on or before April 29, 1999.

8. **THIS COURT ORDERS** that, without limiting the generality of paragraphs 3 and 4 above, PwC shall have the power for, on behalf of, and in the name of Royal Oak, but without obligation:

- (a) to employ or retain and to discharge or terminate such agents, assistants and employees of Royal Oak as PwC may consider necessary or desirable, provided that such employment shall not constitute PwC a "successor employer" to Royal Oak or any other member company of Royal Oak within the meaning of the *Labour Relations Act*, R.S.O. 1990, c.L.2, the *Labour Relations Code* R.S.B.C. 1996 c.244 or any other provincial or federal statute or otherwise;
- (b) to manage or carry on the business and affairs of Royal Oak with respect to the Assets in the name of and on behalf of Royal Oak;
- (c) to enter into such agreements with Arctic Precious Metals Inc. relating to the management of the business and affairs of Royal Oak as it, in its discretion, deems necessary and advisable;
- (d) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets necessary to continue the respective businesses of Royal Oak or any part or parts thereof;
- (e) to institute and prosecute and to continue the prosecution of all suits, proceedings and actions in and before both courts and administrative bodies as may in PwC's judgment be necessary for the proper protection and preservation and for the realization and disposition of the Assets and

likewise to defend all suits, proceedings and actions instituted against it as interim receiver and to appear in and conduct the prosecution or defence of any suits, proceedings and actions now pending in any court or administrative body against any member company of Royal Oak, the prosecution or defence of which will be in the judgment of PwC necessary for the proper protection and preservation and for the realization and disposition of the Assets and the authority hereby conveyed shall extend to such appeals as PwC shall deem proper and advisable in respect of any orders or judgments pronounced in any such suits, proceedings or actions;

- (f) to receive and collect all rents or other monies now or hereafter owing or payable to any member company of Royal Oak in relation to the Assets;
- (g) to take such steps as PwC deems necessary or desirable to preserve and protect the Assets, including without limitation making payments to persons having mortgages, charges or encumbrances thereon, provided, however, that the interim receiver shall not disclaim, terminate or repudiate Royal Oak's obligations under the Concentrate Purchase Agreement between Royal Oak and Glencore Ltd., as amended, without the approval of this Court obtained on not less than seven days notice to the service list,
- (h) subject to paragraphs 21 to 30 hereof to take such steps on behalf of Royal Oak as may be necessary or appropriate to cause Royal Oak to comply with Environmental Regulations and Environmental Orders (both as defined below) relating to the Assets;
- (i) if deemed necessary for the preservation and protection of the Assets, to settle and pay any claims which may be made against any member company



of Royal Oak in relation to the Assets on such terms and in such manner as PwC deems necessary or advisable;

- (j) to maintain bank accounts and to deposit therein all funds collected in the exercise of its powers pursuant to this Order, and if so advised, to invest such funds in term deposits or other instruments from time to time;
- (k) to exercise, in the name of and on behalf of Royal Oak, the rights of Royal Oak as the holder of any securities, including shares;
- (l) to exercise such powers, functions, rights and privileges of the directors and officers of Royal Oak as the Court may approve;
- (m) to take such steps and do such things as it may be directed by this Honourable Court; and
- (n) to sell, transfer or assign, whether on credit, by private tender, public auction or otherwise, or to lease or mortgage the Assets or any part or parts thereof out of the ordinary course of business, without compliance with Part V of the *Personal Property Security Act* (Ontario, Part III of the *Mortgages Act* (Ontario), section 59 of the *Personal Property Security Act* (British Columbia), the *Bulk Sales Act* (Ontario), any other applicable bulk sales legislation or any other notice, statutory or otherwise, which a creditor or other party may be required to issue in order to dispose of the collateral of a debtor, in respect of which PwC be and is hereby relieved.
- (i) without the approval of the Court in respect of any transaction in the ordinary course of business;

- (ii) without the approval of the Court in respect of any transaction out of the ordinary course of business and not exceeding \$500,000 provided that the aggregate consideration for all such transactions does not exceed \$5,000,000, and
- (iii) with the approval of this Court in respect of any other transaction.

9. **THIS COURT ORDERS** PwC to pay any debts, charges and expenses of Royal Oak incurred or accrued after the Initial Order and before the granting of this Order (the "CCAA claims") in accordance with the budgets and cash flows included in the Monitor's reports and/or as approved by PwC in accordance with the protocol attached to the Monitor's 4<sup>th</sup> and 5<sup>th</sup> reports to the extent that sufficient funds are available to PwC to pay CCAA Claims. To the extent that it has funds available and subject to the provisions of this Order, PwC shall pay any debts, charges and expenses of Royal Oak incurred after the granting of this Order which it approves.

10. **THIS COURT ORDERS AND DECLARES** that PwC is not the employer of the employees of any member company of Royal Oak and further orders and declares that the appointment of PwC will not constitute the sale or disposition of the business of Royal Oak or the sale or disposition of any of the assets or the business of Royal Oak and such business will continue to be the business of Royal Oak unless and until it is sold in whole or in part to a purchaser other than PwC.

11. **THIS COURT ORDERS** that PwC may from time to time bring a motion before this Honourable Court for advice and directions in the discharge of its powers and duties hereunder.

**Fees and Disbursements**

12. **THIS COURT ORDERS** that the reasonable professional fees and disbursements of PwC, including, without limiting, all expenses in connection with any matter associated with its appointment and the performance of PwC of its powers and duties hereunder and the costs of legal counsel to PwC on a solicitor and client basis, in accordance with its accounts as passed from time to time, shall form a charge ("PwC's Charge") on all the Assets, ranking in priority to all other charges, claims or encumbrances (subject to the last sentence of paragraph 29), except that PwC's Charge:

- (a) shall be and is subordinate to the security held by Trilon Financial in respect of the aggregate of the advances made by Trilon to Royal Oak, together with all unpaid fees, expenses, interest and other charges, pursuant to the debtor in possession financing (the "Trilon DIP") approved by this Honourable Court under the Initial Order;
- (b) shall be and is subordinate to the charge and security held by CoMac Partners LP, Contrarian Capital Management LLC and Oaktree Capital Management LLC (collectively the "New DIP Lenders") in respect of the aggregate of advances made by the New DIP Lenders to Royal Oak pursuant to the debtor in possession financing (the "New DIP") approved by this Honourable Court pursuant to the Order of the Honourable Mr. Justice Farley made in these proceedings on April 1, 1999 and April 12, 1999;
- (c) shall be and is subordinate to the liens, charges and encumbrances ranking in priority to the Trilon DIP,

- (d) shall not and does not affect any existing rights of The Bank of Nova Scotia to cash collateral security currently held by it in a principal amount not exceeding Cdn. \$408,000;
- (e) shall be and is subordinate to the charge on the LeTourneau loader and the Euclid trucks held by Export Development Corporation unless otherwise agreed; and
- (f) shall be and is subordinate to the interest of Trilon Bankcorp Limited in a shovel and a drill.

The security, charges and rights referred to in subparagraphs (a), (b), (c), (d), (e) and (f) above are hereafter collectively referred to as the "Prior Encumbrances".

13. **THIS COURT ORDERS** that PwC shall be at liberty, on a monthly basis, to apply reasonable amounts from the monies in its hands against its fees, expenses and disbursements including, without limitation, legal fees and disbursements, on a solicitor and his own client basis, and such amount shall constitute advances against its remuneration and expenses on the passing of PwC's accounts.

14. **THIS COURT ORDERS** that PwC shall pass its accounts from time to time and shall pay the balance in its hands as this Honourable Court may direct and, for this purpose, the accounts of PwC are hereby referred to the presiding Commercial List judge of this Honourable Court.

#### **Borrowing**

15. **THIS COURT ORDERS** that PwC shall be at liberty and is hereby empowered to borrow monies on such terms as it considers advisable, without personal

liability, from time to time as it may consider necessary, not to exceed (Cdn) \$20,000,000 in principal amount in the aggregate subject to increase on further order of this Honourable Court, at such rate or rates of interest as it deems advisable and for such period or periods as it may be able to arrange for the purpose of protecting, preserving, maintaining and managing the Assets to the extent that revenue coming into PwC's hands in its capacity as interim receiver is insufficient for those purposes and that, as security for such borrowings, PwC is authorized to pledge, assign or give security on the Assets, ranking in priority to all other charges, claims and encumbrances, except the Prior Encumbrances but subject to the right of PwC to be indemnified out of the Assets with respect to its own liabilities, expense and remuneration properly incurred.

16. **THIS COURT ORDERS** that the monies authorized to be borrowed by this Order shall be evidenced by a certificate or certificates substantially in the form of the draft certificate attached as Schedule "B", to this Order, which certificates may be registered against title to Assets, and may be in the nature of a revolving credit which PwC may pay off or re-borrow within the limits of the authority hereby conferred. Upon the issuance of such a certificate, the Assets shall thereby be charged in favour of the holder of any such certificate. Such charge shall rank in accordance with the priority established in paragraph 10 above; provided, however, that, notwithstanding paragraph 15 of this Order, the PwC Charge shall rank in priority to the charges in favour of the holders of any such certificates only to the extent of \$5,000,000 in aggregate and otherwise the PwC Charge shall be subordinate to charges in favour of holders <sup>of</sup> such certificates.

17. **THIS COURT ORDERS** that in addition to its borrowing powers provided in paragraphs 15 and 16 above, PwC is at liberty and is hereby authorized to borrow monies in respect of the Giant, Colomac and Hopebrook mines, on such terms and amounts as it considers advisable and are approved by the Court, without personal liability, from time to time as it may consider necessary for the sole purpose of funding



compliance with Environmental Regulations, or Environmental Orders (both as defined below) ("Environmental Compliance Borrowings") and that as security for Environmental Compliance Borrowings, PwC is authorized to pledge, assign or give security in the real property in respect of which the Environmental Regulations or Environmental Orders relates and any other real property of Royal Oak that is contiguous thereto and that is related to the activity that caused any environmental conditions or environmental damage to which the Environmental Regulation or Environmental Order relates.

18. **THIS COURT ORDERS** that, notwithstanding (a) the pendency of these proceedings and the declarations of insolvency made herein, (b) the pendency of any petitions for receiving Orders heretofore or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* ("BIA") in respect of Royal Oak and any receiving Order issued pursuant to any such petitions, and (c) the provisions of any federal or provincial statute, any payments made by PwC to a lender pursuant to the Interim Receiver's Certificates (the "Lender") and the security constituted by the security granted in favour of such lender pursuant to paragraph 16 (the "Lender's Charge") do not and shall not be construed to constitute a fraudulent preference or other challengeable or reviewable transaction under any applicable law.

19. **THIS COURT ORDERS** that the Lender's Charge shall be and be deemed to be valid and effective notwithstanding any negative covenant, prohibition or any other in any existing agreement between Royal Oak and any person, and that, notwithstanding any provision to the contrary in any such agreement: (a) neither the creation of the Lender's security or the Lender's Charge nor the execution, delivery, registration or realization of a Interim Receiver's Certificate or notice in respect thereof shall create or be deemed to constitute a breach by Royal Oak of any agreement to which it is a party, and (b) the Lender shall have no liability to any Person whatsoever as a result

of any breach of any agreement caused by or resulting from the issuance of an Interim Receiver's Certificate or the granting or realizing of the Lender's Charge.

**Powers of Directors**

20. **THIS COURT ORDERS** that all the powers, functions, rights and privileges of each of the directors and officers of Royal Oak with respect to the properties, businesses and undertaking of Royal Oak shall be suspended unless specifically continued by the written consent of PwC.

**Environmental Regulations and Orders**

21. **THIS COURT ORDERS** that nothing in this Order in and of itself shall vest in PwC the ownership, control, possession, occupancy or management of or require PwC to enter into possession, occupancy, control or management of any of the Assets, provided that PwC may and is hereby authorized, if it deems appropriate, to enter into possession, control, occupancy or management of any or all of the Assets at its discretion.

22. **THIS COURT ORDERS** that nothing in this Order shall, in and of itself, vest in PwC the ownership, possession, control, occupancy or management of or require PwC to take possession, control, occupancy or management of any Assets which may be a source of a pollutant or contaminant, a waste disposal site, or cause or contribute or threaten to cause or contribute to a discharge, release or deposit of a substance contrary to any federal or provincial legislation or regulation thereunder for the protection of the environment or public health or safety, provided that PwC may and is hereby authorized, if it deems appropriate, to enter into possession, control, occupancy or management of any of such Assets in its discretion.

23. **THIS COURT ORDERS** that PwC shall not be deemed, by virtue only of this Order in and of itself to be a person responsible, the owner, the occupant or a person

in charge of any premises owned or occupied by any of Royal Oak or any member corporation thereof for the purposes of any statute, regulation or rule of law or equity applicable in Canada which imposes liability on the basis of such status, provided that nothing herein shall relieve PwC from liability, if any, resulting from gross negligence or wilful misconduct on its part or the part of its directors, officers, employees, agents, consultants, principals and solicitors.

24. **THIS COURT ORDERS** that, notwithstanding any provision of this Order and any provisions of any federal, provincial or territorial legislation applicable to all or part of the Assets or the terms of any licence or lease applicable to all or any part of the Assets or the business carried on by Royal Oak, to the extent that any of the aforementioned relate to the protection or rehabilitation of the environment or to any other environmental matters (whether included in any mine closure order or directive or otherwise) (collectively, the "Environmental Regulations") and any orders made pursuant to the Environmental Regulations (collectively, the "Environmental Orders"), PwC (which term for the purpose of paragraphs 21 to 30 shall include its officers, directors, employees, agents, consultants, principals and solicitors) shall not be personally liable, either directly or indirectly, under any Environmental Regulations or Environmental Orders in respect of any environmental condition which arose, or any environmental damage which occurred before PwC took possession of the portion of the Assets in respect of which the environmental condition or damage relates.

25. **THIS COURT ORDERS** that PwC shall not be personally liable, either directly or indirectly, under any Environmental Regulations or Environmental Orders ("Environmental Liability") in respect of any environmental condition or environmental damage which occurs after PwC takes possession of the portion of the Assets in respect of which the environmental condition or damage occurred, unless it is established that the condition arose, or the damage occurred, as a result of PwC's gross negligence or wilful

misconduct. Any right of indemnity which PwC may have against all or any portion of the Assets in respect of Environmental Liability shall be allocated on the basis that such right of indemnity shall be limited to the real property in respect of which the Environmental Liability arose and any other real property of Royal Oak that is contiguous thereto and that is related to the activity that caused the environmental condition or environmental damage.

26. **THIS COURT ORDERS** that without limiting the generality of the foregoing, PwC shall have no liability in respect of the long-term remediation of the arsenic trioxide present at the Giant Mine in Yellowknife.

27. **THIS COURT ORDERS** that PwC shall not abandon the Assets, or any part thereof, or cease carrying on the respective businesses of the Companies or any of them in relation to the Assets, or any part thereof, except upon further order of this Court on at least seven (7) days' notice to the service list. Notwithstanding the foregoing, nothing herein shall prejudice PwC's rights under section 14.06(4) of the BIA.

28. **THIS COURT ORDERS** that, subject to the protections afforded PwC hereunder, and subject to the protections afforded PwC under any federal, provincial or territorial legislation, nothing in this Order shall affect or in any way limit the application of any federal, provincial or territorial legislation concerning the environment, health and safety, and mining, to the Assets, or any part thereof, or the terms of any licence or lease applicable to all or any part of the Assets, or the business carried on by the Companies. Without limiting the generality of the foregoing, all federal, provincial and territorial regulations which form part of any such legislation shall continue to apply to the Assets, and public authorities may continue to exercise or perform any power or duty thereunder.

29. **THIS COURT ORDERS** that, subject to the protections afforded PwC hereunder, and subject to the protections afforded PwC under any federal, provincial or



territorial legislation, PwC shall comply with all federal, provincial or territorial legislation concerning the environment, health and safety, and mining which are applicable to the Assets, or any part thereof, or the terms of any licence or lease applicable to all or any part of the Assets, or the business carried on by the Companies.

30. **THIS COURT ORDERS** that nothing in this Order, the Initial Order, or any subsequent order made in these proceedings, shall be taken as granting a charge in priority to any charge which has arisen, or which may arise, in favour of either the federal or provincial crown under section 11.8(8) of the *Companies' Creditors Arrangement Act* or section 14.06(7) of the BIA (and which section 14.06(7) of the BIA shall specifically apply as a result of the appointment of the Interim Receiver pursuant to this Order).

**Limitation of Liability**

31. **THIS COURT ORDERS** that the liability of PwC which it may incur as a result of its appointment or as a result of the performance of its duties hereunder save and except obligations arising as a result of gross negligence or wilful misconduct, shall be limited in the aggregate to the Net Realizable Value of the Assets or ~~such lesser amount as may be agreed~~. The Net Realizable Value of the Assets shall be the proceeds realized in cash from the disposition of the Assets or part thereof after deducting the remuneration and the disbursements of PwC, the Prior Encumbrances and any costs or obligations, including monies borrowed hereunder, incurred by PwC or by any person in connection with the completion of any sale of all or part of the Assets, have been paid. In the event that PwC incurs Environmental Liability, then, for the purposes thereof, "Net Realizable Value of the Assets" shall be deemed to be the Net Realizable Value of the real property in respect of which the Environmental Liability arose and any other real property of Royal Oak that is contiguous thereto and that is related to the activity that caused the environmental condition or environmental damage.



**Extra-Jurisdictional Recognition**

32. **THIS COURT HEREBY** seeks and requests the aid and recognition of any court or administrative body in any province of Canada (including, without limitation, the superior courts of British Columbia, Newfoundland and the Northwest Territories), any federal court or administrative body and any federal or state court or administrative body in the United States of America or elsewhere, to assist PwC and its agents to carry out the terms of this Order. PwC shall be at liberty and is hereby authorized and empowered to apply as it may consider necessary or desirable, with or without notice, to any other courts or administrative bodies, whether in Canada or the United States, for orders in such other jurisdictions recognizing the appointment of PwC. All courts and administrative bodies of all such jurisdictions are hereby respectively requested to make such orders and provide such assistance to PwC, as an officer of the Court, as they may deem necessary or appropriate for the purposes of which PwC was appointed.

**General Provisions**

33. **THIS COURT ORDERS** that PwC shall not authorize or cause Royal Oak to make any contribution to any employee pension plan without specific direction and authority of this Court.

34. **THIS COURT ORDERS AND DIRECTS** PwC, on or before April 30, 1999, to serve on the service list, and to file with this Court, a cash flow budget for each mine covering the period commencing on April 19, 1999 and ending on June 30, 1999. PwC shall, commencing on May 10, 1999 and on the 10<sup>th</sup> day of each succeeding month until further order of this Court, serve and file a report showing its receipts and disbursements for the calendar month preceding each such report.

35. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order, any interested party may apply to this Court to vary this Order or seek such other relief on reasonable notice to PwC and to any other party likely to be affected by the order sought or on such other notice, if any, as this Court may order.

36. **THIS COURT ORDERS** that PwC may, from time to time, apply to this Court for directions in the discharge of its powers and duties hereunder or in respect of the proper execution of this Order upon notice to all the parties who made submissions to the Court with respect to this Order and to such other parties as the Court may direct.

37. **THIS COURT ORDERS** that this Order shall replace and supersede in all respects the interim order which this Court made in this matter on April 16, 1999 and that this Order shall be deemed to have taken effect for all purposes as of April 16, 1999.

38. **THIS COURT ORDERS** that, for greater certainty, any liabilities or obligations incurred by PwC in connection with this Order or in performance of its duties under this Order as interim receiver, except for gross negligence or wilful misconduct, shall be deemed to be incurred solely in its capacity as interim receiver on behalf of Royal Oak and not in PwC's personal capacity.

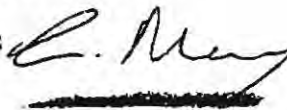


J.M. Forley

ENTERED AT/INSCRIT À TORONTO  
ON/BOOK NO:  
LE/DANS LE REGISTRE NO:

APR 22 1999

PER/PAR:



**SCHEDULE "A"**

10502 Newfoundland Ltd.

934962 Ontario Inc.

Beaverhouse Resources Limited

Consolidated Professor Mines Limited

Royal Oak Hope Brook Ltd.

Royal Oak Timmins Ltd.

Royal Oak Yellowknife Ltd.

Witteck Development Inc.

Ronnoco Gold Mines Limited

Northbelt Yellowknife Gold Mines Ltd.

Royal Eagle Exploration Inc.

## SCHEDULE "B"

## INTERIM RECEIVER'S CERTIFICATE

Amount \$ \_\_\_\_\_

Interim Receiver's Certificate No. \_\_\_\_\_

1. This is to certify that the undersigned, PricewaterhouseCoopers Inc., the interim receiver of the property, assets and undertaking of Royal Oak Mines Inc. and all other corporations set out in Schedule "A" (collectively "Royal Oak") appointed under section 47(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, (the "Interim Receiver") by the Order of the Honourable Mr. Justice Farley of the Ontario Court (General Division) dated the 16th day of April, 1999, (the "Order"), has issued as Interim Receiver to \_\_\_\_\_ this certificate in the amount of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) in lawful money of Canada, which the Interim Receiver is authorized to borrow and have outstanding under and pursuant to the Order.
2. All, or any portion of the sum or sums advanced, shall be payable on demand with interest thereon both before and after all or any of demand, maturity, default and judgment at \_\_\_\_\_ % calculated and payable monthly on the \_\_\_\_\_ day of each and every month, on the basis of the actual number of days in the year, and together with interest on any overdue interest at the same rate and on the same basis. The first interest payment shall be calculated from the date of advance, and the first payment of interest shall be payable on the \_\_\_\_\_ day of the month thereafter.
3. Pursuant to the terms of the Order, repayment of the principal sum advanced pursuant to this certificate and interest thereon, and all expenses incurred by the holder or holders in connection with its repayment, shall by the terms of the Order be secured by a charge (the "Charge") on all the property, assets and undertaking of Royal Oak, together with all other assets and property that may hereafter be in the control of or acquired by the Interim Receiver (collectively the "Charged Property").
4. The Charge shall rank in priority to all other charges, claims and encumbrances, except for Prior Encumbrances, but subject to the right of the Interim Receiver to be indemnified out of the Assets as provided for in the Order with respect to its own liabilities, expenses and remuneration properly incurred.
5. All sums payable in respect of principal and interest under this certificate are payable at the offices of \_\_\_\_\_ at \_\_\_\_\_
6. This certificate may be redeemed by the Interim Receiver at any time without notice or bonus, and all liability hereunder shall terminate on tender to the holder of the certificate of the

outstanding balance of the principal, together with the interest accrued thereon to the date of tender and all expenses incurred by the holder in connection with repayment thereof.

7. Until all liability in respect of this certificate shall have been terminated, no certificates creating charges ranking or purporting to rank in priority to or *pari passu* with the Charge shall be issued by the Interim Receiver to any party, other than the holder of this certificate, without the prior written consent of the holder of this certificate.
8. Subject to the provisions of paragraph 7 herein, the Charge shall operate so as to permit the Interim Receiver to carry on the business and undertaking of Royal Oak and to deal with the Charged Property as authorized by the Order and by any further or other order of the said court.
9. All certificates issued pursuant to the Order may be registered against title to the Assets and may be in the nature of revolving credit which the Interim Receiver may pay off or reborrow within the limits of the authority conferred by the Order.
10. Upon the issuance of this certificate, the Assets shall thereby be charged in favour of the holder of this certificate. Such charge shall rank in accordance with the priority established in paragraph 13 of the Order.
11. The Interim Receiver is not under any personal liability to pay any sum in respect of this certificate.
12. All capitalized terms which are not defined in this certificate shall have the meanings attributed to them in the Order.
13. Notwithstanding any other provision hereof, the Charge created hereby and the terms of paragraph 13 of the Order shall not cease to be effective or be deemed to be void by reason of the principal sum outstanding hereunder becoming or being reduced to zero at any time or from time to time.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 1999.



NO. 00009  
IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985 c. C-36, AS AMENDED, AND IN THE MATTER  
OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c C-43, AS AMENDED, AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF ROYAL OAK MINES INC., ET AL.

**ONTARIO COURT OF JUSTICE  
(GENERAL DIVISION)  
COMMERCIAL LIST**

Proceeding Commenced at Toronto

**ORDER**

**BLAKE, CASSELS & GRAYDON**  
Barristers and Solicitors  
Box 25, Commerce Court West  
Toronto, Ontario M5L 1A9

**Kevin P. McElcheran**  
Tel: (416) 863-2566  
Fax: (416) 863-2653

Solicitors for the Monitor,  
PricewaterhouseCoopers Inc.



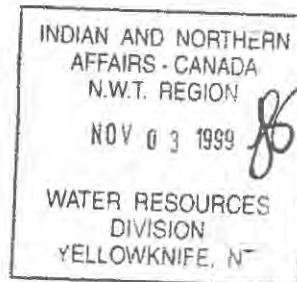
**MIRAMAR CON MINE**  
CON EXPLORATION LTD.  
P.O. BOX 2000  
YELLOWKNIFE, NWT X1A 2M1  
TELEPHONE: (403) 873-2783  
FAX: (403) 873-6357

November 1, 1999.

50-13  
NT

Indian and Northern Affairs Canada  
#16 Yellowknife Airport  
Yellowknife, NT  
X1A 3T2

Attn: Mr. Ron Breadmore  
Water Resources Officer  
South Mackenzie District



Re: Water Licence N1L2-0043  
Giant Mine Site

Dear Ron;

In order to facilitate the assignment of the Giant Mine Water Licence to Miramar Con Mine, Ltd. and subsequently finalize the acquisition of the Giant Mine, it is necessary that Miramar Con Mine, Ltd. obtain confirmation that all non-compliance issues associated with the Giant Mine Water Licence N1L2-0043 have been addressed to the satisfaction of Indian and Northern Affairs Canada.

Specifically, these are the issues identified in your letter dated September 17, 1999. For those items not approved by the Northwest Territories Water Board in the interim, it is necessary to obtain your acceptance of proposed actions and /or schedules for completion.

#### 1. Giant In-house Analytical Laboratory

It is proposed to remove the requirement to submit all water samples required by the Surveillance Program to the Taiga Environmental Laboratory. The Miramar Con Mine Laboratory is an approved facility and will perform the required analyses.

#### 2. Auto Sampler at 43-1

Please confirm that the action taken by Royal Oak Mines as outlined in your correspondence has removed this non-compliance issue from the record.



### **3. Control of Fugitive Dust from the Tailings Containment Area**

It is proposed that a six-month extension be granted for progress report on efforts taken in 1999 to control fugitive dust and studies initiated into alternate tailings covers, should they not have been submitted at the time of acquisition by Miramar Con Mine, Ltd.

### **4. Stabilization and Restoration of Historic Tailings Deposit – Yellowknife Bay**

Please confirm that the proposed revetment of the Historic Tailings Deposit on Yellowknife Bay as detailed in Section 5.7.5 of the recently approved Final Abandonment and Reclamation Plan dated December 1998 is acceptable.

Please note that Miramar Con Mine, Ltd. is concerned this proposal does not address the full extent of tailings deposited in Great Slave Lake nor does it provide for remediation of tailings placed on the shoreline.

### **5. Hazardous Waste Storage Site**

A proposal to cap a portion of the existing scrap steel, wood and arsenic-contaminated waste inventory was approved by Indian and Northern Affairs Canada in the September 17, 1999 correspondence.

The NWT Water Board approved the Hazardous Waste Management Plan September 22, 1999.

### **6. Arsenic Trioxide Management**

Royal Oak Mines has indicated, in correspondence dated October 6, 1999, that no work has been done on the Arsenic Trioxide Management Project since November 1998. Please confirm this correspondence is acceptable as the Quarterly Reports for April 1999, July 1999 and October 1999.

Royal Oak Mines also indicated, in correspondence dated October 6, 1999, they were not able to complete the Arsenic Trioxide Management Project Description as required by Part G, Item 1 of the Water Licence. It is proposed this requirement be waived in light of Royal Oak Mines being placed into receivership. It is further proposed that a reporting schedule be developed by Miramar Con Mine, Ltd. and Indian and Northern Affairs Canada in conjunction with the Northwest Territories Water Board to address Arsenic Trioxide Management in an appropriate timeframe.





## **7. Security Deposit**

Please confirm this issue has been resolved within the terms of the agreement between Miramar Con Mine, Ltd. and Indian and Northern Affairs Canada

## **8. Spill Remediation**

It is proposed a twelve month extension be granted for the following spill remediation issues, should they not have been addressed to the satisfaction of the inspector at time of acquisition by Miramar Con Mine, Ltd:

(i) Spills as identified in the August 31, 1999, Industrial Water Licence Inspection Report.

(ii) Improvements to the bio-remediation facility as directed by the Water Resources Officer in correspondence dated September 17, 1999.

Directions provided by the Water Resources Officer in the letter of September 17, 1999, were issued under Section 37 of the Northwest Territories Water Act. Miramar Con Mine, Ltd. requires confirmation that proposals detailed in this letter are acceptable and that no further action will be taken under the Northwest Territories Water Act.

Should you require further clarification or additional information, please contact me at phone # 873-2783 extn 5605, fax # 920-4238 or e-mail [mborden@nt.sympatico.ca](mailto:mborden@nt.sympatico.ca).

Yours truly,  
**Miramar Con Mine, Ltd.**



Michael Borden  
Senior Environmental Coordinator

c.c. Bob Hauser  
Elaine Bennett  
Shelley O'Callaghan

