

ASSIGNMENT OF LEASE

A-17890T
FILE NO.: 105-SK-155

THIS INDENTURE, made in duplicate, the 1st day of October, 2000.

BETWEEN

MIRAMAR GIANT MINE LTD., a body corporate, incorporated under the laws of British Columbia and registered under the *Business Corporations Act* of the Northwest Territories, having a registered office in the City of Yellowknife, in the Northwest Territories,

(hereinafter called the "**Assignor**")

OF THE FIRST PART

AND

THE MUNICIPAL CORPORATION OF THE CITY OF YELLOWKNIFE

(hereinafter called the "**Assignee**")

OF THE SECOND PART

WHEREAS by a Lease dated the 1st day of October, 2000, and numbered L-17889T, made between the Commissioner of the Northwest Territories, as lessor, and the Assignor, as lessee, the said lessor did demise and lease unto the said lessee the lands herein mentioned to hold from the 1st day of October, 2000 for a term of (30) years, at the yearly rent of (\$600.00) dollars and subject to the lessee's covenants and agreements therein, or any amendment thereto (hereinafter called the "Lease");

AND WHEREAS each of the Assignor and Assignee has the authority to enter into this indenture.

NOW THIS INDENTURE WITNESSETH that in consideration of the sum of \$10.00 and other good and valuable consideration now paid by the Assignee to the Assignor (the receipt of which is hereby acknowledged) the Assignor doth hereby grant and assign unto the Assignee all of the Assignor's right title and interest in the following:

all that portion of Lot One Thousand and Thirty-nine (1039) in Quad 85 J/8 in the City of Yellowknife in the Northwest Territories, according to an Explanatory Plan of Lots certified by Ambrose J. Wrzosek, C.L.S. on the 7th day of March, 1983, as shown outlined in blue on the sketch annexed thereto and forming part of said Lease,

excepting thereout and therefrom all bodies of water contained within the said lot,

together with the residue unexpired of the said term of years, and the said Lease and all benefit and advantage to be derived therefrom.

The Assignor covenants with the Assignee that, notwithstanding any act of the Assignor the said lease is a good, valid and subsisting lease, and that the rent thereby reserved has been duly paid up to date and covenants and conditions therein have been duly observed and performed by the Assignor up to the day of the date hereof.

INITIALS.....

- 2 -

And that subject to the payment of the said rent, and to the lessee's observance and performance of the lessee's covenants and conditions in the said Lease, the Assignee may enter into and upon and hold and enjoy the said lands for the residue of the term granted by the said Lease and every renewal thereof (if any) for his own use and benefit without any interruption of the Assignor or any other person whomsoever claiming or to claim by, through or under him.

And that the Assignor shall and will from time to time, and at all times hereafter, at the request and the cost of the Assignee, execute such further assurances of the said lands as the Assignee shall reasonably require.

And the Assignee covenants with the Assignor that the Assignee shall and will, from time to time during all the residue of the said term granted by the said Lease and every renewal thereof, pay the rent and perform the lessee's covenants, conditions and agreements therein respectively reserved and contained, and indemnify and save harmless the Assignor therefrom and from all actions, suits, costs, loss, charges, damages, and expenses for or in respect thereof.

And it is hereby declared and agreed that this indenture shall enure to the benefit of and be binding upon the parties hereto, their heirs, executors, administrators, (successors) and assigns, respectively.

And it is further agreed that the "Address for Notices" referred to in the lease or subsequent assignments be changed to that of the current Assignee as follows:

The City Of Yellowknife
Box 580
Yellowknife, NT X1A 2N4

IN WITNESS WHEREOF the Assignor and Assignee have hereunto set their hands and seals.

SIGNED, SEALED AND DELIVERED
by the *PRESIDENT*
of Miramar Giant Mine Ltd.

)
)
)
)
)
Assignor (SEAL)

SIGNED, SEALED AND DELIVERED
By the Mayor
And by the Senior Administrative Officer
of the Municipal Corporation of the
City of Yellowknife

)
)
)
)
)
)
Assignee
Assignee (SEAL)

CONSENTED TO ON BEHALF OF THE COMMISSIONER OF THE NORTHWEST
TERRITORIES THIS 12TH DAY OF OCTOBER, 2000.

COPY

PER: *[Signature]*
Deputy Minister
Department of Municipal
and Community Affairs



LEASE

L-17889T
File No.: 105-SK-155

THIS LEASE made this 1st day of October, 2000.

BETWEEN

THE COMMISSIONER OF THE NORTHWEST TERRITORIES,

hereinafter called "the Commissioner"

OF THE FIRST PART,

AND

MIRAMAR GIANT MINE LTD., a body corporate, incorporated under the laws of British Columbia and registered under the Business Corporations Act of the Northwest Territories, having a registered office in the City of Yellowknife, in the Northwest Territories,

hereinafter called "the Lessee"

OF THE SECOND PART,

WITNESSETH that in consideration of the rents, covenants and agreements herein reserved and contained on the part of the **Lessee** to be paid, observed and performed, and subject to the **Commissioner's Land Act** and the **Commissioner's Land Regulations**, the **Commissioner** demises and leases unto the **Lessee** all that certain parcel or tract of land situate, lying and being in the Northwest Territories and being composed of

all that portion of Lot One Thousand and Thirty-nine (1039) in Quad 85 J/8 in the City of Yellowknife in the Northwest Territories, according to an Explanatory Plan of Lots certified by Ambrose J. Wrzosek, C.L.S. on the 7th day of March, 1983, as shown outlined in blue on the sketch annexed hereto and forming part of this **Lease**,

excepting thereout and therefrom all bodies of water contained within the said lot,

hereinafter called "the land" subject to the reservations and exceptions contained in the **Commissioner's Land Act** and the **Commissioner's Land Regulations** and to the following reservations:

- a) all mines and all minerals whether solid, liquid or gaseous which may be found to exist within, upon or under the land together with the full powers to work the same and for the purpose to enter upon, use and occupy the land or so much thereof and to such an extent as may be necessary for the effectual working and extracting of the said minerals;
- b) the rights of the recorded holders of mineral claims and any other claims or permits affecting the land;
- c) all timber that may be on the land excepting what must be removed for the purpose of landscaping or the construction of improvements;
- d) the rights to enter upon, work and remove any rock outcrop required for public purposes;
- e) such rights of way and of entry as may be required under regulations in force in connection with construction, maintenance and use of works for the conveyance of water for use in mining operations; and
- f) the right to enter upon the land for the purpose of installing and maintaining any public utility.

TO HAVE AND TO HOLD for and during the term of thirty (30) years, commencing on the 1st day of October, 2000.

YIELDING AND PAYING THEREFOR yearly and every year in advance a rental of Six Hundred (\$600.00) dollars or such rental as may be fixed by the **Deputy Minister** pursuant to Clause # 14 below.

THE PARTIES COVENANT AND AGREE AS FOLLOWS:

DEFINITIONS

1. In this **Lease "Deputy Minister"** means the **Deputy Minister of the Department of Municipal and Community Affairs** and any person authorized in writing by the **Commissioner** to act on behalf of the **Deputy Minister**.
2. In this **Lease "Environmental Protection Statutes"** means all Federal and Territorial Environmental Statutes, regulations, guidelines and codes of practice, thereto and appropriate Municipal or local environmental protection by-laws applicable to the Lands and Lessee's use and occupation of the Lands.
3. In this **Lease "Contaminants"** shall include all substances that fall within the definition of "Air Contaminant, Air Pollution, Substance or Toxic Substances" in the **Canadian Environmental Protection Act**, or any similar Territorial legislation or guidelines, whichever is the most onerous. In addition the word "Contaminants" shall include all substances that come to fall within the aforementioned definitions and designations (or terms used in their stead in any legislation enacted in replacement thereof) or which fall within the meaning of Section 11 of the **Canadian Environmental Protection Act**, and for greater certainty means any substance which is deleterious or hazardous to persons, animals, fish, plants, soil, water, property or the environment, and for the purposes hereof includes only those substances arising from or associated with the **Lessee's** use or occupation of the Land and includes but is not limited to:
 - a) radioactive materials;
 - b) explosives;
 - c) any substance that, if added to any water, would degrade or alter or form part of a process of degradation or alteration of the quality of that water to the extent that it is detrimental to its use by a person or by any animal, fish or plant;
 - d) any solid, liquid, gas or odor or combination of any of them that, if emitted into the air, would create or contribute to the creation of a condition of that air that:
 - i) endangers the health, safety or welfare of persons or the health of animal life,
 - ii) interferes with normal enjoyment of life or property, or
 - iii) causes damage to plant life or to property; and
 - iv) substances declared to be hazardous or toxic under any law or regulation now or hereafter enacted or promulgated by any federal, territorial, municipal or local government authority having jurisdiction over the **Lessee**, the Land or associated facilities.

INDEMNITY

4. The **Lessee** shall at all times hereafter indemnify and hold harmless the **Commissioner** against all claims, demands, actions or other legal proceedings by whomsoever made or brought against the **Commissioner** by reason of anything done or omitted to be done by the **Lessee**, its officers, servants, agents or employees connected with or arising out of this **Lease**. This indemnity shall survive the termination of this **Lease**.

COMPLIANCE

5. The **Lessee** agrees in all respects to abide by and comply with all applicable lawful rules, regulations and by-laws of the Federal Government, Territorial Government, Municipal Government or any other governing body whatsoever that have been or may be enacted and in any manner affect the said land.

PAYMENT

6. The **Lessee** shall during the said term, pay the said rental and all taxes, rates and assessments charged upon the land or upon the **Lessee** in respect thereof.

COPY

LATE PAYMENT FEE

7. Where any portion of the rental herein reserved is unpaid, the **Lessee** shall pay a late payment fee as required by the regulations in force at the time under the **Financial Administration Act** on any **Lease** payments that are in arrears for more than 90 days.

NON-COMPLIANCE

8. Without limiting any other rights and remedies of the Landlord hereunder, should the **Lessee** be found in breach of any of the covenants and agreements contained herein, the **Deputy Minister** may upon Sixty days notice in writing cancel this **Lease**. Said notice shall give the **Lessee** Sixty days to remedy the breach or to commence to remedy the breach. Should the **Lessee** fail to remedy or to commence to remedy the breach within the said Sixty days, this **Lease** is terminated.
9. Where the **Lessee** fails to correct a non-compliance with the terms and conditions of the Lease, the **Deputy Minister** may order the restoration of all or any part of such land and any expenses incurred by the **Deputy Minister** shall be recoverable from the **Lessee** as a debt due to the **Commissioner**.
10. Where any portion of the rental herein reserved is unpaid for more than thirty days after it is due, whether formally demanded or not, or where the **Lessee** fails to perform or observe any of the covenants or agreements herein contained, the **Deputy Minister** may by notice in writing terminate this **Lease**, and on the day following the mailing of the notice this **Lease** is terminated.

TERMINATION

11. Termination of this **Lease** shall not prejudice the **Commissioner's** right to unpaid rental or any other right with respect to a breach of any covenant or agreement herein contained.
12. Upon the termination or expiration of this lease, the **Lessee** shall deliver up possession of land in as good a condition and state of repair as when the **Lessee** took possession of the land under this lease, or in a condition satisfactory to the **Deputy Minister**.

SURRENDER

13. Subject to the rights and interests of any third parties of which notice has been provided to the **Deputy Minister**, the **Lessee** may surrender the **Lessee's** interest under this **Lease** upon giving 60 days notice in writing to the **Deputy Minister**. The **Deputy Minister** may accept such surrender, if the **Lessee**:
- a. Pays all rental due under this **Lease** to the effective date of the surrender;
 - b. Pays all property taxes, rates and assessments, including interest and penalties thereon, charged upon the land or to the **Lessee** to the effective date of the surrender;
 - c. Restores the land to a condition satisfactory to the **Deputy Minister**, excepting any contamination of the land existing at the commencement of this lease and any natural deterioration of the condition of the land arising from such existing contamination; and
 - d. Provides the **Deputy Minister** with an executed **Surrender of Lease** in a form approved by the **Deputy Minister**.

The effective date of the surrender of the **Lessee's** interest under this **Lease** is the date the **Deputy Minister** accepts such surrender by executing the **Surrender of Lease** form.

AMENDED RENTAL

14. The **Deputy Minister** may at any time, not less than three months before the expiration of the first five year period of the said term, or of any subsequent five year period, notify the **Lessee** in writing of an amended rental payable for the following five year period and/or for the remainder of the said term of this **Lease**. The said amended rental is to be based upon the Pricing Policy in effect at the time of such notification, but without taking into account the value of any improvements placed thereon by the **Lessee**. In the event that the rental as determined by the **Deputy Minister** is not acceptable to the **Lessee**, the determination of value will be made by the **Supreme Court of the Northwest Territories** at the request and expense of the **Lessee** or as the Court may decide. Notwithstanding the foregoing, the rent shall not be increased above \$600.00 per annum if the Municipal Corporation of the City of Yellowknife is the Tenant.

COPY

SURVEY

15. The boundaries of the land are subject to such adjustment and alteration as may be shown to be necessary by survey.

SURVEY COSTS

16. The **Lessee** may, at its own cost, have the land surveyed by a **Canada Land Surveyor**.

LAND USE

17. The **Lessee** shall use the land for municipal or recreational purposes only.

EXISTING IMPROVEMENTS

18. The **Lessee** shall maintain the existing improvements now situated on the land, or any similar improvements which may be constructed, in a manner and condition satisfactory to the **Deputy Minister**.

REMOVAL OF IMPROVEMENTS

19. The **Lessee** may, at its own expense, remove any improvements placed on the land by the **Lessee** or the **Lessee's** predecessor.

ACCESS

20. It shall be lawful for the **Deputy Minister** or any person duly authorized at all reasonable times to enter upon the land for the purposes of examining the condition thereof.
21. The **Deputy Minister** shall have the right to enter upon the said lands for the purpose of conducting tests or other investigative measures to ensure compliance with the terms and conditions of the **Lease**. If the **Lessee** is found to be in non-compliance with the terms and conditions of the **Lease**, the **Lessee** shall pay for all costs associated with correcting the non-compliance as well as the costs of any testing or investigative measures undertaken to identify these deficiencies.

LAND FILL

22. On the expiry of this **Lease**, the **Lessee** may sever and remove from the land all structures, fixtures, and improvements, saving and excepting the following: all and any land fill, and without restricting the generality of the foregoing, in the form of soil, topsoil, sod, clay, sand, gravel, rock, crushed rock, glacial till, concrete, grout, asphalt, or any combination thereof, which during the said term were affixed or placed at the **Lessee's** expense on the land.

EASEMENTS

23. The **Commissioner** may, where the **Deputy Minister** deems it necessary in the public interest, establish easements through, under or over any portion of the land for any public utility purpose, but said easements shall not unreasonably interfere with the rights granted to the **Lessee** hereunder or with any improvements made by the **Lessee** on the land.

ROAD CONSTRUCTION

24. The **Commissioner** may re-enter and occupy any portion of the land for construction of roads or other public works, but such construction shall not unreasonably interfere with the rights granted to the **Lessee** hereunder, or with any improvements made by the **Lessee** on the land.

COPY

DITCHES

25. The **Lessee** shall permit free access at all times to any drainage ditches located on the land.

ENVIRONMENT

26. Subject to the terms of this agreement, the **Lessee** shall accede to and comply with all **Environmental Protection Statutes**.
27. Compliance with **Environmental Protection Statutes** by the **Lessee** shall be at the **Lessee's** cost and expense and any adverse environmental condition to the land caused by **Contaminants** brought onto the land in relation to the **Lessee's** occupation, or arising as a result of the **Lessee's** use and occupation of the land shall be rectified at the cost and expense of the **Lessee** to return the land to a state that complies with all **Environmental Protection Statutes**. For greater certainty, nothing herein shall make the **Lessee** responsible to remedy the existing contamination of the land, as set forth in Baseline Environmental Reports prepared by Golder & Associates Ltd. dated November 24, 1999 and the report prepared by Deton'Cho Environmental Alliance dated November 1999, or to remedy any natural deterioration of the land arising from the existing contamination.

NOXIOUS WEEDS

28. The **Lessee** shall and will, in all respects, use and manage the land in a fair and husband-like manner subject to the approval of the **Deputy Minister**, and shall exercise such control of noxious weeds on the land as shall tend to eradicate the same and prevent their increase on the land, and their spreading to adjoining property.

DISCHARGE OF WASTE

29. The **Lessee** shall not discharge or deposit any refuse substances or other waste materials in any lake, river, stream or creek, or on the banks thereof, which will, in the opinion of the **Deputy Minister**, impair the quality of the waters or the natural environment and any areas designated for waste disposal shall not be located within 30.48 metres (100 feet) of the Ordinary High Water Mark of any body of water.

FLOODING

30. The **Lessee** shall not be entitled to compensation, from the **Commissioner**, by reason of the land or any portion thereof being submerged, damaged by erosion or otherwise affected by flooding.

RENEWAL OPTION

31. If the **Lessee** duly performs and observes all the covenants and agreements herein, and on the part of the **Lessee** to be performed and observed, the **Commissioner** shall, at the expiration of the said term, grant to the **Lessee** a new lease of the land for a further term of thirty (30) years, and subject to the same covenants and agreements as are herein contained with the exception of this clause.

SUBLEASE REQUIREMENT

32. The **Lessee** shall not sublet the land without the consent of the **Deputy Minister** in writing.

ASSIGNMENT REQUIREMENT

33. The **Lessee** shall not assign this **Lease** without the consent of the **Deputy Minister** in writing.

TIME

34. Time shall be of the essence in this agreement.

WAIVER

35. Unless a waiver is given in writing by the **Deputy Minister**, the **Commissioner** shall not be deemed to have waived any breach by the **Lessee** of any of the covenants or agreements herein contained, and a waiver relates only to the specific breach to which it refers.

IMPLICATION

36. No implied covenant or implied liability on the part of the **Commissioner** is created by the use of words, "demise and lease" contained herein.

SURVIVORSHIP

37. This **Lease** enures to the benefit of and is binding upon the **Commissioner** and the **Commissioner's** successors, and upon the **Lessee**, the **Lessee's** heirs, executors, administrators and assigns.

ADDRESS FOR NOTICES

38. Wherever in this **Lease** it is required or permitted that notice or demand be given or served by any party to this **Lease** to or on the other, such notice or demand shall be given or served in writing and forwarded by registered mail, addressed as follows:

To the **Deputy Minister**:

Deputy Minister
Department of Municipal and Community Affairs
Government of the Northwest Territories
#500, 5201 50th Avenue
YELLOWKNIFE, NT X1A 3S9

To the **Lessee** at:

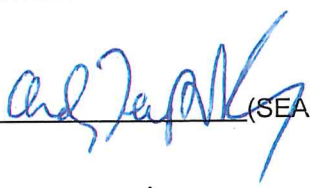
Miramar Giant Mine Ltd.
311 West First Street
North Vancouver, BC V7M 1B5

Attention: Brian Labadie
Fax: (604) 980-0731

or to such other address as either of the parties may from time to time notify the other in writing in the manner hereinbefore provided.


IN WITNESS WHEREOF the parties have executed this agreement as of the date and year first above written.

SIGNED, SEALED AND DELIVERED
by

)
) **THE COMMISSIONER OF THE**
) **NORTHWEST TERRITORIES**
)
)
)
)
) PER  (SEAL)
)

SIGNED, SEALED AND DELIVERED
by the **PRESIDENT**
and by the

of
Miramar Giant Mine Ltd.

)
) 
) **Lessee**
)
)
) _____ (SEAL)
) **Lessee**

COPY

