

MARCH 10, 1980

RAPIFAX TO: BILL MOORE
GIANT YELLOWKNIFE MINE
YELLOWKNIFE, N.W.

26 - 113

RE: GIANT BAGHOUSE DUST

WE ARE ABOUT TO PROCEED WITH OUR DISCUSSIONS WITH KOPPERS CONCERNING THE SALE OF GIANT CRUDE AS₂O₃. WE HAVE PREPARED A DRAFT AGREEMENT (COPY OF WHICH FOLLOWS) WHICH WE INTEND TO PRESENT TO KOPPERS SHORTLY. BILL WOULD YOU PLEASE REVIEW THIS CONTRACT WITH YOUR PEOPLE AND ADVISE ME OF ANY CLAUSES OR WORDING WHICH MAY PRESENT A PROBLEM TO THE MINE. (IN PARTICULAR, I DRAW YOUR ATTENTION TO CLAUSES 2 AND 4.)

REGARDS,

DAN ZERALDO

DRAFT

This Agreement made as of the First day of September,
1980 between:

Koppers Company Inc.
Specialty Wood Chemicals Division
Pittsburgh, PA
U.S.A. 15219
(hereinafter called "Koppers") of the first part

and

Giant Yellowknife Mines Limited
P.O. Box 40, Commerce Court West
Toronto, Ontario
Canada, M5L 1B4
(hereinafter called "Giant") of the second part

WHEREAS Giant agrees to sell and Koppers agrees to buy
arsenic trioxide contained in 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:

Crude arsenic trioxide (hereinafter called "product") 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 and which product is subsequently captured in the baghouse without further processing by Giant, and having the following approximate analysis, dry basis:

As ₂ O ₃	85 - 99%
Fe	2%
Sb	0.4%
S	0.3%
Cu	0.1%
Au	0.12 ounces per short dry ton
Acid Insoluble	4%

3. Duration:

The term of this Agreement shall be for a period of two years commencing September 1, 1980 and ending August 31, 1982 and shall continue thereafter from year to year unless and until terminated by either party giving written notice to the other at least one calendar year in advance of the date of termination, provided however this Agreement shall not continue beyond August 31, 1983.

4. Quantity:

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

	QUANTITY OF PRODUCT DELIVERED
September 1, 1980 - August 31, 1981	3,500 short dry tons
September 1, 1981 - August 31, 1982	3,500 short dry tons

In the event Giant's output of product during each of the above mentioned 12 month periods exceeds 3,500 short dry tons, then such additional quantities shall be included under the terms of this Agreement, provided however the maximum tonnage shall not exceed 5,000 short dry tons during each of the above mentioned 12 month periods.

5. Payable Content of Product:

Subject to deduction of charges as specified in Clause 7 hereof Koppers shall pay Giant for the value of arsenic trioxide contained in product weighed, sampled, assayed and delivered during a particular month hereunder as follows:

ARSENIC TRIOXIDE: pay for the assayed content at a settlement price for arsenic trioxide equal to seven cents per dry pound.

6. Quotational Period:

The quotational period for product delivered hereunder shall be the month following the month of arrival of product as specified in Clause 15 hereof.

7. Charges:

The following charges, when applicable, shall be deducted by Koppers from the value of arsenic trioxide to be paid for by it as determined in Clause 5 hereof:

- (a) transportation and handling costs paid for by Koppers in disposing of the residue resulting from the processing of product at Kopper's Conley, Georgia plant (the "plant").

(b) No charges shall be levied by Koppers should Giant take delivery of such residue suitably packaged f.o.b. trucks at the plant.

8. Delivery:

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

9. Sampling, Assaying and Moisture Determinations:

Samples and moisture determination 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.

10. 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 shall be promptly telexed by Koppers to Giant.

11. Shipment:

Koppers shall make all arrangements for shipment of product at its own expense to its plant and shall comply with all federal, provincial, state or other laws and regulations applicable in Canada or the United States with respect to the handling and transportation of the product with respect to minimizing handling and intransit losses. Giant shall promptly load all trucks 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.

12. 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.

13. 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 and prices are known. Giant shall promptly invoice Koppers each month for all product which arrives (as defined in Clause 15 hereof) at the plant during such month. Payment shall be made to Giant by Koppers promptly upon receipt of Giant's invoice. Remittance of the amount due Giant shall be made by bank cable transfer by Koppers.

14. 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.

15. 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.

16. 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.

17. 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.

18. 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.

19. 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
Pittsburgh, Pennsylvania

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.

20. 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 Ltd.

by: _____

Agreed to and Accepted

this ___ day of _____, 1980.

Koppers Company Incorporated

by: _____

by: _____