

Post-it Fax Note 7671B		July 17	N° de dossier 15
To / À	Andrea Carter		
From / De	Michelle Johnson		
Co / Dept. / Cie / Service	NWB		
Co. / Co	DIAND		
Phone # / N° de tél.			
Phone # / N° de tél.			
Fax # / N° de télécopieur	867.360.6369		
Fax # / N° de télécopieur			



## Appendix B

### Assumption Agreement For Inuit Land Use Permit

Kitikmeot Inuit Association,  
BHP Diamonds, and Cambiex Exploration Inc.

December 17, 1999

(3)

**ASSUMPTION AGREEMENT**  
**FOR INUIT LAND USE PERMITS**

THIS AGREEMENT is executed as of the 17<sup>th</sup> day of December, 1999, with effect as of the same day.

**BETWEEN:**

**KITIKMEOT INUIT ASSOCIATION**, an association incorporated under the *Societies Act* of the Northwest Territories and having a registered office in Cambridge Bay, Nunavut

(the "KIA")

**AND**

**BHP DIAMONDS INC.**, a company incorporated under the laws of Canada and having a registered office in Vancouver, in the Province of British Columbia

(the "Permittee")

**AND**

**CAMBIEX EXPLORATION INC.**, a company, incorporated under the laws of the Province of Quebec and having a registered office in Montreal, in the Province of Quebec

(the "Transferee")

WHEREAS the Permittee holds all rights, title and interests in and to those certain land use permits known as the Hope Bay Land Use Permit (197C141) (the "Hope Bay Permit") and the Boston Land Use Permit (195C058) (the "Boston Permit") delivered by the KIA (hereinafter collectively referred to as the "Permits"); and copies of which are annexed hereto as Schedules "A" and "B" hereof, together with the applications for access to Inuit Owned Lands which are incorporated by reference in the Permits and any amendments or extensions thereof;

WHEREAS the Permittee and the Transferee have entered into a Sale and Purchase Agreement pursuant to which the Permittee sells, conveys and transfers to the Transferee all of its right, title and interest in and to the mineral properties known as the Hope Bay Properties, including the water licenses delivered by the Nunavut Water Board (the "NWB"), the mineral rights delivered by Nunavut Tunngavik Incorporated and by the Federal Crown and the Permits (collectively the "Rights"), and the Transferee purchases said Rights;

**WHEREAS** the Permittee and the Transferee wish that, upon the sale, conveyance and transfer of the Rights, the Permittee shall be fully released by the KIA and held harmless by the Transferee from any liability whatsoever arising from any and all works performed by the Permittee on the Hope Bay Properties pursuant to any of the Rights and that any such liability that may arise from such works shall be assumed by the Transferee alone;

**WHEREAS** the Transferee agrees and covenants to provide the KIA, on the terms set forth hereinafter, with a security deposit to guarantee the performance of any and all of its obligations pursuant to the Hope Bay Permit or any replacement thereof granted or delivered by the KIA to the Transferee, which security shall be in addition to the security to be provided to the Receiver-General of Canada and the KIA by the Transferee for the Boston Water License (NWB:BO89801) (the "Boston License"), as such security may be modified by the NWB;

**NOW, THEREFORE, THIS AGREEMENT WITNESSES** that, in consideration of the premises and the mutual covenants and agreements herein contained, the Parties hereto hereby agree as follows:

**1. TRANSFER AND ASSUMPTION**

- 1.1 The Permittee hereby assigns, conveys and transfers the Permits, including but not limited to its reclamation obligations and liabilities for work previously done by the Permittee on the Hope Bay Properties under the terms of the Permits, to the Transferee for good and sufficient consideration, the receipt of which is hereby acknowledged by the Permittee.
- 1.2 The Permittee hereby represents and warrants to the Transferee that, as of the effective date of this Agreement, it is not aware, nor has it received any notice, of any violation or default on its part under the Permits which could have a material adverse effect on the status of the Permits, except as stated in the Environmental Report and the Rescan Hope Bay Belt Site Assessment 1999 Report described in the aforesaid Sale and Purchase Agreement, both of which reports have been previously provided to the Transferee and the latter having been provided to the KIA.
- 1.3 The Transferee hereby acknowledges, covenants and agrees:
  - (a) to assume and exercise all of the Permittee's rights, obligations and liabilities, whenever occurring, under the Permits;
  - (b) to be bound by the terms and conditions of the Permits in all respects as if the Transferee was the original party to the Permits in lieu of the Permittee;

- (c) to subject any further assignment or disposition of the Permits to the prior written consent of the KIA; and
- (d) to correct any existing or future defaults with respect to the Permits regardless of when such default is discovered or occurred.

## 2. SECURITY DEPOSIT

2.1 Subject to sections 2.2 and 2.3 below and concurrently with the transfer of the Permits, the Transferee shall provide the KIA with a security deposit (the "Security") in such form and amount as herein provided. All interest earned on the Security shall accrue to the benefit of and be paid to the Transferee on a regular basis. The Security is provided to the KIA for the purposes of guaranteeing the Transferee's performance of its obligations and covenants under the Hope Bay Permit. If the Transferee fails to pay rent or other charges due under the Hope Bay Permit, or otherwise default with respect to any obligation, covenant or provision of the Hope Bay Permit (an "Event of Default"), the KIA may, subject to section 2.6 hereof, use, apply, retain or draw all or any portion of the Security to remedy such Default. Such remedy shall include, without limitation, (i) the payment of any rent, charge or any other sum due to or to which the KIA may become obligated by reason of the Transferee's Event of Default; or (ii) the compensation of the KIA for any loss or damage which the KIA may suffer thereby; or (iii) the fulfillment by the KIA of any other obligation of the Transferee under the Hope Bay Permit, on behalf of the Transferee. If the KIA so uses, applies, retains or draws all or any portion of the Security, the Transferee shall within thirty (30) days following written demand therefor, provide the KIA with a security in such form and amount sufficient to restore such Security to the full amount provided herein and the Transferee's failure to do so shall also be an Event of Default hereunder. If the Transferee performs all of its obligations hereunder, such Security, or so much thereof as has not theretofore been used, applied, retained or drawn by the KIA, shall be returned to the Transferee upon termination or expiry of the Hope Bay Permit.

2.2 The Security shall be made available to the KIA by the Transferee as follows:

- (a) a first installment of \$375,000 is hereby provided to the KIA which acknowledges receipt thereof; and
- (b) a final installment of \$375,000 shall be provided to the KIA by the Transferee at the latest on January 1<sup>st</sup>, 2001.

2.3 For greater certainty, it is hereby acknowledged and agreed by the Transferee and the KIA that the Security may be in any form acceptable to the KIA which may include, in the KIA's absolute unfettered discretion;

- (a) a promissory note guaranteed by a Canadian chartered bank payable to the KIA;
- (b) a certified cheque drawn on a Canadian chartered bank payable to the KIA;
- (c) a performance bond;
- (d) an irrevocable letter of credit from a Canadian chartered bank; or
- (e) cash money, whether given in Canadian or American dollar.

2.4 Notwithstanding any other provision contained in this Agreement, the KIA and the Transferee hereby covenant and agree that

- (a) if the security deposit provided by the Transferee to the NWB for the Boston License and naming the Receiver General of Canada and the KIA as joint beneficiaries is canceled, is no longer in force and effect or is otherwise determined to be illegal by a tribunal having jurisdiction over such matters, then

- (i) for security which has already been provided by the Transferee, the Transferee shall provide the KIA, as sole beneficiary, with an additional and separate deposit within sixty (60) days of such decision by a tribunal;
- (ii) for security which has not yet been provided by the Transferee pursuant to the terms of the order by the NWB, the Transferee shall provide the KIA, as sole beneficiary with such additional and separate security deposits in the amounts and at the times otherwise required under the order of the NWB; and
- (iii) notwithstanding the foregoing, the Transferee and the KIA hereby covenant and agree that, should a new order be issued by the NWB to replace the canceled order, the amount of security provided by the Transferee to the KIA pursuant to paragraphs 2.4(a)(i) and 2.4(a)(ii) hereof shall be adjusted so that the aggregate amount of security provided by the Transferee following such new order and consisting of:
  - 1. the security provided to the KIA pursuant to paragraphs 2.4(a)(i) and 2.4(a)(ii) hereof for the Boston Permit and naming the KIA as sole beneficiary; and

2. the security provided to the NWB pursuant to any such new order for the Boston License and naming the Receiver General of Canada as sole beneficiary;

shall at no time exceed \$1.0 million from January 1<sup>st</sup> 2000 to December 31, 2000 and \$1.7 million thereafter;

- (a) If the NWB elects to reduce the amount of security deposit provided by the Transferee for the Boston License then the Transferee covenants and agrees to provide the KIA, at the latest on January 1<sup>st</sup>, 2001, with an additional and separate security deposit for the Boston Permit in an amount equal to the difference between \$1.7 million and such reduced amount determined by the NWB as adequate and sufficient to secure the obligations and covenants of the Transferee under the Boston License; and
- (b) if the KIA has to proceed with the reclamation of that portion of the Hope Bay Properties covered by the Boston Permit (the "Boston Site") and should the security provided to the NWB under the Boston License be insufficient to meet the requirements of a complete reclamation pursuant to the mining industry standards and practices, the KIA may use, at its sole discretion, all or any portion of the Security provided for the Hope Bay Permit to continue or complete the reclamation of the Boston Site as provided herein;

provided that sections 2.1 and 2.3 shall apply, *mutatis mutandis*, to any such additional and separate security.

- 2.6 Upon the occurrence of an Event of Default and prior to any use of the Security by the KIA, the KIA shall give at least a thirty (30)-day prior written notice thereof to the Transferee stating the nature of such Event of Default and demanding that the Transferee remedy or commence to remedy such Event of Default within such 30 days, as applicable, provided however that such obligation to remedy shall be subject to favorable and appropriate northern weather condition. Failure by the Transferee to remedy or commence to remedy such Event of Default within the given time shall entitle the KIA to use, apply, retain or draw all or any portion of the Security to remedy such Event of Default.
- 2.8 For greater certainty, the bankruptcy, insolvency or reorganization of the Transferee under any law then applicable or the appointment of a trustee or a receiver for the benefit of creditors of the Transferee shall not be deemed an Event of Default hereunder as long as the Transferee is otherwise in compliance with the terms and conditions of the Permits.
- 2.7 The remedies provided for herein are not exclusive but shall be cumulative with and in addition to all remedies now or hereafter allowed by law or equity.

- 2.8 The Transferee acknowledges and agrees that the security provided to the Receiver-General of Canada and the KIA under the terms of the Boston Licence shall also be deemed to be security for the benefit of the KIA under the terms of the Boston Permit.
- 2.9 The Transferee acknowledges and agrees that the Security provided for hereunder is provided in respect of the current terms of the Permits only and that the KIA may require further or other security on any renewal of the Permits or on any replacement thereof by a lease, provided however that in doing so, the KIA shall take into account all other current security previously given by the Transferee to the KIA for the same purposes and covering the same area.
- 2.10 The KIA and the Transferee acknowledge and agree that notwithstanding any term to the contrary in the Permits, or any extension thereof, the expiry date for the Hope Bay Permit and the Boston Permit shall be February 14, 2000.

### 3. INSURANCE

- 3.1 The Transferee hereby confirms to the KIA that it has secured and will maintain, during the entire term of the Permits, a comprehensive general liability insurance issued by an insurance company approved by the KIA and licensed under the laws of Canada to issue liability insurance (a copy of the Cover Note No. 0114108-023 and of the *Certificat d'assurance* naming Cambiex Exploration Inc. as one of the names insured is attached hereto as Schedule "C" to form part hereof), subject to the following conditions:
- (a) It shall provide coverage of not less than \$5,000,000 per occurrence;
  - (b) it shall provide an annual aggregate coverage of not less than \$5,000,000 for pollution liability;
  - (c) It shall name the KIA as an additional insured;
  - (d) it shall include a waiver of subrogation in favour of the KIA, as well as a severability of interests clause and a cross-liability clause; and
  - (e) It shall stipulate that the insurance will not be cancelled or terminated without at least a thirty (30)-days prior written notice to the KIA.
- 3.2 The Transferee shall pay all premiums and charges on all insurance required to be carried by it under the Permits promptly when such premiums become due and shall provide the KIA with satisfactory evidence of the payment of the premiums as they become due and payable. Before entering the lands covered by the Permits, the Transferee shall deliver proof of insurance to the KIA (including copy of all insurance policies or certificate thereof).

The Transferee shall, at its sole cost and expense, comply with any and all requirements of any insurance company pertaining to the lands covered by the Permits and necessary for the maintenance of insurance required to be provided hereunder.

- 3.4 The Transferee further covenants and agrees to require all of its contractors to secure and maintain comprehensive general liability insurance providing adequate and reasonable coverage for their respective activities.

#### 4. CONSENT OF THE KIA

- 4.1 Subject to the terms and conditions set forth in the Permits excluding the restrictions on assignment of such Permits, and subject to the conditions set out in the Application for Access to Inuit Owned Land, the KIA hereby consents to the assignment, conveyance and transfer of all of the Permittee's right, title and interest in and to the Permits and all of the Permittee's obligation and liabilities thereunder to the Transferee.

#### 5. RELEASE, DISCHARGE AND INDEMNIFICATION

- 5.1 The parties hereto hereby acknowledge, agree and covenant that the KIA, in consideration of the obligations assumed by the Transferee hereunder, hereby releases and discharges the Permittee from any and all liabilities and obligations under the Permits, including but not limited to, any reclamation and environmental obligations for work previously done by the Permittee on the Hope Bay Properties under the terms of the Permits and any security previously provided by the Permittee for the benefit of the KIA with respect to the Permits and its liabilities and obligations thereunder.
- 5.2 The KIA hereby further releases and discharges the Permittee from all claims and demands against the Permittee with respect to the Permits and accepts the Transferee in lieu of the Permittee as the substituted party to the Permits and agrees with the Transferee to be bound by the terms and conditions of the Permits in all respects as if the Transferee has been originally named in the Permits as a party to said Permits in lieu of the Permittee.
- 5.3 Nothing herein shall constitute (i) a waiver by the KIA of any right, power or privilege it has under the terms of the Permits with respect to the Transferee; or (ii) a representation to the Transferee that the Permits are in good standing; or (iii) a representation that the Permittee is not in default of any of its obligations under the Permits, provided, however, that any such default shall not be asserted against the Permittee.



6. GENERAL PROVISIONS

6.1 The Transferee acknowledges and agrees that it shall, during the term of the Permits, undertake no underground development for bulk sampling, notwithstanding any term of the Permits to the contrary.

6.2 Any notice, payment or other communication hereunder shall be given in writing and delivered by hand, prepaid registered mail, facsimile, or by overnight courier, at the following addresses:

If the notice is to the KIA, to:

Kitikmeot Inuit Association  
Land Division  
P.O. Box 380  
Kugluktuk, Nunavut  
X0E 0E0  
Tel: (867) 982-3310  
Fax: (867) 982-3311

Attention: Lands Manager

If notice is to the Permittee:

BHP Diamonds Inc.  
The Broken Hill Proprietary Company Limited  
2850 Park Place  
888, Burrard Street  
Vancouver, British Columbia  
V6C 2X8  
Tel: (604) 605-8866  
Fax: (604) 681-5736

Attention: The Secretary

if notice is to the Transferee:

Cambiex Exploration Inc.  
800 René-Lévesque Boulevard West  
Suite 860  
Montreal, Québec  
H3B 1X9  
Tel: (514) 878-3166  
Fax: (514) 878-3324

Attention: Chairman & CEO

or to any other addresses that a party may at any time designate by written notice to the other parties.

All notices shall be effective and shall be deemed delivered (i) if by hand, or by overnight courier, on the date of delivery if delivered during normal business hours, and, if not delivered during normal business hours, on the next business day following delivery, (ii) if by electronic communication, on the next business day following apparently successful transmission, and (iii) if by registered mail, on the next business day after actual receipt.

- 6.3 No failure on the part of a party to exercise and no delay in exercising, and no course of dealing with respect to, any right, power or privilege under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The remedies available to a party are cumulative and not exclusive of any remedies provided by law or equity.
- 6.4 No amendment, modification or waiver of any provision of this Agreement or consent to any departure by any party from any provision of this Agreement shall in any event be effective unless it is confirmed in writing by the other Parties and then the amendment, modification, waiver or consent shall be effective only in the specific instance, for the specific purpose and for the specific length of time for which it is given.
- 6.5 Except for the obligation to make payments when due hereunder, the obligations of a party shall be suspended to the extent and for the period that performance is prevented by any cause (other than lack of funds), whether foreseeable or unforeseeable, beyond its reasonable control, including, without limitation, labour disputes (however arising and whether or not employee demands are reasonable or within the power of the party to grant); acts of God; laws, regulations, orders, proclamations, instructions or requests of any governmental authority; orders of any

court; inability to obtain on reasonably acceptable terms any public or private power or other authorization; curtailment or suspension of activities to remedy or avoid an actual or alleged, present or prospective violation of federal, provincial or local environmental standards; acts of war or conditions arising out of or attributable to war, whether declared or undeclared; riot, civil strife, insurrection or rebellion; fire, explosion, earthquake, storm, flood, sink holes, drought or other adverse weather condition; delay or failure by suppliers or transporters of materials, parts, supplies, services or equipment or by contractors' or subcontractors' shortage of, or inability to obtain, labour, transportation, materials, machinery, equipment, supplies, utilities, or services; accidents; breakdown of equipment, machinery or facilities; or any other cause whether similar or dissimilar to the foregoing (collectively a "Force Majeure Event"). The affected party shall promptly give notice to the other parties of the Force Majeure Event stating therein the nature of the suspension, the reasons therefor, and the expected duration thereof. The affected party shall resume performance as soon as reasonably possible. The affected party shall use all reasonable diligence to remedy the Force Majeure Event as quickly as practicable. However, this requirement of reasonable diligence shall not require the settlement of strikes, lock-outs or other labour difficulties by the party involved therein on terms not acceptable to it. The manner of dealing with any such labour difficulties shall be entirely within the discretion of the party so involved.

- 6.6 This Agreement shall be governed by and interpreted in accordance with the laws of Nunavut and the laws of Canada applicable therein. This original Agreement shall be executed in English, and English shall govern between the parties notwithstanding the translation of the Agreement into French or Inuktitut for any purpose. The parties acknowledge having expressly required that this Agreement and all documents relating thereto be drawn up in English.
- 6.7 There are no implied covenants contained in this Agreement other than those of good faith and fair dealing.
- 6.8 All monetary amounts expressed in dollars in this Agreement shall be determined and payable in Canadian currency, unless otherwise expressly provided.
- 6.9 In the event that a court of competent jurisdiction determines that any term, part, or provision of this Agreement is unenforceable, illegal, or in conflict with any laws to which this Agreement is subject, the parties intend that the court reform that term, part, or provision within the limits permissible under the law in such manner as to approximate most closely the intent of the parties to this Agreement; provided that, if the court cannot make such reformation, then that term, part, or provision shall be considered severed from this Agreement. The remaining portions of this Agreement shall not be affected, and this Agreement shall be construed and enforced as if it did not contain that term, part, or provision.

- 8.10 The parties shall take from time to time such actions and execute such additional instruments as may be reasonably necessary or convenient to implement and carry out the intent and purpose of this Agreement.
- 8.11 This Agreement contains the entire understanding of the parties and supersedes all prior agreements and understandings, whether express or implied, between the parties and relating to the subject matter hereof.
- 8.12 This Agreement shall be binding upon and inure to the benefit of the respective successors and permitted assigns of the parties.
- 8.13 The preamble to this Agreement is hereby incorporated into and made part hereof.
- 8.14 This Agreement may be executed in any number of counterparts, all of which shall constitute one and the same instrument and any of the parties hereto may execute this Agreement by signing any such counterpart.
- 8.15 In this Agreement, time is of the essence.

IN WITNESS WHEREOF, the parties hereto have executed three copies of this Assumption Agreement as of the date first above written.

BHP DIAMONDS INC.

Per. 

Duly authorized officer

KITIKMEOT INUIT ASSOCIATION

Per. 

President

CAMBIEX EXPLORATION INC.

Per. 

Duly authorized officer

UNUSERS CLIENTS 0210-1990CA Assumption Agreement from Cambiex Corp

**SCHEDULE "A"**

**TO THAT CERTAIN ASSUMPTION AGREEMENT BETWEEN  
KITIKMEOT INUIT ASSOCIATION, BHP DIAMONDS INC. AND  
CAMBIEX EXPLORATION INC.**

**HOPE BAY LAND USE PERMIT (0970141)**

Please see next following pages

**SCHEDULE "B"**

**TO THAT CERTAIN ASSUMPTION AGREEMENT BETWEEN  
KITIKMEOT INUIT ASSOCIATION, BHP DIAMONDS INC, AND  
CAMBIEX EXPLORATION INC.**

**BOSTON LAND USE PERMIT (195C058)**

**Please see next following pages**

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**P.14**

**SCHEDULE "C"**

**TO THAT CERTAIN ASSUMPTION AGREEMENT BETWEEN  
KITIKMEOT INUIT ASSOCIATION, BHP DIAMONDS INC. AND  
CAMBIEX EXPLORATION INC.**

**COPY OF COVER NOTE 0114108/023 AND CERTIFICAT D'ASSURANCE**

**Please see next five (5) following pages**

**Page 14 of 14**

**JUN-12-2002 11:53**

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**P.15**

**AON** Aon Reed Stanhouse Inc.

Cover Note No.

Aon Reed Stanhouse Inc.  
 1000 Avenue Macdonald, Suite 800  
 1000 (Quintessence) 1000 073  
 Tel: (514) 848-3500 Tel: (514) 848-3450

POLICY NO.

KEN301775

0114106/023

This Cover Note indicates that, in consideration of payment to be made by the insured at the premium specified, the insurance policies listed below have been placed with the insurer(s) named.

This insurance may be terminated by notice or waived in accordance with the relevant provisions of the insurer's usual policy for this type of risk unless otherwise specified below. Subject to the foregoing this Cover Note is effective until replaced by delivery of the insurer's written contract.

NAME OF INSURED

CANADIAN INC., ITS SUBSIDIARY COMPANIES (INCLUDING SUBSIDIARIES THEREOF), ANY COMPANY OR ORGANIZATION COMING UNDER THE CONTROL OR ACTIVE MANAGEMENT OF THE NAMED INSURED.

ADDRESS OF INSURED

800, RUE LÉVESQUE OUEST  
 MONTRÉAL H3C 2S0  
 QUÉBEC H3C 2S0

COMMERCIAL GENERAL LIABILITY - OCCURRENCE FORM

OPERATIONS/PLANTS INSURED

All premises and operations of the Insured anywhere in the world, however in the United States of America, its territories or possessions, the premises and operations are restricted to those of sales and administration offices and processing (exploration).

LIMIT(S) OF LIABILITY

Bodily Injury and Property Damage.		
each occurrence	\$	5,000,000.00
Annual Aggregate		
Products and Completed Operations	\$	5,000,000.00
Annual Aggregate		
Voluntary Liability	\$	5,000,000.00
Non-owned Automobile Liability	\$	5,000,000.00
Legal Liability - Damage to Hired Vehicles	\$	50,000.00
\$1,000.00 Deductible - All Perils		
Employee Benefits Liability - each claim	\$	5,000,000.00
- aggregate	\$	5,000,000.00
Permit Fire Fighting Expenses - each claim	\$	5,000,000.00
- aggregate	\$	5,000,000.00
Contractor's Legal Liability - All Perils	\$	5,000,000.00
Medical Payments - any one person	\$	2,500.00
any one accident	\$	25,000.00

**IMPORTANT**

PLEASE CLARIFY THIS COVER NOTE AND NOTIFY US IMMEDIATELY IF ANY CHANGE IS REQUIRED

THE POLICY CONTAINS A CLAUSE THAT MAY LIMIT THE AMOUNT PAYABLE

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KE9901779

0114396/023

**Applicable to:**

Stop Gap Employers Liability \$ 1,000,000.00

Defence Costs (Legal Costs and Adjusting Expenses) are part of and not in addition to the limit(s) of insurance.

**DEDUCTIBLE(S):**

Bodily Injury and Property Damage.		
each occurrence	\$	100,000.00
Pollution Liability	\$	250,000.00
Employers' Benefits Liability	\$	1,000.00
Tenant's First Legal Liability	\$	1,000.00

DEDUCTIBLES: Also apply to Defence Costs (Legal Costs and Adjusting Expenses)

**Policy Form:**

As agreed with and as per Policy to be issued by Insurer(s), including:

**Applicable to:**

Employees as Additional Insureds (definition amended to include contract workers)

Territorial Limits: Worldwide jurisdiction, but in respect of U.S.A. the underwritten clauses will apply:

- (i) punitive and/or exemplary damages exclusion
- (ii) absolute seepage, pollution & contamination exclusion
- (iii) costs inclusive

These clauses also apply to the stop gap employers' liability.

Unlicensed vehicles (off highways)

Blasting, pile driving, shooting or under pinning extension

Products/Completed Operations

Personal Injury

Contingent Employers' Liability

Contractors and Owners Protective Liability

Medical Payments

XZ9901749

0114106/023

**Cross Liability****Incidental Medical Malpractice****Occurrence Property Damage****Broad Form Property Damage****Tenant's Legal Liability (All Risks)****Forest Fire Fighting Expense****Employee Benefits Errors and Omissions Liability**  
(Claims Made Form)**Q.P.P. No. 5 - Non-Owned Automobile****Q.E.P. No. 54 - Legal Liability for Damage to Hired Automobiles****Q.E.P. No. 56 - Contractual Liability****Blanket Written Contractual - Non Reporting****Watercraft up to 80 feet in length plus owned Brenda's ferry****90 Days Cancellation Notice except for non-payment of premium****Intentional Injury to protect persons and/or property****SPECIAL EXTENSIONS:**

- Stop gap Employers Liability
- Broad Named Insured, including subsidiary and controlled companies, employee clubs and recreational organizations and insured's interest in joint ventures
- Advertising Injury
- Claim reporting after discovery by the manager or persons responsible for corporate insurance
- Difference in Conditions Endorsement
- Blanket Additional Insureds
- Third Party Liability in respect of IN House Engineers
- Operation of attached machinery
- Broad Form automobile permission
- Pollution Liability (with respect to worldwide jurisdiction excluding U.S.A., its territories or possessions) - sudden and accidental claims made form (with 90 day extension after expiration of policy to report specific event or circumstance that could give rise to a claim).

JUL-17-2001 03:58pm

From-INDIAN AND NORTHERN AFFAIRS

T-162 P.019/020 F-980

KE9901778

0114106/033

**Operations at Carlota, Arizona:**

It is further understood and agreed that coverage hereon is extended to include liability arising out of the insured's operations at Carlota, Arizona, relating to mining rights acquired by the insured and the proposed construction of an open pit copper mine, warranted however that the contractor(s) hired to construct the mine will provide a minimum of U.S. \$5,000,000. of general liability insurance limits, with Canby Inc. and their subsidiary companies included as Additional Insureds.

**SPECIAL EXCLUSIONS/RESTRICTIONS TERMS:**

- Employment Practices Exclusion
- Service of Suit Clause (Canada) MGA 15702
- Nuclear Incident Exclusion Clause (Canada) MGA 1578
- Absolute Seepage, Pollution and Contamination Exclusion - U.S.A.

**CURRENCY:**

All limits of liability and premium are shown in Canadian funds.

**PREMIUM:** \$77,500. plus \$4,000. policy issuance fee

**PERIOD**

\$7,500.00

**PERIOD**

FROM : 01 OCTOBER 1999 TO : 01 OCTOBER 2000  
BOTH DATES TO 11:59 P.M. STANDARD TIME AT THE ADDRESS  
OF THE INSURED AS SHOWN ABOVE

**INSURER (A)**

**INTEREST**

**PREMIUM**

NON-MARKET UNDERWRITERS AT LLOYD'S AS EVIDENCED BY  
ALEX HONSON/NON-MAR REP. KE9901778

100.00004

\$7,500.00

CTB/MLC

26SEP 99

Act Read Steinhilber Inc.

(AUTHORIZED SIGNATURE)

JUN-12-2000 11:54

+1 514 878 3324

F.19

**AON****Aon Reed Stenhouse Inc.****Certificat d'assurance**

LES CERTIFICATS CERTIFIENT QUE LES POLICES D'ASSURANCE DÉCRITES ONT ÉTÉ ÉMISSES EN FAVEUR DE L'ASSURÉ CI-DESSOUS  
 COMME ELLES SONT EN VIGUEUR À LA PRÉSENTE DATE. Le 14 octobre 1999

CE CERTIFICAT EST ÉMIS À LA DEMANDE DE

NOM DE L'ASSURÉ

NOM

CAMBIX INC. ET CAMBIX EXPLORATION  
INC./EXPLORATION CAMBIX INC.

ADRESSE:

CE CERTIFICAT CONCERNE  
LES TRAVAUX ET LOCAUX SUIVANTS:TOUTES LES ACTIVITÉS ET TOUTS LES EMPLACEMENTS  
DE L'ASSURÉ

LE PRÉSENT CERTIFICAT EST FOURNI À TITRE DE RENSEIGNEMENT  
 GÉNÉRAL ET NE CONFÈRE AUCUN DROIT AU DÉTENTEUR NI  
 D'IMPÔSER DE RESPONSABILITÉ À L'ASSUREUR.

NOM DE LA POLICE	NUMÉRO DE POLICE	DATE D'ÉCHEANCE			LIMITES DE RESPONSABILITÉ BLESSURES CORPORELLES ET DOMMAGES MATÉRIELS	
		Jour	Mois	Année		
RESPONSABILITÉ CIVILE (incluant les véhicules automobiles)						
1. <input checked="" type="checkbox"/> Incluant Conduite <input type="checkbox"/> Excluant	K29001778	01	10	2000	\$6,000,000	limite globale pour chaque accident ou événement
1. <input checked="" type="checkbox"/> Incluant Produits <input type="checkbox"/> Excluant	K29001779	01	10	2000	\$5,000,000	limite globale et indépendante pour la responsabilité civile des produits
		01	10	2000	\$1,000,000	responsabilité civile des travailleurs
RESPONSABILITÉ CIVILE DES PATRONS						
1. <input checked="" type="checkbox"/> Directe <input type="checkbox"/> Indirecte	K29001778	01	10	2000	\$5,000,000 \$6,000,000	chaque personne chaque accident
RESPONSABILITÉ CIVILE AUTOMOBILE						
1. <input checked="" type="checkbox"/> Tous les véhicules non appartenant pas à l'assuré <input type="checkbox"/> Tous les véhicules dont l'assuré est propriétaire	K29001779 N/A	01	10	2000	\$1,000,000 \$	limite globale pour chaque accident limite globale pour chaque accident
2. <input checked="" type="checkbox"/> Limite préétablie	BT 200002	01	10	2000	\$25,000,000	limite globale soit des dommages, les accidents des limites préétablies, incluant la responsabilité civile des travailleurs

Assurés: 1. Lloyd's Underwriters pour le compte de Aon Group Limited  
 2. Elliott Special Risk Ltd. pour le compte de Toronto Insurance Company et  
 La Saskatchewan Compagnie d'Assurance Générale

Date: le 14 octobre 1999

L'ABSENCE D'UNE INSCRIPTION DANS CES ESPACES SIGNIFIE QUE L'ASSURANCE S'APPLIQUE.

L'ASSURANCE EST ASSUJETTIE AUX DISPOSITIONS, CONDITIONS ET EXCEPTIONS DE LA POLICE.

*[Signature]*  
 Aon Reed Stenhouse Inc.  
 Représentant autorisé

Aon Reed Stenhouse Inc.

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