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Certified Mail

April 25, 1997

Mr Philippe di Pizzo
Executive Director
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NT, X0E 1J0

Dear Mr. di Pizzo,

Re: Assignment of Water License N7L3-1603 (NWB2GEO)

Please find enclosed completed form Application for Assignment of the above captioned Water License, including Declarations of Licensee and Assignee. Also enclosed is a cheque for \$30.00 to cover the application fee.

Arauco NWT Ltd. ("Arauco") as the assignee is a corporate entity registered in the province of Alberta. Arauco has accepted the assignment by Homestake Canada Inc. and Homestake Mineral Development Company Ltd. of all legal rights, and Arauco has agreed to assume all obligations conferred by the license.

A notarial copy of the Assignment of Permits in respect of Water License N7L3-1603 is also included, for your records.

If you have any questions, please do not hesitate to contact the undersigned at (604) 684-2345, or Jane M. Howe at Arauco Resources Corp. (604) 684-8648.

Sincerely,
Homestake Canada Inc.

E.J. (Gene) Gulajec,
Land Manager, Canada

Encl.

cc. Arauco NWT Ltd, J. M. Howe
Lawson Lundell, A. W. Ryan

[2001.11.01]

Homestake Canada Inc.

P.O. Box 11115 • 1100 • 1055 West Georgia Street • Vancouver, BC V6E 3P8 • Phone (604) 684-2345 • Fax: (604) 684-9831

DECLARATION OF ASSIGNEE

I W. Robert Gilroy
(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 Nunavut Settlement area as outlined in the Nunavut Land Claims agreement and

THAT

I request the Nunavut Water Board to approve the assignment of Licence No. N7L3-1603 described in the application and


THAT

As of February 27, 19 97, 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 19____.

DATED this 24th day of March, 19 97 in the

City of Vancouver, B.C., Canada
(City/Town) (Name - City/Town) (Territory)



Signature of Applicant
W. Robert Gilroy, President and Chief Operating Officer

Homestake Canada Inc.
Name of Company

DECLARATION OF LICENSEE

I RAYMOND O. HAMPTON
(Name)

representing HOMESTAKE CANADA INC.
(Name of Licensee)

hereby request the Nunavut Water Board to approve the assignment of Licence
No. N7L3-1603 described in this application.

DATED this 25th day of MARCH, 1997 in the

City of Vancouver, B.C., Canada
(City/Town) (Name-City/Town) (Province/Territory)

Raymond O. Hampton
Signature of Applicant

**NUNAVUT WATER BOARD
APPLICATION FOR AUTHORIZATION
TO ASSIGN A LICENCE.**

GENERAL INFORMATION

PRESENT LICENSEE: Homestake Canada Inc.

ADDRESS: 1100 - 1055 West Georgia St., Vancouver, B.C. V6E 3P3

PHONE NO: 604 694-2345

LICENCE NUMBER N7L3-1603 EXPIRY DATE: _____

LOCATION: George Lake (Lat. 65°55'N Long. 107°27'W)

PURPOSE: Water use and waste disposal for industrial use in mineral exploration and mining-related development uses.

PROPOSED ASSIGNEE: Arauco NWT Ltd.

ADDRESS: 1500 - 700 West Pender Street, Vancouver, B.C. V6C 1G8

PHONE NO: 604 684-9648

PROPOSED DATE OF ASSIGNMENT: February 27, 1997

WATER USE FEES PAID (Current Year)

Amount: \$ _____ Receipt No: _____ Date: _____

APPLICATION FEES Amount \$30.00

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

OFFICE USE ONLY Receipt No.: _____ Date: _____

PROVINCE OF ONTARIO

TO WIT:

) TO ALL TO WHOM THESE
)
) PRESENTS MAY COME,
)
) BE SEEN OR KNOWN

I, BRIAN PATRICK DOMINIQUE, of the City of Toronto in the Regional Municipality of Metropolitan Toronto, a Notary Public in and for the Province of Ontario, by Royal Authority duly appointed,

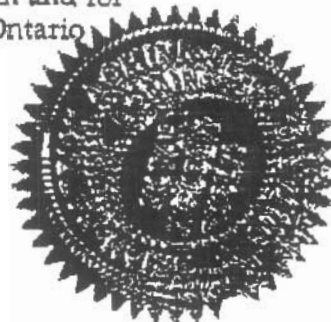
DO CERTIFY AND ATTEST that I have examined the paper writings hereunto annexed and that the same is a true copy of the Assignment of Permits between Homestake Canada Inc., Homestake Mineral Development Company Ltd., and Arauco NWT Ltd. dated February 27, 1997 in respect of Inuit Class A Land Use Permit No. I95C066 and Water Licence (DIAND) No. N7L3-1603.

IN TESTIMONY WHEREOF I have hereunto set my hand and seal of office at Toronto this 5th day of March, 1997.



Brian P. Dominique

A Notary Public in and for
the Province of Ontario



ASSIGNMENT OF PERMITS

THIS ASSIGNMENT made the 27th day of February, 1997,

BETWEEN:

HOMESTAKE CANADA INC., a corporation incorporated
under the laws of Ontario (hereinafter called "Homestake")

OF THE FIRST PART,

AND:

**HOMESTAKE MINERAL DEVELOPMENT COMPANY
LTD.**, a company continued under the laws of British Columbia

("HMDC")

OF THE SECOND PART,

AND:

ARAUCO NWT LTD., a company incorporated under the laws of
Alberta

(the "Purchaser")

OF THE THIRD PART.

THIS ASSIGNMENT WITNESSES that, in consideration of the respective covenants and agreements contained herein, the consideration provided for in the purchase and sale agreement made as of September 13, 1996 (the "Purchase Agreement") among Homestake, Kerr-McGee Canada Ltd. and Arauco Resources Corporation (the "Purchase Agreement") and for other good and valuable consideration, the sufficiency and receipt of all of which are hereby acknowledged, the parties hereto agree as follows:

1. Assignment. Subject to the Purchase Agreement and the General Conveyance and Assumption Agreement among the parties to the Purchase Agreement, Homestake Mineral Development Company Ltd., Kerr-McGee Corporation and the Purchaser dated concurrently herewith (the "General Conveyance"), Homestake hereby assigns all right, title and interest of Homestake in and to the permits described in Schedule "A" attached hereto to the Purchaser and HMDC hereby assigns and quitclaims to the Purchaser whatever legal interest HMDC has or may have therein (the "Permits").
2. Assumption. The Purchaser hereby accepts the assignment and quitclaim in paragraph 1 above and assumes all of the obligations under the Permits pursuant to and in accordance

with the terms of the Purchase Agreement and the General Conveyance, whether at law, in equity or pursuant to the terms of such Permits.

3. Consent or Approval of Governmental Authorities. Subject to Section 9.2 of the Purchase Agreement, where a consent or approval of a Governmental Authority (as defined in the Purchase Agreement) is required by law or contract prior to a specific assignment of a Permit, such assignment shall not be effective until such time as such consent or approval has been obtained.
4. Further Assurances. Each of the parties hereto covenants and agrees that from time to time subsequent to the date hereof, it will execute and deliver all such documents and other assurances and do all such other acts and things as each other party, acting reasonably, may from time to time request be executed or done in order to give effect fully to any provisions of this Assignment.
5. No Derogation. This Assignment shall in no way limit or derogate from and is without prejudice to the covenants, agreements, representations, warranties, indemnities and obligations of the parties hereto or to the Purchase Agreement or the General Conveyance contained in the Purchase Agreement and the General Conveyance, all of which shall continue in full force and effect in accordance with the terms thereof.
6. Survival. This Assignment shall survive the Closing.
7. Governing Law. This Assignment shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.
8. Successors and Assigns. This Assignment shall enure to the benefit of and shall be enforceable by the parties hereto and their respective successors and permitted assigns.

IN WITNESS WHEREOF the parties hereto have executed this Assignment as of the day and year first above written.

HOMESTAKE CANADA INC.

By:

By:

Raymond O. Thompson

c/s

HOMESTAKE MINERAL DEVELOPMENT COMPANY LTD.

By: _____

By: Raymond O. Thompson

c/s

ARAUCO NWT LTD.By: W. J. J.By: W. J. J.

c/s