

Return to: Phelps Dodge Corp.
D. A. Skiffwell
2600 N. Central Ave.
Phoenix, AZ 85004-3014

LESSEE'S ASSIGNMENT OF MINING LEASES

THIS ASSIGNMENT is made as of November 23, 1999, by and between CAMBIOR EXPLORATION USA, INC., a corporation organized under the laws of the State of Nevada, whose address is 331 FREEMANT BLVD SPARKS, NV 89431, herein referred to as "Assignor", and PHELPS DODGE EXPLORATION CORPORATION, a corporation organized under the laws of Delaware, whose address is 2600 North Central Avenue, Phoenix, AZ 85004-3014, herein referred to as "Assignee."

WHEREAS, Assignor is lessee and optionee under the following three Mining Lease with Option to Purchase Agreements ("Mining Leases") concerning the patented and unpatented mining claims described as Parcel Nos. 1 through 3 of Attachment 1 hereto ("Premises"):

Mining Lease with Option to Purchase Agreement dated November 20, 1997, by and among Burgess Farms, et al, collectively referred to as owners, and Cambior Exploration USA, Inc., referred to herein as "Lessee", regarding two unpatented mining claims described in Parcel No. 1 of Attachment 1 hereto, a memorandum of which was recorded December 15, 1997 at No. 00386651, Book 622, page 459, official records of Iron County, Utah; and

Mining Lease with Option to Purchase Agreement dated January 20, 1998, by and between Richard D. Burgess and Debbie W. Burgess, collectively referred to as owners, and Cambior Exploration USA, Inc., referred to herein as "Lessee", regarding four unpatented mining claims described in Parcel No. 2 of Attachment 1 hereto, a memorandum of which was recorded March 23, 1998 at No. 110723, Book 133, page 367, official records of Lincoln County, Nevada; and

Mining Lease with Option to Purchase Agreement dated June 17, 1997 by and between Marvin A. Melville Trust, referred to as owner, and Cambior Exploration USA, Inc., referred to herein as "Lessee", regarding 12 patented mining claims described in Parcel No. 3 of Attachment 1 hereto, a memorandum of which was recorded July 31, 1997 at No. 103476, Book 129, page 402, official records of Lincoln County, Nevada; and

WHEREAS, Assignor desires to assign to Assignee all of Assignor's rights, titles and obligations as Lessee under the Mining Leases.

NOW, THEREFORE, in consideration of Ten Dollars and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Assignor does hereby grant, assign and transfer unto Assignee, its successors and assigns, all of Lessee's titles, rights, privileges and obligations under the Mining Leases, including without limitation all of Assignor's right, title and interest in and to the Premises under and by virtue of the Mining Leases, together with all right, title and interest that Assignor may hereafter acquire therein.

1. Assignor represents and warrants to Assignee as of the date of this assignment that to the best of Assignor's knowledge and belief:

(a) Assignor is in exclusive possession of the Premises in so far as granted by the Mining Leases.

(b) Assignor has not received any notice of default of any of the terms or conditions of the Mining Leases and no condition exists or event has occurred that with the passage of time or the giving of notice will give rise to an event of default thereunder.

(c) The Mining Leases were validly executed and are the binding obligation of the owners.

(d) With respect to any unpatented mining claims subject to the Mining Leases, all claim location and claim maintenance fees have been properly paid in the manner required by law.

(e) The Mining Leases and the Premises subject thereto are free and clear of liens and encumbrances created by or through Assignor.

2. Assignor hereby excepts and reserves to itself and to its successors and assigns a 1% Net Smelter Returns royalty upon the terms and conditions set forth in Attachment 2 hereto.

3. With respect to any unpatented mining claims included in the Premises subject to this assignment, Assignee shall have the right to abandon some or all of such mining claims without further obligation to Assignor, provided that Assignee shall retain no right or interest of any kind in the lands validly encompassed by any such mining claim. If Assignee abandons any unpatented mining claim included in the Mining Leases or relinquishes, voluntarily or involuntarily, any of the Mining Leases and reacquires any interest in the ground covered thereby, directly or indirectly, by means of staking mining claims thereon or by contract by or through one or more of the lessors under the Mining Leases or any person or entity affiliated therewith, such reacquired ground shall be subject to the 1% Net Smelter Returns royalty reserved to Assignor pursuant to paragraph 2 above, but not otherwise.

4. This assignment shall be governed by the laws of the state in which the Premises are situated without regard to any conflicts of law or choice of laws principle that would permit or require the application of the laws of any other jurisdiction.

5. This assignment and the acceptance hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the foregoing assignment has been executed as of the date first above written.

CAMBIOR EXPLORATION USA, INC.

By 

Its *Vice President*

ACCEPTANCE AND INDEMNIFICATION

Assignee hereby accepts the foregoing grant, assignment and transfer and hereby assumes all of the Assignor's titles, rights, privileges and obligations under the Mining Leases and agrees to keep and perform each and all of the covenants and conditions of the Mining Leases to be kept or performed on the part of the Lessee thereunder after the date of this assignment. Assignee further agrees to indemnify, defend and hold harmless Assignor for, from and against any and all liability, loss, cost, expense, damage or claim therefor (including reasonable attorney's fees and costs), including without limitation injury to or death of any person or persons or damage to property, including any damage resulting from subsidence, costs of environmental clean-up, reclamation and remedial action, compliance costs, fines and penalties, arising from or relating in whole or in part to conditions existing on the Premises, except only to the extent the same relate to operations and activities of Assignor on the Premises prior to the date hereof.

IN WITNESS WHEREOF, the foregoing acceptance and indemnification has been executed as of the date first written above.

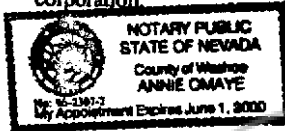
PHELPS DODGE EXPLORATION CORPORATION

By *Valerie Wilson* *Attorney in Fact for Phelps Dodge*
Its President

State of Nevada)
County of Washoe)

Vice President MMG

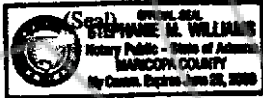
On November 23, 1999, personally appeared before me, a Notary Public,
Michael M. Gusten, ~~President~~ of CAMBIOR EXPLORATION USA, INC., a
Nevada corporation, personally known to me to be the person whose name is subscribed to the
above instrument, who acknowledged that he executed the instrument on behalf of the
corporation.



Annie Omaye
Notary Public

State of Arizona)
County of Maricopa)

On December 16, 1999, personally appeared before me, a Notary Public, A. L.
Lawrence, President of PHELPS DODGE EXPLORATION CORPORATION, a Delaware
corporation, personally known to me to be the person whose name is subscribed to the above
instrument, who acknowledged that he executed the instrument on behalf of the corporation.



Stephanie M. Williams
Notary Public

**ATTACHMENT 1
TO LESSEE'S ASSIGNMENT OF MINING LEASES**

DESCRIPTION OF PREMISES

Parcel No. 1

Unpatented mining claims in Section 25, Township 33 South, Range 20 West, Iron County, UT.

Claim Name	Book	RECORDED		
		Page	BLM UMC#	
Grandee #2		130	86	159222
Grandee #4		130	483	159224

Parcel No. 2

Unpatented mining claims in Sections 30 and 32, Township 1 North, Range 71 East, Lincoln County, NV.

Claim Name	Book	RECORDED		
		Page	BLM NMC#	
Pronto #2		130	141	780173
Pronto #3		130	142	780174
Pronto #5		130	143	780175
Keno #6		130	139	780176

Parcel No. 3

Patented mining claims in portions of Section 8, Township 1 South, Range 71 East (USMS 3895); portions of Sections 24 and 25, Township 1 North, Range 70 East (USMS 3235); and portions of Sections 19 and 30, Township 1 North, Range 71 East (USMS 3235), Eagle Valley Mining District, Lincoln County, NV.

Claim Name	USMS #	Patent #	Patent Date	Patent Recording
Amended Everest	3895	279181	6/24/12	A-1/384 MD
Amended Lone	3895	279181	6/24/12	A-1/384 MD
Amended Midnight	3895	279181	6/24/12	A-1/384 MD
Amended Reliance	3895	279181	6/24/12	A-1/384 MD
Duplex No. 2	3235	358223	10/4/13	B-1/336 MD
Indiana	3235	358223	10/4/13	B-1/336 MD
Jackoni	3235	358223	10/4/13	B-1/336 MD
Jessi	3235	358223	10/4/13	B-1/336 MD
Mabel	3235	358223	10/4/13	B-1/336 MD
Monitor No. 2	3235	358223	10/4/13	B-1/336 MD
Nevada	3235	358223	10/4/13	B-1/336 MD
Nevada No. 5	3235	358223	10/4/13	B-1/336 MD

**ATTACHMENT 2
TO LESSEE'S ASSIGNMENT OF MINING LEASE**

NET SMELTER RETURNS ROYALTY

1. **Definitions.** Capitalized words and phrases used in this Attachment 2 that are defined directly or indirectly in Lessee's Assignment of Mining Lease to which this Attachment 2 is appended (the "Assignment") and that are not otherwise defined in this Attachment 2 have the same meaning in this Attachment 2 as in the Assignment. The following words and phrases shall have the following meanings:

(a) "Affiliate" shall mean any individual, estate, trust, general partnership, limited partnership, limited liability company, corporation, association, or other entity that is directly or indirectly controlling, controlled by or under common control with the Company. For purposes of the preceding sentence, "control" means possession, directly or indirectly, of the right to direct management and policies through ownership of voting securities, contract, voting trust or otherwise.

(b) "Company" shall mean the Assignee under the Assignment.

(c) "Net Smelter Returns" shall have the meaning given in Section 2 of this Attachment.

(d) "Payee" shall mean the Assignor under the Assignment.

(e) "Products" shall mean all ores and minerals mined from the premises and solutions, *etc.*, concentrates or cathodes retrieved through leaching or solution mining or solution extraction/electrowinning processing of leachates or other processing of mineralized material mined from or retrieved from minerals mined from the Premises. *etc.*

(f) "Trading Activities" shall have the meaning given in Section 7 of this Attachment.

2. **Net Smelter Returns.** "Net Smelter Returns" shall mean the net amount, including all bonuses and subsidies, paid to the Company by a custom smelter, refinery or other purchaser of Products, after deducting all costs, expenses and charges paid or accrued with respect to such Products subsequent to concentrating (whether or not deducted by the purchaser or paid or accrued by the Company in the first instance) including, but not limited to, custom smelting and refining costs (including without limitation metal losses, penalties for impurities, and assay and umpire services), brokerage commissions and related costs of sale, taxes allocable to Products (including net proceeds of mines taxes, but not income taxes), insurance on Products during transportation and storage, and transportation of Products from the Premises or concentrator for the Premises to smelter, and from smelter to refinery and from refinery to market and all costs and expenses of converting leach solutions into cathodes, doré or other similar products, including without limitation costs of electrowinning.

3. Payment of Net Smelter Returns.

(a) No royalty shall be payable to Payee on Products produced from any parcel of the Premises so long as any advance or production royalty remains payable to the owner of such parcel pursuant to the applicable Mining Lease. The Net Smelter Returns royalty to be paid to Payee shall be one percent (1%) of the Net Smelter Returns derived by the Company from the sale of royalty Products, less the amount of the royalty, if any, on such Products payable to the United States of America or any agency thereof in excess of four percent (4%) of Net Smelter Returns (or the effective equivalent thereof) derived from the sale of such Products. For example, if a royalty of 2% of Net Smelter Returns (or its effective equivalent) is payable to the United States, Payee will receive a 1% Net Smelter Returns royalty and if said royalty payable to the United States is 5% Net Smelter Returns (or its effective equivalent), Payee will receive no royalty.

(b) Net Smelter Returns shall be paid quarterly on or before 20 days following the end of each calendar quarter for which Net Smelter Returns are payable. Each payment of Net Smelter Returns shall be accompanied by a copy of the smelter settlement sheet or other schedule from which the Net Smelter Returns were calculated.

(c) All payments of Net Smelter Returns by the Company shall be made to the Payee or to an agent appointed by written notice to the Company signed by Payee. Payee may change such agent by written notice to the Company signed by Payee. No such appointment or change of Payee's agent shall be binding on the Company until 30 days after the Company shall have received such notice at its home office. The Company may withhold any payment of Net Smelter Returns otherwise due Payee if at any time and as long as there is no agent authorized to act for Payee, or, the Company may, but need not, deposit such payments for the account of Payee with a nationally chartered bank in the State of Nevada. The obligation to make any payment shall be deemed fully discharged by making such payment to Payee's agent or making such deposit with said bank.

4. Sales to Affiliate. Any smelter or refinery owned or controlled by the Company or an Affiliate of the Company shall be deemed to be a custom smelter or refinery for purposes of calculating Net Smelter Returns, and the Net Smelter Returns from Products purchased by such smelter or refinery shall be computed and determined in accordance with usual custom smelting and refining practices employed by the Affiliate the same as if sold to such smelter or refinery by a third party, but said Net Smelter Returns shall not be less than would have been realized by the Company if such Products had been sold to any smelter or refinery that is not an Affiliate of the Company or, in the case of recovered copper, if such Products had been sold at the "Comex" price, first position, or, in the case of recovered gold or silver, if such Products had been sold at the "Comex" price for such metal, as quoted by *Metals Week*, or an authoritative successor publication, for the day 21 days after receipt by the Affiliate of such Products, whichever is greater.

5. Commingling: Prudent Operations. Ores, concentrates, and derivatives mined or retrieved from the Premises may be commingled with ores, concentrates, or derivatives of similar composition mined or retrieved from other properties. All determinations required for calculation of Net Smelter Returns, including without limitation the amount of the metals contained in ores, concentrates, or derivatives mined or retrieved from the Premises, and the

amount of the metals contained in or recovered from commingled ores, solutions, concentrates or derivatives, shall be made by the Company in accordance with prudent engineering, metallurgical and cost accounting practices as applied by the Company. All matters relative to the calculation of Net Smelter Returns shall be subject to audit or review at Payee's expense at reasonable intervals and at reasonable times during business hours by certified public accountants and licensed or registered engineers employed by Payee.

6. Conclusiveness of Payment. Payee shall have 24 months after receipt of payment within which to object to such royalty payment or to the basis therefor or the calculation thereof. If Payee fails to provide to the Company written notice of any objection to a royalty payment or to the basis therefor or the calculation thereof within said 24-month period, such royalty payment shall be deemed conclusively accurate and in full satisfaction of the Company's obligation therefor, and Payee shall be deemed to have waived any and all objection thereto.

7. Trading Activities. The Company may but need not engage in forward sales, futures trading or commodity options trading, and other price hedging, price protection, and speculative arrangements ("Trading Activities") which may involve the possible delivery of base or precious metals produced from the Premises. Payee shall not be entitled to participate in the proceeds or be obligated to share in any losses generated by the Company's Trading Activities. If base or precious metals produced from the Premises are actually delivered pursuant to such Trading Activities, the price for which such metals shall be deemed to have been sold shall be the "Comex" price for such metals as quoted by *Metals Week*, or an authoritative successor publication, for the day on which such metal was delivered pursuant to such Trading Activities.

NO. 113854

FILED AND RECORDED AT REQUEST OF

Phelps Dodge Corp.

January 18, 2000

AT 12 MINUTES PAST 9 O'CLOCK

AM IN BOOK 146 OF OFF. CIAL

RECORDS PAGE 16 LINCOLN

COUNTY, NEVADA
Althea Boucher
COUNTY REC. CLERK