

Statutory Partition Agreement

Between

Her Majesty In Right Of Newfoundland

And

Newfoundland And Labrador Corporation
Limited

And

Knoll Lake Minerals Limited

And

Canadian Jewels Limited

made pursuant to The Males (Partition Agreement)
Act, 1964, the Act No. 75 of 1964.

DAVID R. TRISTLE, M.B.E., Queen's Printer

PARTITION AGREEMENT

This Agreement made the 17th day of June One thousand nine hundred and sixty-four BETWEEN His Honour, the Honourable Fabian O'Dea, one of Her Majesty's Counsel, learned in the Law, Commander in the Retired List of Her Majesty's Naval Reserve, Lieutenant-Governor of the Province of Newfoundland in Council (hereinafter called the "Government", which expression shall wherever the context so admits mean the Government for the time

Fabian O'Dea
Lieutenant Governor

being of the Province) of the first part AND Newfoundland and Labrador Corporation Limited (hereinafter called "Nalco", which expression shall wherever the context so admits include the successors, assignees, transferees, lessees, sublessees, licensees and agents of Nalco) a corporation constituted by Section 2 of the Nalco Act as defined in subclause (1) of Clause 1 of this Agreement, of the second part AND Knoll Lake Minerals Limited, a company incorporated under the laws of Canada and having its head office in the City of St. John's in the Province of Newfoundland, Canada (hereinafter called "Knoll Lake Minerals", which expression shall wherever the context so admits include the successors, assignees, transferees, lessees, sublessees, licensees and agents of Knoll Lake Minerals) of the third part AND Canadian Javelin Limited, a company incorporated under the laws of Canada and having its head office in the City of St. John's in the Province of Newfoundland, Canada (hereinafter called "Javelin", which expression shall wherever the context so admits include the successors, assignees, transferees, lessees, sublessees, licensees and agents of Javelin) of the fourth part;

WHEREAS Nalco has by the Nalco Act been vested with certain rights, privileges and immunities, all as therein more specifically described, and has pursuant thereto acquired certain mineral and timber lands and other rights and concessions by virtue of divers agreements, leases and grants;

AND WHEREAS Nalco proposes to transfer, assign and convey unto Knoll Lake Minerals Nalco's right, title and interest under the instruments referred to in Appendix A to this Agreement, to enter into ~~agreements~~ with Knoll Lake Minerals and Javelin respecting Nalco's rights and obligations under the instruments referred to in Appendix B to this Agreement and to cause a transfer to be made to Knoll Lake Minerals of the rights,

John R. Leach
Att. Attorney General

privileges, tax exemptions, other exemptions and immunities conferred on Nalco by or under the Acts and Statutory Agreements referred to in Appendix C to this Agreement;

AND WHEREAS the Government has agreed to the proposal of Nalco and is willing to take such steps as are necessary to implement such proposal;

AND WHEREAS to promote the development of mining in Labrador, the Government has deemed it desirable to enter into this Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSETH that the parties hereto, each, in consideration of the premises, and each, in consideration of the covenants and agreements made herein by the other, covenant and agree as follows:

1.—(1) In this Agreement, unless the context otherwise requires, "Nalco Act" means The Newfoundland and Labrador Corporation Limited Act, 1951, the Act No. 85 of 1951, as amended by The Newfoundland and Labrador Corporation Limited (Amendment) Act, 1952, the Act No. 3 of 1952, by The Newfoundland and Labrador Corporation Limited (Amendment) Act, 1953, the Act No. 64 of 1953, by The Newfoundland and Labrador Corporation Limited (Amendment) Act, 1957, the Act No. 83 of 1957, by The Newfoundland and Labrador Corporation Limited (Amendment) Act, 1959, the Act No. 34 of 1959, by The Newfoundland and Labrador Corporation Limited (Amendment) Act, 1960, the Act No. 42 of 1960, and by The Newfoundland and Labrador Corporation Limited (Amendment) Act, 1963, the Act No. 35 of 1963.

(2) Appendices A, B and C to this Agreement are hereby declared to be a part and parcel of this Agreement.

2.—(1) Nalco hereby transfers, assigns and conveys unto Knoll Lake Minerals all of Nalco's rights, liberties and privileges held by or under the grants, leases and the licence referred to in Appendix A to this Agreement, subject to

- (a) all the terms, conditions, provisions, limitations and reservations set forth in the said grants, leases and licence, and
- (b) all of the rights derived by Javalin by or under the grants, leases and licence referred to in Appendix B to this Agreement.

(2) The Government hereby accepts and recognizes the transfer, assignment and conveyance made in subclause (1) of this Clause 2, and all and singular the rights, liberties and privileges transferred, assigned and conveyed to Knoll Lake Minerals are hereby confirmed in Knoll Lake Minerals to the same extent and in the same manner as formerly held by Nalco.

(3) Knoll Lake Minerals covenants and agrees with the Government to perform, fulfil and observe the covenants and all

and singular the obligations, conditions and undertakings imposed on Nalco by or under the grants, leases or licence referred to in Appendix A to this Agreement.

3. A novation is hereby effected between Nalco, Knoll Lake Minerals and Javelin under which, effective from and after the date hereof,

- (a) Knoll Lake Minerals shall be and is hereby substituted in the place and stead of Nalco as grantor, assignor or lessor, as the case may be, in each of the grants, leases and the licence referred to in Appendix B to this Agreement;
- (b) Knoll Lake Minerals covenants and agrees to perform, fulfil and observe the covenants and all of the obligations of Nalco, and there shall be conferred on Knoll Lake Minerals all of the rights of Nalco, under the said instruments in every way as if Knoll Lake Minerals were the grantor, assignor or lessor, as the case may be, in the said instruments instead of Nalco; and
- (c) Javelin releases and discharges Nalco from all claims and demands whatsoever under the said instruments or any of them and accepts the liability of Knoll Lake Minerals under the said instruments in lieu of the liability of Nalco.

4. For the purposes of Clauses 2 and 3 and all other provisions of this Agreement, the grant made by the Crown to Javelin dated the 25th day of June, A.D. 1957, and more particularly referred to in Item 5 in Appendix A and in Item 4 in Appendix B to this Agreement shall be deemed to have been made by the Crown to Nalco and to have been assigned by Nalco to Javelin, on the 25th day of June, A.D. 1957.

5.—(1) Subject to Section 6 of The Nalco (Partition Agreement) Act, 1964, Nalco hereby transfers to Knoll Lake Minerals every right, benefit, privilege, power, interest and exemption vested in or held by Nalco by or under any and all of the Acts and Statutory Agreements referred to in Appendix C to this Agreement, in respect of, but only in respect of the rights, liberties and privileges vested in or conferred on Nalco by the instruments referred to in Appendix A to this Agreement, and the Government hereby agrees to such transfer.

(2) Knoll Lake Minerals agrees to accept all of the terms and conditions set forth in the Acts and Statutory Agreements mentioned in Appendix C to this Agreement, in so far as they applied to Nalco before the execution and delivery of this Agreement in respect of, but only in respect of the rights, liberties and privileges vested in or conferred on Nalco by the instruments referred to in Appendix A to this Agreement, and Knoll Lake Minerals hereby covenants faithfully to perform and discharge all of the obligations, duties and liabilities of Nalco in respect of the said rights, liberties and privileges.

(3) In particular, but without limiting the generality of subclause (2) of this Clause 5, the provisions of Section 80 of the Nalco Act shall, notwithstanding the provisions of subclause (5) of the said Section 80, be applied to Knoll Lake Minerals in respect of the rights, liberties and privileges vested in or conferred on Nalco by the instruments referred to in Appendix A to this Agreement and transferred, assigned and conveyed to Knoll Lake Minerals in Clause 2 of this Agreement, and Knoll Lake Minerals agrees to pay to the Government in each year, in respect of the said rights, liberties and privileges, a rental equal to eight per centum (8%) of the net profits of Knoll Lake Minerals computed in the manner prescribed in subsection (2) of Section 80 of the Nalco Act, such rental to be payable at the times provided in subsection (3) of the said Section 80 with the right of set-off of deficiency against surplus provided in subsection (4) of that section.

(4) Nothing contained in this Agreement shall be deemed to constitute an assumption by Knoll Lake Minerals of obligations of Nalco under Section 80 of the Nalco Act or of any other general obligations of Nalco which do not relate specifically to the rights, liberties and privileges vested in or conferred on Nalco by the instruments mentioned in Appendix A to this Agreement.

6.—(1) The Government undertakes and agrees to grant to Knoll Lake Minerals, upon reasonable terms and conditions by long term lease or licence, from time to time, such Crown lands, not then irrevocably granted, leased, licensed or otherwise alienated to any third party as may be reasonably necessary or desirable in connection with or incidental to its operations, including, without limiting the generality of the foregoing, such lands as may be reasonably necessary for rights of way for telegraphs, telephones, electric power transmission lines, railways, tramways, or roads, or sites for mills, works, factories, warehouses, townsites, wharves, piers, docks or other shipping facilities for the purposes of the efficient construction, maintenance or operation of any undertaking of Knoll Lake Minerals or for any other purposes incidental thereto.

(2) If Knoll Lake Minerals should desire at any time to acquire private lands or any rights therein or thereover reasonably necessary or desirable for or in connection with or incidental to any of its operations referred to in subclause (1) of this Clause 6, the Government will acquire such lands or rights by purchase, expropriation under The Expropriation Act, 1964, as now or hereafter amended, or otherwise, (and the mode of acquisition shall be determined by mutual agreement), and will transfer title and possession of such lands or rights to Knoll Lake Minerals at cost.

7.—(1) Upon the execution and delivery of this Agreement, Knoll Lake Minerals will assume the indebtedness under those certain six per centum (6%) promissory notes which fall due on June 1, 1971, and which were heretofore executed by Nalco in the aggregate principal of one hundred thousand dollars (\$100,000.00), and will cause Nalco to be released from all liability thereunder, and Knoll Lake Minerals will promptly pay

when due the unpaid principal of and interest on the said promissory notes.

(2) Knoll Lake Minerals covenants that Naico has, prior to the date of the execution and delivery of this Agreement, fully paid and discharged all its indebtedness, except that referred to in subclause (1) of this Clause 7, and except indebtedness, if any, incurred before April 2, 1955.

8.—(1) Subject to subclause (3) of this Clause 8, Knoll Lake Minerals shall pay all valid taxes of general application levied by or under the authority of the Province of Newfoundland or any municipality or other governmental subdivision, but shall not be liable to pay any tax of special application or any discriminatory tax.

(2) Wherever Knoll Lake Minerals is subject to taxation by any municipality or other local taxing authority within the Province of Newfoundland, the taxes levied by such municipality or other local taxing authority against Knoll Lake Minerals for any year, together with the taxes levied by such municipality or other local taxing authority against all other industrial establishments and activities for such year shall not exceed in the aggregate forty per centum (40%) of the total taxes levied by such municipality or other local taxing authority for such year.

9. This Agreement shall be construed and interpreted in accordance with the laws of Newfoundland, and all matters arising out of this Agreement shall be determined by a court of competent jurisdiction in Newfoundland, subject to the right of appeal to the Supreme Court of Canada.

10. The parties to this Agreement have each covenanted severally, but not jointly nor jointly and severally, and each party shall be liable to all of the other parties to this Agreement for, but only for, the covenants, agreements, declarations and provisions contained herein and on its part covenanted to be performed, fulfilled or observed.

11. Knoll Lake Minerals covenants and agrees that it will and hereby does indemnify and save the Government and Naico harmless from and against any and all liability, cost and expense which may arise or be asserted against the Government or Naico or both by reason of any obligation, condition, restriction, or undertaking assumed by Knoll Lake Minerals under this Agreement.

12.—(1) Subject to this clause, any notice which may be given under this Agreement shall be deemed to be sufficiently served by sending it by registered mail in the ordinary course addressed, if service is to be made

(a) on the Government, to the Minister of Mines, Agriculture and Resources, c/o the Department of Mines, Agriculture and Resources of the Province of Newfoundland at St. John's, Newfoundland,

(b) on Nalco, to Newfoundland and Labrador Corporation Limited at its head office at St. John's, Newfoundland,

(c) on Knoll Lake Minerals, to Knoll Lake Minerals Limited at 2009 Union Commerce Building, Cleveland, Ohio 44114, U.S.A., and

(d) on Javelin, to Canadian Javelin Limited at its head office at St. John's, Newfoundland.

(2) Any notice to be given under this Agreement may be mailed

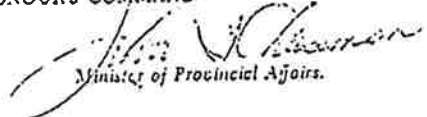
(a) from within Canada through a Canadian Post Office, and

(b) from within the United States through a United States Post Office or any facilities for the sending of registered mail provided by that Post Office.

(3) Any party to this Agreement may change the address to which notices may be sent to it by giving to each of the other parties notice of such change, and thereafter notices shall be served on such parties at the new address.

IN WITNESS WHEREOF His Honour, the Lieutenant-Governor in Council has caused the Great Seal of the Province of Newfoundland to be affixed hereto and has signed this Agreement, and Newfoundland and Labrador Corporation Limited and Knoll Lake Minerals Limited and Canadian Javelin Limited have each caused this Agreement to be duly executed on the day and year first before written.

BY HIS HONOUR'S COMMAND


Minister of Provincial Affairs.

The Common Seal of Newfoundland and Labrador Corporation Limited was hereunto affixed in the presence of:




Secretary

Witnessed by
[Signature]

KNOLL LAKE MINERALS
LIMITED

By [Signature]
President

And [Signature]
Secretary

Witnessed by
[Signature]

CANADIAN JAVELIN
LIMITED

By [Signature]
President

And [Signature]
Secretary

APPENDIX A

1. Indenture made between the Lieutenant-Governor in Council as Lessor and Newfoundland and Labrador Corporation Limited as Lessee, dated the 26th day of May, A.D. 1956, and registered as Item No. 1 in the Minerals Volume entitled "Volume 1 Naleo and Associates" of the Concessions Register of the Mines Branch of the Department of Mines, Agriculture and Resources of the Province of Newfoundland.
2. Indenture made between the Lieutenant-Governor in Council as Lessor and Newfoundland and Labrador Corporation Limited as Lessee, dated the 28th day of June, A.D. 1957, and registered in the Registry of Deeds for Newfoundland in Volume 359 at Folios 266-275.
3. Crown Grant dated the 26th day of May, A.D. 1956, to Newfoundland and Labrador Corporation Limited and registered as Item No. 3 in the Land Titles Volume entitled "Volume 1 Naleo and Associates" of the Concessions Register of the Mines Branch of the Department of Mines, Agriculture and Resources of the Province of Newfoundland.
4. Indenture made between the Lieutenant-Governor in Council as Lessor and Newfoundland and Labrador Corporation Limited as Lessee, dated as of the 15th day of May, A.D. 1962, and registered in the Registry of Deeds for Newfoundland in Volume 573 at Folios 1-43.
5. Indenture made between the Lieutenant-Governor in Council as Lessor and Newfoundland and Labrador Corporation Limited as Lessee, dated as of the 15th day of May, A.D. 1962, and registered in the Registry of Deeds for Newfoundland in Volume 577 at Folios 564-563.
6. Indenture made between the Lieutenant-Governor in Council and Newfoundland and Labrador Corporation Limited as Lessee, dated as of the 15th day of May, A.D. 1962, and registered in the Registry of Deeds for Newfoundland in Volume 577 at Folios 522-543.
7. Indenture made between the Lieutenant-Governor in Council and Newfoundland and Labrador Corporation Limited as Licensee, dated as of the 15th day of May, A.D. 1962, and registered in the Registry of Deeds for Newfoundland in Volume 577 at Folios 544-555.
8. Crown Grant dated the 28th day of June, A.D. 1957, to Canadian Javelin Limited and registered in the Registry of Deeds for Newfoundland in Volume 359 at Folios 256-305.

APPENDIX B

1. Indenture made between Newfoundland and Labrador Corporation Limited as Lessor and Canadian Javelin Limited as Lessee, dated the 25th day of May, A.D. 1956, and registered in the Registry of Deeds for Newfoundland in Volume 349 at Folios 333-350.
2. Indenture made between Newfoundland and Labrador Corporation Limited as Lessor and Canadian Javelin Limited as Lessee, dated the 25th day of June, A.D. 1957, and registered in the Registry of Deeds for Newfoundland in Volume 359 at Folios 286-295.
3. Indenture made between Newfoundland and Labrador Corporation Limited and Canadian Javelin Limited, dated the 26th day of May, A.D. 1956, and registered in the Registry of Deeds for Newfoundland in Volume 349 at Folios 331-365.
4. Crown Grant dated the 25th day of June, A.D. 1957, to Canadian Javelin Limited and registered in the Registry of Deeds for Newfoundland in Volume 359 at Folios 286-306.
5. Indenture made between Newfoundland and Labrador Corporation Limited as Lessor and Canadian Javelin Limited as Lessee, dated as of the 16th day of May, A.D. 1952, and registered in the Registry of Deeds for Newfoundland in Volume 579 at Folios 362-392.
6. Indenture made between Newfoundland and Labrador Corporation Limited as Assignor and Canadian Javelin Limited as Assignee, dated as of the 16th day of May, 1952, and registered in the Registry of Deeds for Newfoundland in Volume 579 at Folios 393-395.

The Steel Company of Canada, Limited and Wabush Iron Co., Limited, dated the 25th day of June, A.D. 1960, and made in pursuance of The Nalco-Javelin (Mineral Lands) Act, 1960, the Act No. 41 of 1960.

10. Statutory Supplementary Agreement made between the Lieutenant-Governor in Council, Newfoundland and Labrador Corporation Limited, Canadian Javelin Limited, Pickands Mather & Co., The Steel Company of Canada, Limited and Wabush Iron Co. Limited, dated the 25th day of June, A.D. 1960, and made in pursuance of The Nalco-Javelin (Mineral Lands) Act, 1960, the Act No. 41 of 1960.