

The Northern GAS DISTRIBUTION CONTRACT ("Contract"), made as of the 11th day of March 2011

BETWEEN:

UNION GAS LIMITED

hereinafter called "**Union**"

- and -

RED LAKE GOLD MINES

hereinafter called "**Customer**"

WHEREAS, Customer has requested from Union and Union has agreed to provide Customer with Services;

AND WHEREAS, Customer has elected direct purchase services, and therefore Customer will be responsible for supplying Gas to Union;

AND WHEREAS, Union will distribute Gas to Customer's Point(s) of Consumption under this Contract pursuant to the Rate Schedule(s) identified in Schedule 1;

AND WHEREAS, the provision of Services will require Union to construct new natural gas pipeline and related facilities (the "**Expansion Facilities**") as depicted in Schedule 3 in accordance with the Rules and Regulations set out by the Ontario Energy Board ("**OEB**");

AND WHEREAS, Union and Customer are parties to an indemnity agreement ("**Indemnity Agreement**"), which is intended to terminate as of the execution of this Contract, subject to providing proper credit to Customer for funds provided by Customer to Union (if any) under that Indemnity Agreement;

IN CONSIDERATION of the mutual covenants contained herein, the parties agree as follows:

1. **ATTACHMENTS**

The following are hereby incorporated in and form part of this Contract:

- a) General Contract Parameters and Notice Lists in Schedule 1;
- b) Terms and Conditions for Union's Northern Gas Distribution Contract in Schedule 2;
- c) Depiction of Expansion Facilities in Schedule 3; and
- d) Union's General Terms and Conditions.



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2. **CONDITIONS PRECEDENT**

The obligations of Union to provide Services described in this Contract are subject to the following conditions precedent that are for the sole benefit of Union and which may be waived or extended in whole or in part in the manner provided in this Contract:

- a) Union shall have obtained, in form and substance satisfactory to Union, and all conditions shall have been satisfied under, all governmental, regulatory and other third party approvals, consents, orders and authorizations, that are required to construct the Expansion Facilities; and
- b) Union shall have placed into service the Expansion Facilities; and
- c) If Customer's credit rating is less than investment grade at any time prior to the Day of First Delivery, Union shall have received the requisite financial assurances reasonably necessary to ensure Customer's ability to honour the provisions of this Contract, which financial assurances, if required, will be determined solely by Union acting in a commercially reasonable manner; and
- d) Union shall have received a contribution in aid of construction ("CIAC") from Customer pursuant to Customer's obligations in Section 10.

The obligations of Customer to purchase Services described in this Contract are subject to the following condition precedent that is for the sole benefit of Customer and which may be waived or extended in whole or in part in the manner provided in this Contract:

- e) Customer shall have obtained, on or before March 31, 2011, in form and substance satisfactory to Customer, the governmental, regulatory and other third party approvals, consents, orders and authorizations, that are required for it to purchase the Services, and construct any facilities required to enable it to utilize such Services, failing which this Contract shall terminate, subject to the terms hereof, and in particular, Section 3 hereof.

Union and Customer shall each use commercially reasonable efforts to satisfy and fulfil the conditions precedent specified in Sections (a), (b), (c), (d), and (e). Each party shall inform each other forthwith in writing of their satisfaction with, or waiver of, each condition precedent. If a party determines that it will not be able to satisfy a condition precedent for its benefit, such party may upon written notice to the other, terminate this Contract and upon giving such notice this Contract shall be of no further force and effect and each of the parties shall be released from all further obligations hereunder, subject to the terms hereof and in particular, Section 3 hereof.



3. **COST CONSEQUENCES OF TERMINATION**

a) Termination Prior to Day of First Delivery

In addition to the termination rights accruing to the parties in Section 2, Customer may terminate this Contract at any time prior to the Day of First Delivery upon ten (10) days notice to Union. In the event of any termination pursuant to Section 2 or this Section 3(a), Customer shall reimburse Union for all Project Costs reasonably incurred by Union to the date of termination, subject to adjustment to reflect any amounts already paid to Union by Customer under the Indemnity Agreement, under this Contract or recovered through the sale of assets. Upon termination, Union Gas will consult with the Customer and use reasonable efforts to mitigate Project Costs through the potential sale of material and equipment, and the effective dissolution of contracts. Upon reconciliation of Project Costs, if the Customer has over-contributed CIAC, Union Gas will reimburse the Customer within thirty (30) days.

"Project Costs" means any and all reasonable costs (including litigation costs, cancellation costs, carrying costs, and third party claims), expenses, losses, demands, damages, obligations, or other liabilities (whether of a capital or operating nature, and whether incurred or suffered before or after the date of this Contract) by Union (including reasonable amounts paid to affiliates for services rendered in accordance with the Affiliate Relationships Code as established by the Ontario Energy Board), in connection with or in respect of any and all aspects of this Contract (including without limitation the obtaining of all governmental, regulatory and other third party approvals, and the obtaining of rights of way), except for any costs that have arisen from the gross negligence, fraud, or wilful misconduct of Union

b) Termination On or After Day of First Delivery

Neither Party may terminate this Contract on or after the Day of First Delivery, except pursuant to Section 5 hereof or Section 5 of Schedule 2.

4. **T SERVICE STORAGE PARAMETERS**

Customer may elect T-Service Storage parameters in Schedule 1, Section 3(c), at any time prior to September 1, 2011.



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5. **CONTRACT TERM**

This Contract shall be effective from the date hereof. However, the Services and Union's obligation to provide the Services under Section 6 shall commence on the later of (such later date being known as the "**Day of First Delivery**") (a) November 1, 2011, and (b) the date that the last condition precedent for Union's benefit is satisfied or waived by Union, except that Customer shall have the option at any time prior to November 1, 2011, and upon reasonable notice, to choose a Day of First Delivery on a day before November 1, 2011, if the Expansion Facilities are completed and ready for service on such day.

This Contract shall continue in full force and effect for a period of 10 Contract Years (the "**Initial Term**"), subject to 5-year renewal options on 6 months notice by Customer ("**Renewal Term**") using the Schedule 1 parameters prevailing in the last year of the Initial Term or Renewal Terms thereafter as applicable, and subject to Union Gas' prevailing standard General Terms and Conditions and Union Gas' prevailing standard Schedule 2 at the time of renewal, notwithstanding Section 12.18 of the General Terms and Conditions hereof.

The daily Contract Demand in any renewal year may be less than daily Contract Demand in the last year of the Initial Term (with a corresponding decrease in Firm Minimum Annual Volume), provided that Customer shall give Union notice 90 days before the end of any annual renewal term if Customer elects a Contract Demand different than the prior year.

"**Contract Year**" means, despite Section 13 of the General Terms and Conditions, a period of 12 consecutive months, beginning on November 1 of any Contract Year and ending on the subsequent October 31, except the first Contract Year which shall begin on the Day of First Delivery and end on October 31 of the following calendar year.

6. **SERVICES PROVIDED**

Union agrees to provide Services as specified in Schedule 1 and Customer agrees to pay for such Services pursuant to these Contract terms and conditions as set out in this Contract, the referenced attachments, and the rate(s) referenced in Schedule 1.

7. **ADJUSTED MINIMUM ANNUAL VOLUME ("AMAV")**

Firm Minimum Annual Volume

In each Contract Year, Customer shall consume or, in any event, pay for the Firm Minimum Annual Volume ("**FMAV**") as adjusted in the formula below. The payment required for the Firm quantity not consumed in any Contract Year (the "**Firm Deficiency Volume**" or "**FDV**") shall be calculated by multiplying FDV by the Firm Delivery Commodity Charge identified in the Rate Schedule in effect on the last day of the Contract Year. This payment shall only apply if the FDV is greater than zero.



Where:

$$FDV = [FMAV \times [(U - D_F) / U]] - [FV - (F + O)]$$

And:

FMAV	=	Firm Minimum Annual Volume (as identified in Schedule 1)
U	=	number of days in the Contract Year
D_F	=	number of days of Force Majeure in the Contract Year where service is curtailed below the Firm Contract Demand, then in effect
FV	=	total firm volume distributed to Customer in the Contract Year
F	=	volumes distributed to the Points of Consumption during Force Majeure
O	=	total Authorized and/or Unauthorized Overrun Gas distributed to Customer in the Contract Year

The adjusted FMAV shall not be less than the qualifying annual volume defined in the Rate Schedule.

8. NOTICES

- a) Notices shall be delivered pursuant to the Notice provision Section of General Terms and Conditions and delivered to the addresses as referenced in Schedule 1.
- b) Union agrees to keep Customer fully informed during the planning and construction of the Expansion Facilities, and will provide immediate notice of the following:
 - (i) Any planned public meetings held to seek public input to the project or promote the project to the public.
 - (ii) Any event that is expected to cause a capital cost overrun or savings of greater than \$250,000.
 - (iii) Any expected change by more than 20 days of the in-service date.
 - (iv) Any project related communication with the OEB.
- c) Union agrees to provide monthly progress reports, including project expenditures relative to budget.
- d) Union agrees to provide Customer (10) days notice of key terms and conditions of any project contractual commitment or capital expenditure greater than \$1,000,000. Union may modify key terms and conditions within the (10) day period, subject to providing Customer with three days notice prior to execution.



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9. **EXPANSION FACILITIES**

Union will use commercially reasonable efforts to complete the construction of the Expansion Facilities by November 1, 2011.

Union and Customer agree that Union shall not be obligated to construct any portion of the Expansion Facilities between December 15 of any year and March 31 of the subsequent calendar year.

10. **AID AMOUNT PAYMENT SCHEDULE**

Customer will be required to pay to Union a CIAC, payable as per the following schedule. The CIAC includes the contributions required from the Municipality of Red Lake ("MoRL") towards the Expansion Facilities.

MoRL Portion Payment Amount	Customer Portion Payment Amount	Total Payment amount before applicable taxes by Customer	Payment Date
			March 25, 2011
			March 31, 2011
			April 4, 2011
			May 2, 2011
			June 1, 2011
			July 5, 2011
			August 1, 2011
			September 6, 2011
			October 3, 2011
			November 1, 2011
			December 1, 2011

Total CIAC before taxes

Customer CIAC payments will be proportionate to anticipated other funding parties including Union Gas contributions.

Any applicable taxes will be applied to all amounts paid under this section. Customer warrants and represents that no payment to be made by Customer under this Contract is subject to any withholding tax.

11. **RECONCILIATION OF COSTS**

Customer will be responsible for varying percentages of the actual costs of the pipe sections, unless otherwise determined by the Ontario Energy Board. A summary of all sections of the Expansion Facilities along with an allocation of costs to each party based on usage and peak hourly volume is shown below.



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For Customer:

Pipe Section Description	Percentage of Actual Section cost
Section A – 43.6km of 8 inch steel pipe	
Section C – 6.4 km of 8 inch steel pipe	
Section D – 1.15 km of 8 inch steel pipe	

For MoRL:

Pipe Section Description	Percentage of Actual Section cost
Section A – 43.6 km of 8 inch steel pipe	
Section C – 6.4 km of 8 inch steel pipe	
Section E – 1.1 km of 4 inch steel pipe	
Section F – 0.3 km of 4 inch steel	
Section G – 5.6 km of 4 inch steel	

Within 18 months of the in service date of Phase 1 of the project, Union shall file with the Board Secretary a post Construction Financial Report. The Report shall indicate;

- The actual capital costs of phase 1 of the project and an explanation for any significant variances from the estimates filed in Schedule 3 of the filing in EB 2011-0040
- The actual capital costs for the project borne by Union and the actual costs contributed towards construction by the Customer(s).

Since the original CIAC was based on an estimated cost of each section of the Expansion Facilities, unless otherwise determined by the OEB, Union shall re-determine the CIAC based on the Filed Costs as well as any additional Contract quantities committed to by Customer, and shall invoice or credit Customer within 30 days of any such re-determination complete with full details supporting such invoice or credit, and including Interest accrued from December 1, 2011. If a credit, then Union agrees to pay Customer within 30 days of such notice. The parties agree that the reconciliation contemplated herein is separate from the audit rights in Section 15. It is agreed by all parties that the common costs of this project that are not cost specific to each construction section will be apportioned to sections 1A, 1B, 1D, and 1F on a per kilometer basis.

12. INTEREST

Any amounts due and payable by Customer to Union, or by Union to Customer under this Contract shall, if not paid by the due date thereof, be subject to Interest, as calculated in accordance with Section 5.03-3 of Union's General Terms and Conditions.

13. CREDIT REQUIREMENTS DURING INITIAL TERM

Notwithstanding the phrase, "Union has reasonable grounds to believe that the Customer's creditworthiness under this Contract has become unsatisfactory", in the introductory (first) paragraph of subsection 5.04 of Union's General Terms and Conditions, Union may, at any time during the term of the Contract, in the event that Customer's credit rating is at any time below investment grade, by written notice, request financial assurances in an amount provided for in



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parts (a), (b) and (c) of subsection 5.04 of those Terms and Conditions. Such financial assurances shall be determined by Union in a commercially reasonable manner.

In addition to the terms of Section 5.04 of Union's General Terms and Conditions, Union may, at any time during the Initial Term, subject to the credit quality conditions noted above, request financial assurances to cover the potential financial exposure to Union to the end of the Initial Term. Such financial assurances shall be determined by Union in a commercially reasonable manner and may include, without limitation, expected return on capital invested. Failure to provide such financial assurances shall be treated in a manner provided for in Section 5.04 of Union's General Terms and Conditions.

14. CONTRACT SUCCESSION

This Contract replaces all previous Northern Gas Distribution (or similar) Contracts between Union and Customer, subject to settlement of any Surviving Obligations.

15. AUDIT RIGHTS FOR ACTUAL COST

- a) Union and Customer shall both keep complete and accurate records and all other data required by either of them for the purpose of proper administration of this Contract. All such records shall be maintained for no less than three (3) years after the creation of the record or data. Union and Customer shall provide reasonable access to the relevant and appropriate financial and operating records and data kept by each Party relating to this Contract, reasonably required for the other Party to comply with its obligations to governmental authorities or to verify or audit information provided in accordance with this Contract (including the right to determine how funds were used and the right to review any other supporting evidence necessary to substantiate charges related to this Contract, both direct costs and indirect costs, including allocation of overheads and other shared costs.) Union agrees to ensure that its contract with its general contractor(s) to construct the Expansion Facilities, or any other related contracts, and all subcontracts of such contractors, include similar audit rights.
- b) Customer may audit this project on five (5) business days' notice at any time up to three (3) years after the completion of construction of the Expansion Facilities or, if this Contract is terminated prior to the Day of First Delivery, within three years of such termination date. An audit may be requested once by Customer. Union agrees to provide Customer with copies of all the reports that it provides to the OEB in connection with the Expansion Facilities, but provision of such reports shall not restrict the rights of audit provided Customer by this Contract. Customer may use its own employees or agent for purposes of any such review of records, and at the election of the Customer, access shall be through the use of a mutually agreed upon third party auditor. Customer shall pay the fees and expenses associated with use of any third party auditor.
- c) In the event the audit reveals that the actual costs were more than 3% greater or lesser than the Filed Costs, Union shall again re-determine the CIAC based on the actual costs and shall again invoice or credit Customer within 30 days of any such re-determination.



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16. ASSIGNMENT

- a) Customer may assign all or a part of its rights, interests and obligations under this Contract with Union, on sixty (60) days' written notice to Union, provided that at the time of such assignment, Customer is not in breach of this Contract, any incremental costs to serve the assignee shall be borne by the assignee, the assignee is of acceptable credit quality to Union, acting reasonably, and any such assignment does not negatively impact Union's fixed revenues arising from this Contract. In the event the assignee is not of acceptable credit quality, the assignee or any other party may provide financial assurances to meet the Union's credit requirements.

If a valid assignment of this Contract is made by Customer in accordance with Section 16(a), Union acknowledges and agrees that, upon such assignment and assumption and notice thereof by Customer to Union, Customer shall be relieved of all its duties, obligations and liabilities hereunder.

17. DISPUTE RESOLUTION

Any dispute shall first be the subject of a meeting between a Vice-President of Union and a Vice-President of Customer, who shall meet within thirty days of a request by either party to attempt to resolve the matter, and negotiate in good faith to attempt to resolve the dispute. The parties agree that prior to holding such a meeting they shall not commence any action to enforce their rights under this Contract.

18. TIME OF ESSENCE

Time shall be of the essence of this Contract.

19. SEVERANCE

If any covenant or other provision of this Contract is invalid, illegal or incapable of being enforced by reason of any rule of law or public policy, then that covenant or other provision will be severed from and will not affect any other covenant or other provision of this Contract, and this Contract will be construed as if such invalid, illegal or unenforceable covenant or provision had never been contained in this Contract. All other conditions and provisions of this Contract will, nevertheless, remain in full force and effect and no covenant or provision of this Contract will be deemed dependent upon any other covenant or provision unless so expressed herein.

20. GOVERNING LAW

This Contract shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in the Province of Ontario. For the purposes of any legal actions or proceedings brought by any party in respect of this Contract, each party hereby irrevocably submits and attorns to the exclusive jurisdiction of the courts of the Province of Ontario.



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21. FURTHER ASSURANCES

Each of the parties shall, from time to time on written request of the other party, do all such further acts and execute and deliver or cause to be done, executed or delivered all such further acts, deeds, documents, assurances and things as may be required, acting reasonably, in order to fully perform and to more effectively implement and carry out the terms of this Contract.

22. FACILITIES CAPACITY

Further to Section 12.09 of the General Terms and Conditions, Union agrees to abide by all present and future orders from the Ontario Energy Board including EB-2011-0040 regarding the allocation of capacity on the Expansion Facilities.

23. AMENDMENTS AND MODIFICATIONS

Subject to Section 12.18 of the General Terms and Conditions and Section 5 of Schedule 2, any amendments or modifications to this Contract shall be made in writing and mutually agreed to by the parties hereto.

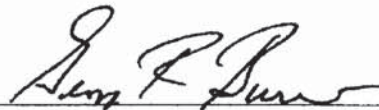
The undersigned execute this Contract as of the above date.

RED LAKE GOLD MINES
By its Partners
Goldcorp Inc
Goldcorp Canada Ltd



I have the Authority to bind the Corporation, or Adhere C/S, if applicable

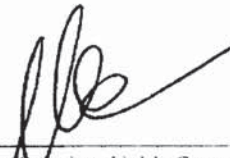
Mike Lalonde
Mine General Manager (RLGM)



I have the Authority to bind the Corporation, or Adhere C/S, if applicable

George Burns
President Goldcorp Canada Ltd and
Senior Vice President Goldcorp Inc

UNION GAS LIMITED



I have the Authority to bind the Corporation, or Adhere C/S, if applicable

McI Ydreos
Vice President Marketing and Customer Care



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