167532

ASSIGNMENT AND NOVATION AGREEMENT

This Assignment and Novation Agreement ("Agreement") is dated effective May 16, 1997, by and among Pathfinder Mines Corporation ("Pathfinder"), Hecla Mining Company ("Hecla") and Cominco American Incorporated ("CAI").

Whereas, CAI and Hecla are the participants in the Joint Venture and Operating Agreement ("JVOA") dated March 7, 1983, originally between CAI and Pembina Minerals, as amended by the Amendment to Joint Venture and Operating Agreement ("Amendment Agreement") dated June 17, 1993, all related to the operations associated with the Buckhorn Mine, located in Eureka County, Nevada (collectively referred to as the "Buckhorn Joint Venture"); and

Whereas, Hecla and Pathfinder are parties to, and CAI approved and consented to, that certain Option Agreement ("Option") dated July 15, 1993, originally between Equinox Resources, Inc., who succeeded to Hecla, and Pathfinder Exploration Corporation, who succeeded to Pathfinder, whereby Hecla conveyed to Pathfinder the option to acquire a Participating Interest in the JVOA, as amended, by fulfilling the earn-in terms of the Amendment Agreement; and

Whereas, Pathfinder has completed the earn-in terms under the Option and the Amendment Agreement, and having provided notice thereof to CAI and Hecla, Pathfinder is entitled to be novated into the JVOA and receive an assignment of an interest therein.

Now, therefore, in consideration of the premises and the mutual covenants and conditions set forth, and other good and valuable consideration, the parties agree as follows:

1. <u>Assignment</u>.

(a) As provided for in the Amendment Agreement, CAI hereby assigns a 41.44% Participating Interest under the JVOA to Hecla; and as provided for in the Option, Hecla hereby assigns a 53% Participating Interest under the JVOA to Pathfinder.

(b) Therefore, taking into effect the above assignments and the provisions of the Amendment Agreement and the Option, the parties' interests in the JVOA are as follows:

Pathfinder	53% - participating
CAI	35% - participating
Hecla	12% - carried

2. Novation.

(a) Pathfinder is hereby novated into the JVOA, as amended, and Pathfinder shall be the Operator of the Buckhorn Joint Venture, with the exception that CAI shall be the Operator as to the previous leaching/reclamation work at the Buckhorn Mine, as described in the Amendment Agreement. In order for Pathfinder to remain the Operator of the Buckhorn Joint Venture, Pathfinder shall be required to carry out the minimum programs specified in the Amendment Agreement.

(b). For the purpose of the JVOA, as amended, Pathfinder and Hecla shall act as one party, represented by Pathfinder.

3. Sale of Pathfinder's Interest.

Pathfinder has entered into a letter of intent with Placer Dome U.S., Inc. ("PDUS") pursuant to which Pathfinder intends to sell its entire 53% Participating Interest to PDUS. Hecla and CAI confirm that they have waived their right of first refusal for, and have consented to Pathfinder's sale of its 53% Participating Interest to PDUS.

4. Effect of Agreement Terms.

The purpose of this Agreement is to fulfill the obligations provided for in Section 4 of the Option. The parties shall continue to comply with all terms of the JVOA, except as such terms may be amended or supplemented by the Amendment Agreement or the Option. All capitalized terms not otherwise defined herein shall be defined as respectively set forth in the JVOA, Amendment Agreement, or Option.

5. Counterparts.

This Agreement may be signed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

In witness whereof, the parties have executed this Agreement to be effective as of the day and year first written above.

COMINCO AMERICAN INCORPORATED Date: June 11, 1997

By: ______________________

Its: Vice President, Exploration

PATHFINDER MINES CORPORATION Date: 6/27/97

By: ____________________

Its: PRESIDENT

HECLA MINING COMPANY Date: 6-12-97

By: ____________________

Its: Executive Vice President + Chief Operating Officer

ACKNOWLEDGMENTS

STATE OF WASHINGTON)
: ss
COUNTY OF SPOKANE)

I certify that I know or have satisfactory evidence that George P. Cole is the person who appeared before me and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Vice President, Exploration of Cominco American Incorporated to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 6/11/97

Maura R Scartozzi
Notary Public in and for the State of Washington, residing at Spokane.
My Commission Expires: 5/19/01

STATE OF)
: ss
COUNTY OF)

I certify that I know or have satisfactory evidence that Roger A. Kauffman is the person who appeared before me and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Exec. Vice President & C.O.O., of Hecla Mining Company to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 6-12-97

N.K. ADAMS NOTARY PUBLIC STATE OF IDAHO

Notary Public ~~in and~~ for the State
of Idaho, residing at Post Falls
My Commission Expires: 10-19-2000

Province of Saskatchewan)
: ss
City of Saskatoon)

I certify that I know or have satisfactory evidence that Alain Marvy is the person who appeared before me and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the President, of Pathfinder Mines Corporation to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: June 27/97

Notary Public / Solicitor
My Commission Expires: 9/30/99

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OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
Placer Dome
97 JUL 21 AM 9:32
EUREKA COUNTY NEVADA
M.N. REBALEATI, RECORDER
FILE NO. FEES 10.00

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