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President

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March 3, 2005

VIA FAX

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Re: *Glamis Gold Ltd. v. The United States of America* – Arbitration under Chapter 11 of the NAFTA pursuant to the UNCITRAL Arbitration Rule

Procedural Order No. 1 (March 3, 2005)

Dear Ms. Menaker and Mr. Gourley:

Thank you very much for your participation in our hearing of February 25, 2005. Pursuant to the matters discussed at that hearing, the Tribunal issues today its first Procedural Order, memorializing those matters on which there was agreement at last week's hearing, as well as establishing the schedule for subsequent proceedings.

If you have any questions or additional issues you wish to raise, please feel free to contact us. Of course, any such questions should be submitted to the entire Tribunal and your counterpart should be notified of the content of the question or issue as well.

With best regards.

Sincerely yours,

Michael K. Young

MKY/lm

cc: Professor David D. Caron (via fax)
Donald L. Morgan, Esq. (via fax)
Eloise Obafia, Esq. (via fax)

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PROCEDURAL ORDER

No. 1

March 3, 2005

Glamis Gold, Ltd., Claimant

v.

The United State of America, Respondent

An Arbitration Under Chapter 11 of the North American Free Trade Agreement (NAFTA), in accordance with the United Nations Commission on International Trade Law (UNCITRAL) Rules on Arbitral Procedure, and administered within the Additional Facility of the International Centre for the Settlement of Investment Disputes (ICSID)

Michael K. Young, President
David D. Caron, Arbitrator
Donald L. Morgan, Arbitrator

I. Procedural Background

1. This Arbitration was commenced by Notice of Arbitration, issued by Claimant on December 9, 2003, and served on the Office of the Legal Advisor of the United States Department of State.

Procedural Order No. 1

March 3, 2005

Page 2

2. Pursuant to Article 1123 of the NAFTA, Claimant and Respondent agreed upon a Tribunal comprised of three individuals and a method for appointment. The three above named Arbitrators were duly appointed.
3. The Parties also agreed that the place of arbitration shall be Washington, D.C., the language of the Arbitration English, and that "Compensation for the arbitration tribunal shall be at the rates specified in the International Centre for Settlement of Investment Disputes (ICSID) Schedule of Fees, and administered as provided in ICSID's Administration and Financial Regulation 14," and that ICSID shall administer the Arbitration. See Agreement of Certain Procedural Matters, executed between the Parties (Undated).
4. A first procedural meeting in this arbitration was held in Washington, D.C. on February 25, 2005.
5. At the first procedural meeting, the parties agreed that:
 - a. the Arbitral Tribunal was established without objection;
 - b. the President of the Tribunal may hire a legal assistant to aid the Tribunal in its work;
 - c. a verbatim transcript of all subsequent hearings and oral arguments will be produced and made available to the Parties and the Tribunal and that such a transcript will be produced using Live Notes or some other simultaneous transcription procedure;
 - d. the hearings may be made available for public viewing via closed circuit television broadcast into some room other than the room in which the hearings are held;

Procedural Order No. 1

March 3, 2005

Page 3

- e. documents on which a Party relies shall be submitted with the Party's respective Memorial or Counter-Memorial and that all such documents shall be submitted in complete form and shall be numbered consecutively, starting from the last number of the previous submission, if any;
- f. Parties shall electronically serve all filings (except documentary evidence not in electronic form) to each other, all members of the Tribunal, any legal assistants engaged by the Tribunal, and appropriate ICSID personnel and shall also serve ICSID with hard copies, including copies of documentary evidence not available in electronic form;
- g. ICSID will distribute hard copies of all filings, including documentary evidence, to all Parties, all members of the Tribunal and any legal assistants engaged by the Tribunal.

II. Schedule of Proceedings

1. At the first procedural meeting, the Tribunal ordered the Respondent to submit its Statement of Defense by April 8, 2005.
2. In the event Respondent does not request in its Statement of Defense, a bifurcation of the proceedings based upon pleas as to jurisdiction or preliminary objections, the schedule of proceedings will be as follows:

May 10, 2005: Request for Documents Served by Claimant on Respondent and Respondent on Claimant

Procedural Order No. 1
March 3, 2005
Page 4

- * It is anticipated that requested documents will be produced as soon as reasonably possible on a continuing basis and that the lodging of an objection to the request of a particular document or any class of documents will not cause either Party to curtail the exchange of documents with respect to which there is no objection.

May 24, 2005: Submission of Objections to Document Requests

- * In the event either Party files objections to document requests, the Tribunal will, if necessary, schedule a hearing on such objections, and, in all events, will rule expeditiously on any such objections.

August 4, 2005: Last Day for Production of Documents

- * The Parties shall have the opportunity to request additional documents for good cause shown after the Memorial and Counter-Memorial have been filed. This opportunity is intended to allow the Parties to address new areas raised by the other Party's filing; the scope of the opportunity will be correspondingly limited. Any such request shall be made within one week of receipt of such Memorials or Counter-Memorials.

November 2, 2005: Submission of Claimant's Memorial

January 31, 2006: Submission of Respondent's Counter-Memorial

Procedural Order No. 1
March 3, 2005
Page 5

March 3, 2006: Submission of any Art. 1128 Submissions and Non-Party Submissions

April 18, 2006: Submission of Claimant's Reply

June 2, 2006: Submission of Respondent's Rejoinder

June 15, 2006: Pre-Hearing Procedural Hearing

June 15, 2006: Submission of Witness Lists

July, 2006: Arbitral Hearing

* The Tribunal will notify the Parties of the precise dates of the hearing as soon as practicable.

* At an appropriate time in the future the Tribunal will also establish time limits for the arbitral hearing, which limits shall be equal for each Party with respect to the presentation of direct testimonial evidence, the cross examination of the other Party's witnesses, and oral argument.

3. In the event Respondent requests in its Statement of Defense a bifurcation of the proceedings based upon pleas as to jurisdiction or preliminary objections, the schedule of proceedings shall be as follows:

April 21, 2005: Submission of Claimant's Response to Respondent's request for bifurcation

Procedural Order No. 1
March 3, 2005
Page 6

April 29, 2005: Submission of Respondent's Reply

May 5, 2005: Submission of Claimant's Rejoinder

Upon receiving Claimant's Rejoinder, the Tribunal will make a decision regarding bifurcation expeditiously and will inform the Parties of any changes to the schedule of proceedings outlined in Paragraph 2, *supra*. During the above described period of time, the Parties are to assume that the May 10, 2005 deadline for Request for Documents Served by Claimant on Respondent and by Respondent on Claimant remains in force.



Michael K. Young

President of the Tribunal
on behalf of the Tribunal