

- (b) During the Repayment Notice Period, the Debentureholder may elect to exercise its option to convert all or part of the principal amount outstanding under this Debenture to Common Shares in any proportion it chooses pursuant to Sections 3.1 and 3.2 hereof.
- (c) If the Debentureholder notifies the Debtor that it elects not to convert all or part of this Debenture into Common Shares during the Repayment Notice Period, or if the Debentureholder fails to respond to the Debtor during the Repayment Notice Period, then the Debtor shall repay to the Debentureholder the Repayment Amount plus, as a genuine pre-estimate of damages and not as a penalty, an amount equal to 10% of the Repayment Amount. If such prepayment is made prior to the 183<sup>rd</sup> day following the Closing Date, the Debtor shall pay, as a genuine pre-estimate of damages and not as a penalty, in addition to all other obligations (including the aforementioned 10% amount), an amount equal to three (3) months interest on the Repayment Amount.
- (d) Notwithstanding the above, the Debtor shall not be entitled to prepay this Debenture if, at the time of prepayment, the Obligations are greater than Debenture Obligations.

## 6. PAYMENT GENERALLY

- (a) All amounts payable by the Debtor hereunder shall be paid to the Debentureholder in U.S. Dollars, in immediately available funds, without set off or counterclaim on the day such payment is due (i) by wire transfer at such account or financial institution as the Debentureholder may from time to time notify the Debtor or (ii) by bank draft delivered to the Debentureholder at its address as set forth in Section 13 hereof. Any payments received after 2:00 p.m. (Toronto time) will be considered for all purposes as having been made on the next following Business Day.
- (b) If the due date of any payment under this Debenture would otherwise fall on a day that is not a Business Day, such payment shall be due on the immediately preceding Business Day, without any deduction or credit for early payment.
- (c) The Debentureholder will maintain in accordance with its usual practice one or more accounts evidencing the indebtedness of the Debtor to the Debentureholder hereunder. Such account(s) will be *prima facie* evidence of the obligations recorded therein, provided that any failure by the Debentureholder to maintain any account or any error therein shall not affect the obligation of the Debtor to repay its indebtedness to the Debentureholder in accordance with this Debenture.

## 7. DEFAULT

- (a) Upon the occurrence of an Event of Default, the Debentureholder, at its option, may declare all or part of Obligations to be due and payable either on demand or to be immediately due and payable without demand, in each case, all without presentment, protest or further notice of any kind, all of which are hereby expressly waived by the Debtor. In such event the Debentureholder may, in its discretion, exercise any right or recourse and proceed by any action, suit, remedy or proceeding against the Debtor authorized or permitted by law for the recovery of the Obligations hereunder.
- (b) The rights and remedies of the Debentureholder hereunder are cumulative and are in addition to and not in substitution for any other rights or remedies available at law or in

equity or otherwise. No single or partial exercise by the Debentureholder of any right or remedy precludes or otherwise affects the exercise of any other right or remedy to which the Debentureholder may be entitled.

- (c) No failure on the part of the Debentureholder to exercise and no delay in exercising, and no course of dealing with respect to, any right, power or privilege under any Credit Document shall operate as a waiver thereof nor shall any single or partial exercise of any right, power or privilege under any Credit Document preclude any other or further exercise thereof or the exercise of any other right, power, or privilege. The remedies provided herein are cumulative and not exclusive of any remedies provided by law. Any waiver by the Debentureholder of the strict compliance with any term any Credit Document will not be deemed to be a waiver of any subsequent Event of Default.

## 8. INTERPRETATION

Words importing the singular number include the plural and vice versa. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. All forms of "include" shall be deemed to be followed by the phrase "without limitation". The word "will" shall have the same meaning and effect as "shall". Unless the context requires otherwise (i) reference to any agreement or other document herein shall be construed as referring to such agreement or other document as from time to time amended (subject to any restrictions on such amendment set forth herein); (ii) reference to any Person shall be construed to include such Person's successors and assigns; (iii) "herein", "hereof" and "hereunder", and similar words shall be construed to refer to this Debenture in its entirety and not to any particular provision hereof; and (iv) all references to sections, schedules and exhibits shall be construed to refer to sections of, schedules to and exhibits to this Debenture, and all such schedules and exhibits shall form part of this Debenture.

## 9. NOTICE

Any demand or notice to be made or given in connection with this Debenture will be in writing and will be delivered in the manner provided in the Credit Agreement for the communication of notices and demands.

## 10. SUCCESSORS AND ASSIGNS, WAIVER AND ACKNOWLEDGEMENT

- (a) The Debtor may not transfer, assign or convey any of its obligations under this Debenture to any Person without the prior written consent of the Debentureholder. The Debentureholder may transfer or assign this Debenture or any of its rights or obligations hereunder without the consent of the Debtor subject to the terms set out in Section 14.1(c) of the Credit Agreement.
- (b) This Debenture shall be binding upon the Debtor and its successors and shall enure to the benefit of the Debentureholder and its successors and assigns. Any reference herein to the Debentureholder shall include its successors and assigns as if specifically named. Presentment for payment, demand, protest, notice of protest, notice of dishonour and statutory days of grace respecting this Debenture are hereby waived.

**11. GOVERNING LAW AND JURISDICTION**

This Debenture shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein (other than the conflict of laws rules).

**12. SEVERABILITY OF PROVISIONS**

Any provision of this Debenture that is prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of that prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of that provision in any other jurisdiction.

**13. ENTIRE AGREEMENT**

This Debenture and the Credit Documents constitute the entire agreement between the parties hereto with respect to the subject matter hereof and supersede any and all prior agreements or understandings, written or oral, with respect thereto.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF each of the Debtor and the Debentureholder has executed this Debenture under the hands of its duly authorized officers in that behalf.

**TAMERLANE VENTURES INC.**

Per: \_\_\_\_\_  
Name:  
Title:

Per: \_\_\_\_\_  
Name:  
Title:

The undersigned agrees to be bound by the Debentureholder's covenants contained herein.

**GLOBAL RESOURCE FUND, by its manager  
RENVEST MERCANTILE BANCORP INC.**

Per: \_\_\_\_\_  
Name:  
Title:

Per: \_\_\_\_\_  
Name:  
Title:



**SCHEDULE "A"**  
**CONVERSION FORM**

**TO: TAMERLANE VENTURES INC.**

All terms used herein but not defined shall have the meanings ascribed thereto in the within Debenture.

Pursuant to Section 3 of the Debenture, the undersigned Debentureholder hereby irrevocably elects to convert the principal amount of USD \$ \_\_\_\_\_ converted to CDN \$ \_\_\_\_\_, into \_\_\_\_\_ Common Shares in accordance with the terms of the Debenture, at the Conversion Price, and directs that the Common Shares issuable and deliverable upon the conversion be issued and delivered to the person indicated below.

(If Common Shares are to be issued in the name of a person other than the Debentureholder, all requisite transfer taxes must be tendered by the undersigned).

Print name in which Common Shares issued on conversion are to be issued, registered and delivered:

Name: \_\_\_\_\_

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(City, Province and Postal Code)

**DATED** this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**GLOBAL RESOURCE FUND, by its manager**  
**REINVEST MERCANTILE BANCORP INC.**

By: \_\_\_\_\_ c/s

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**SCHEDULE 1.1.63(c)****MATERIAL CONTRACTS**

1. Employment Agreement between Tamerlane Ventures Inc. and Michael Willett and guaranteed by Tamerlane Ventures USA, Inc. for employment services. Annual salary of US \$150,000. Benefits include health, dental and 4 weeks vacation. Standard golden parachute payment of 2 years annual salary is due if 30% of the issued and outstanding shares are acquired by a control person or if 40% of the board of directors of Tamerlane Ventures Inc. is replaced. Contract covers 50% bonus, which is subject to performance criteria as decided by the Compensation Committee. Contract not yet finalized but will be finalized by year end.
2. Employment Agreement between Tamerlane Ventures Inc. and Margaret Kent and guaranteed by Tamerlane Ventures USA, Inc. for employment services. Annual salary of US \$120,000. Benefits include health, dental and 4 weeks vacation. Standard golden parachute payment of 2 years annual salary is due if 30% of the issued and outstanding shares are acquired by a control person or if 40% of the board of directors of Tamerlane Ventures Inc. is replaced. Contract covers 50% bonus, which is subject to performance criteria as decided by the Compensation Committee. Contract not yet finalized but will be finalized by year end.
3. Agreement between Tamerlane Ventures Inc. and Karst Investments LLC dated June 15, 2006.

## SCHEDULE 1.1.69

## NOTICE OF REQUEST FOR ADVANCE

**TO:** GLOBAL RESOURCE FUND ("Lender")  
**FROM:** TAMERLANE VENTURES INC. ("Borrower")  
**DATE:** ●

1. This Notice of Request for Advance is delivered to you pursuant to the credit agreement made as of ●, 2010 between Borrower and Lender, as amended, supplemented, restated or replaced from time to time (the "**Credit Agreement**"). All defined terms set forth, but not otherwise defined, in this notice shall have the respective meanings set forth in the Credit Agreement, unless the context requires otherwise.
2. The Borrower hereby requests an Advance as follows:
  - (a) **Date of Advance:** \_\_\_\_\_
  - (b) **Applicable Credit Facility:** (check appropriate box)
 

Bridge Loan Facility	<input type="checkbox"/>
Stand-by Facility	<input type="checkbox"/>
  - (c) **Amount of Advance:** US \$ \_\_\_\_\_.
  - (d) All of the representations and warranties of the Borrower in Article 8 of the Credit Agreement, other than those which by their terms are made only as of a specific date, and other than changes thereto and to the Schedules referred to therein that would not be prohibited pursuant to the Credit Agreement are true and accurate as at the date hereof, as though made on and as of the date hereof.
  - (e) All of the covenants of the Borrower contained in Article 9 of the Credit Agreement together with all of the conditions precedent to the Advances hereby requested and all other terms and conditions contained in the Credit Agreement to be complied with by the Obligors, not properly waived in writing by or on behalf of the Lender have been fully complied with.
  - (f) No Event of Default or Pending Event of Default has occurred and is continuing nor will any such event occur as a result of the aforementioned Advances.
  - (g) No Material Adverse Effect has occurred.

**TAMERLANE VENTURES INC.**

Per:

\_\_\_\_\_

Name:

Title:

**SCHEDULE 1.1.76****PERMITTED CAPITAL EXPENDITURES**

1. Any expenditure related to the update and execution of the Tamerlane Pine Point Feasibility study.
2. Down payments on any long lead time equipment or items to ensure production schedules are met.
3. Capital Lease arrangements for mobile equipment including pick-up trucks, transformers, generators and other equipment needed to advance the Pine Point project.
4. Condemnation drilling and freeze ring drilling to advance the construction process.
5. The staking of any mineral claims.
6. Acquiring an interest in additional mineral properties, including by way of option or joint venture, provided the amount expended in respect of any such Acquisition does not exceed \$250,000 during the term of the Credit Facility.
7. Any extension to the existing Pine Point mineral property.
8. Miscellaneous computer and phone equipment as the Northwest Territories office is re-opened for business.

**SCHEDULE 1.1.78****PERMITTED DISTRIBUTIONS**

1. Margaret Kent

Salary: US\$120,000

Bonus: Employee will be eligible for an annual bonus award of a maximum of 50% of base salary.

Fees: The director's fees as contemplated by Section 1.1.78(d).

2. Michael Willett

Salary: US\$150,000

Bonus: Employee will be eligible for an annual bonus award of a maximum of 50% of base salary.

## SCHEDULE 1.1.79(N)

## ENCUMBRANCES

BRITISH COLUMBIA

*PERSONAL PROPERTY SECURITY ACT*

Secured Party	Debtor	Registration Number and Base Registration Number (Registration Period)	General Collateral Description	Amendments/Assignments Discharge/Renewals Transfers/Subordinations
1. HSBC BANK CANADA 1577 Lonsdale Ave., North Vancouver, BC V7M 2J2	TAMERLANE VENTURES INC. 2466 Bellevue Ave., West Vancouver, BC V7V 1E2	355480E and 119922B  (5 years – Expiry Date is June 23, 2013)	The entire right, title, claim and interest of the Debtor in and to all monies which are now or which may from time to time in the future stand to the credit of the Debtor in any accounts at the branch of the Secured Party located at 1577 Lonsdale Avenue, North Vancouver, B.C., V7M 2J2 and all proceeds including, without limitation, all goods, securities, instruments, documents of title, chattel paper, intangibles and money (all as defined in the <i>Personal Property Security Act</i> , any regulations thereunder and any amendments thereto.)	Original Registration – June 23, 2003 Renewal Date – May 12, 2008

**SCHEDULE 1.1.80****PERMITTED INTER-CORPORATE DEBT**

1. Inter-Company payable from Tamerlane Ventures Peru S.A.C. to Tamerlane Ventures Inc. for US\$670,000.00.
2. Up to US\$100,000 to be shown on the books of Minera Los Pinos de Canete S.A.C. for legal and management fees to resolve the Los Pinos Issue.
3. Inter-Company debt between Tamerlane Ventures Inc. and Tamerlane Ventures USA, Inc. for management services provided by Tamerlane Ventures USA, Inc. to Tamerlane Ventures Inc.



## SCHEDULE 1.1.88

REPAYMENT NOTICE

**TO:** Global Resource Fund ("Lender")  
**FROM:** Tamerlane Ventures Inc. ("Borrower")  
**DATE:** •

1. This Repayment Notice is delivered to you pursuant to the credit agreement made as of ●, between the Borrower and the Lender, as amended, supplemented, restated or replaced from time to time (the "Credit Agreement"). All defined terms set forth, but not otherwise defined, in this notice shall have the respective meanings set forth in the Credit Agreement, unless the context requires otherwise.
2. The Borrower hereby gives you notice of a repayment as follows:
  - (a) **Date of Repayment:** \_\_\_\_\_
  - (b) **Principal of Drawdown:** \_\_\_\_\_

**Tamerlane Ventures Inc.**

Per: \_\_\_\_\_

Name:

Title:

**SCHEDULE 1.1.93**  
**STAND-BY DEBENTURE**

See attached.

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE ● [NTD: INSERT 4 MONTHS AND ONE DAY AFTER ISSUE DATE.].

## STAND-BY CONVERTIBLE DEBENTURE

USD \$1,250,000.00 ●

### 1. PROMISE TO PAY

In accordance with the terms of the Credit Agreement, TAMERLANE VENTURES INC. (the "Debtor") hereby promises to pay to the order of GLOBAL RESOURCE FUND (together with its successors and assigns, the "Debentureholder"), at such place as set out in the Credit Agreement or as the Debentureholder may designate, the principal amount of ONE MILLION, TWO HUNDRED AND FIFTY THOUSAND dollars (\$1,250,000.00) in lawful money of the United States of America, in the manner hereinafter provided, together with interest and other monies in the same currency which may from time to time be owing hereunder or pursuant hereto. This Debenture evidences Advances made under the Credit Agreement. All capitalized terms not defined in the body of this Debenture have the meaning as set out in the Credit Agreement between the Debentureholder and the Debtor dated ●, 2010 (as may be amended, restated or otherwise modified from time to time, the "Credit Agreement").

### 2. INTEREST

Interest on the principal amount shall be computed at the rate of TWELVE AND A HALF per cent (12.5%) per annum, calculated and payable as set out in the Credit Agreement.

### 3. CONVERSION

#### 3.1 Conversion Privileges

(a) The Debentureholder shall have the right, at any time up to and including the close of business one (1) Business Day prior to the Maturity Date, to convert the Canadian Dollar equivalent (determined using the Rate of Exchange on the Closing Date) of the principal amount outstanding under this Debenture, or any portion thereof, into common shares in the capital of the Debtor (the "Common Shares") at a price of CDN \$0.40 per Common Share (the "Conversion Price"), subject to adjustment as provided in Section 3.3. "Rate of Exchange" means the noon spot rate of exchange for Canadian interbank transactions applied in converting US Dollars into Canadian Dollars published by the Bank of Canada for the relevant date.

(b) Provided,

(x) there are no Obligations other than the Debenture Obligations, and

(y) the volume weighted average trading price ("VWAP") of the Common Shares on the TSX Venture Exchange (the "TSXV") for thirty (30) consecutive trading days is equal to or greater than CDN \$0.90,

the Debtor shall have the option, upon five (5) Business Days' prior written notice to the Debentureholder (the "**Debtor's Conversion Notice**"), to convert the Canadian Dollar equivalent (determined using the Rate of Exchange on the Closing Date) of the principal amount outstanding under this Debenture at such time, or a portion thereof, into Common Shares at the Conversion Price. The Debtor's option to convert in this Section 3.1(b) commences on the Closing Date and expires at the close of business one (1) Business Day prior to the Maturity Date.

### 3.2 Manner of Exercise of Right to Convert

- (a) If the Debentureholder wishes to convert this Debenture, in whole or in part, into Common Shares pursuant to Subsection 3.1(a), it shall surrender this Debenture to the Debtor, together with the Conversion Form set forth in Schedule "A" hereto (the "**Conversion Form**"), duly executed by the Debentureholder, irrevocably exercising its right to convert the principal amount, or such portion thereof, in accordance with the provisions hereof. If the Debtor has exercised its option to convert all or a portion of the principal amount of this Debenture into Common Shares and has delivered to the Debentureholder the Debtor's Conversion Notice pursuant to Subsection 3.1(b), the Debentureholder shall have five (5) Business Days from its receipt of the Debtor's Conversion Notice to surrender this Debenture to the Debtor. Upon surrender of this Debenture (together with the Conversion Form in the event of the exercise of a conversion right by the Debentureholder), the Debentureholder or its nominee or assignee shall be entitled to be entered in the books of the Debtor as at the Date of Conversion (as defined below) as the holder of the number of Common Shares into which this Debenture, or portion thereof, is convertible in accordance with the provisions hereof and, as soon as practicable thereafter and in any event no later than three (3) Business Days thereafter, the Debtor shall deliver or cause to be delivered to the Debentureholder or, subject as aforesaid, its nominee, participant or assignee, a certificate for such Common Shares.
- (b) For the purposes hereof, the date of conversion of this Debenture (the "**Date of Conversion**") shall be deemed to be the date on which it is surrendered in accordance with the provisions hereof and, if this Debenture is surrendered by mail or other means of delivery, the date on which it is received by the Debtor during regular business hours on a Business Day. Notwithstanding the foregoing, if the Debentureholder has failed to surrender this Debenture within the prescribed time set forth in Subsection 3.2(a) following the exercise by the Debtor of its option to convert this Debenture pursuant to Subsection 3.1(b), the Debentureholder shall be deemed to have surrendered this Debenture to the Debtor on the fifth Business Day following the Debentureholder's receipt of the Debtor's Conversion Notice and the applicable Date of Conversion shall be such deemed date of surrender.
- (c) If only part of the principal amount outstanding is converted in accordance with this Section 3, upon surrender of this Debenture to the Debtor, the Debtor shall cancel the same and shall, without charge, forthwith certify and deliver to the Debentureholder a new Debenture in the aggregate principal amount equal to the unconverted part of the principal amount of this Debenture.
- (d) Upon surrender of this Debenture for conversion in accordance with this Section 3, the Debentureholder will be entitled to receive that number of Common Shares equal to the quotient obtained when the aggregate of the Canadian Dollar equivalent of the principal

amount to be converted determined in accordance with this Section 3.1 is divided by the Conversion Price.

- (e) Common Shares issued upon conversion of this Debenture in accordance with the terms hereof shall be entitled to all rights and privileges accorded to holders of record of Common Shares on and after the Date of Conversion, from which date they will for all purposes be and be deemed to be issued and outstanding as fully paid and non-assessable Common Shares.

### 3.3 Adjustment Provisions

The Conversion Price will be subject to adjustment from time to time in the events and in the manner following:

- (a) If and whenever at any time after the date hereof, and prior to the Maturity Date, the Debtor:
  - (i) subdivides or redivides any outstanding Common Shares into a greater number of Common Shares;
  - (ii) reduces, combines or consolidates any outstanding Common Shares into a smaller number of Common Shares; or
  - (iii) issues Common Shares or any securities convertible into or exchangeable for Common Shares to the holders of all or substantially all of the outstanding Common Shares by way of a stock dividend or other distribution;

(any of such events in paragraphs 3.3(a)(i), (ii) or (iii) being called a “Share Reorganization”), the Conversion Price will be adjusted by multiplying the Conversion Price by a fraction, the numerator of which is the number of Common Shares outstanding on the record date or effective date of such Share Reorganization and the denominator of which is the total number of Common Shares outstanding immediately after such record date or effective date (including, in the case where securities convertible into or exchangeable for Common Shares are distributed pursuant to paragraph 3.3(a)(iii), the number of Common Shares that would have been outstanding had all such securities been converted into or exchanged for Common Shares on such record date or effective date).

- (b) If and whenever at any time after the date hereof, and prior to the Maturity Date, the Debtor fixes a record date for the issuance or distribution to the holders of all or substantially all of the outstanding Common Shares of (i) securities of the Debtor, including rights, options or warrants to acquire securities of the Debtor or any of its property or assets and including evidences of indebtedness or (ii) any property, money or other assets of the Debtor, including evidences of indebtedness, and if such issuance or distribution does not constitute a Share Reorganization (any such non-excluded issuance or distribution, a “Special Distribution”), the Conversion Price shall, subject to the approval of the TSXV, be adjusted effective immediately after such record date to a price determined by multiplying the Conversion Price in effect on such record date by a fraction:
  - (i) the numerator of which shall be the product of the number of Common Shares outstanding on such record date and the VWAP of the Common Shares for the

twenty (20) consecutive trading days ending immediately prior to such record date, less the fair market value on a per share basis, as determined by the Board of Directors of the Debtor, of such securities, property or assets comprising the Special Distribution; and

- (ii) the denominator of which shall be the product of the number of Common Shares outstanding on such record date and the VWAP of the Common Shares for the twenty (20) consecutive trading days ending immediately prior to such record date.

To the extent that any Special Distribution is not so made, the Conversion Price will be readjusted effective immediately to the Conversion Price which would then be in effect if such record date had not been fixed or to the Conversion Price which would then be in effect based upon the securities, property or assets actually distributed.

- (c) If and whenever at any time after the date hereof, and prior to the Maturity Date, the Debtor fixes a record date for the issue of rights, options or warrants to all or substantially all the holders of Common Shares (the "Rights") under which such holders are entitled, during a period expiring not more than forty-five (45) days after the date of such issue (the "Rights Period"), to subscribe for or purchase Common Shares (the "Common Rights") or securities exchangeable for or convertible into Common Shares (the "Convertible Rights") at a price per share to the holder (or at an exchange or conversion price per share during the Rights Period to the holder in the case of Convertible Rights) of less than 95% of the VWAP of the Common Shares for the twenty (20) consecutive trading days ending three (3) trading days prior to such record date (any of such events being called a "Rights Offering"), then the Conversion Price will be adjusted effective immediately after the record date for the Rights Offering to a price determined by multiplying the Conversion Price in effect immediately prior to the end of the Rights Period by a fraction:
  - (i) the numerator of which shall be the sum of the number of Common Shares outstanding on such record date and a number obtained by dividing (a) either the product of the total number of Common Shares so offered for subscription or purchase and the price at which such shares are so offered, or the product of the maximum number of Common Shares into or for which the convertible or exchangeable securities so offered for subscription or purchase may be converted or exchanged and the conversion or exchange price of such securities, as the case may be, by (b) the VWAP of the Common Shares for the twenty (20) consecutive trading days ending three trading days prior to such record date; and
  - (ii) the denominator of which shall be the sum of the number of Common Shares outstanding on such record date and the number of Common Shares so offered for subscription or purchase (or, in the case of securities convertible into or exchangeable for Common Shares, the maximum number of Common Shares into or for which the securities so offered for subscription or purchase may be converted or exchanged).

To the extent that any such rights, options or warrants are not so exercised on or before the expiry thereof, the Conversion Price will be readjusted to the Conversion Price which would then be in effect based on the number of Common Shares (or the securities

convertible into or exchangeable for Common Shares) actually delivered on the exercise of such rights, options or warrants.

- (d) If and whenever at any time after the date hereof, and prior to the Maturity Date, there is a reclassification of the Common Shares at any time outstanding or change of the Common Shares into other shares or into other securities or other capital reorganization (other than a Share Reorganization), or a consolidation, amalgamation, arrangement or merger of the Debtor with or into any other company or other entity (other than a consolidation, amalgamation, arrangement or merger which does not result in any reclassification of the outstanding Common Shares or a change of the Common Shares into other shares), or a transfer of the undertaking or assets of the Debtor as an entirety or substantially as an entirety to another company or other entity in which the holders of Common Shares are entitled to receive shares, other securities or other property (any of such events being called a “**Capital Reorganization**”), if the Debentureholder exercises the right to convert this Debenture into Common Shares after the effective date of such Capital Reorganization the Debentureholder will be entitled to receive, and will accept for the same aggregate consideration in lieu of the number of Common Shares to which the Debentureholder was previously entitled upon such conversion, the aggregate number and kind of shares, other securities or other property which such holder would have been entitled to receive as a result of such Capital Reorganization if, on the effective date thereof, the holder had been the registered holder of the number of Common Shares to which such holder was previously entitled upon conversion. The Debtor will take all steps necessary to ensure that, on a Capital Reorganization, the Debentureholder will receive the aggregate number of shares, other securities or other property to which it is entitled as a result of the Capital Reorganization. Appropriate adjustments will be made as a result of any such Capital Reorganization in the application of the provisions set forth in this Section 3 with respect to the rights and interests thereafter of the Debentureholder to the end that the provisions set forth in this Section 3 will thereafter correspondingly be made applicable as nearly as may reasonably be in relation to any shares, other securities or other property thereafter deliverable upon the conversion of this Debenture.
- (e) If the purchase price provided for in any rights, options or warrants (the “**Rights Offering Price**”) referred to in Subsection 3.3 is decreased, subject to TSXV approval, the Conversion Price will forthwith be changed so as to decrease the Conversion Price to the Conversion Price that would have been obtained if the adjustment to the Conversion Price made under Subsection 3.3 with respect to such rights, options or warrants had been made on the basis of the Rights Offering Price as so decreased, provided that the terms of this subsection will not apply to any decrease in the Rights Offering Price resulting from terms in any such rights, options or warrants designed to prevent dilution except to the extent that the resulting decrease in the Conversion Price under this subsection would be greater than the decrease, if any, in the Conversion Price to be made under the terms of this subsection by virtue of the occurrence of the event giving rise to such decrease in the Rights Offering Price.
- (f) In any case in which the provisions hereof requires that an adjustment shall become effective immediately after a record date for an event referred to herein, the Debtor may defer, until the occurrence of such event, issuing to the Debentureholder converting after such record date and before the occurrence of such event, the additional securities issuable upon such conversion by reason of the adjustment required by such event before giving effect to such adjustment, provided, however, that the Debtor will deliver to the

Debentureholder an appropriate instrument evidencing the Debentureholder's right to receive such additional securities upon the occurrence of the event requiring such adjustment and, subject to completion of such event, the right to receive any distributions made on such additional securities on and after such date as the Debentureholder would, but for the provisions of this Subsection 3.3(f), have become the holder of record of such additional securities hereunder. A certificate for such additional Common Shares will be delivered to the Debentureholder within five (5) Business Days following the completion of the applicable event.

- (g) In the event of any question arising with respect to the adjustments provided herein, such question will be conclusively determined by the Debtor's auditors who shall have access to all necessary records of the Debtor and such determination will be binding upon the Debtor and the Debentureholder.

#### **3.4 Adjustments to be Cumulative and Successive**

The adjustments provided for in Subsection 3.3 are cumulative and will apply to successive subdivisions, redivisions, reductions, combinations, consolidations, distributions, issues or other events resulting in any adjustment under the provisions of Subsection 3.3, provided that, notwithstanding any other provision hereof, no adjustment of the Conversion Price will be required unless such adjustment would require an increase or decrease of at least one percent (1%) in the Conversion Price then in effect. The adjustments shall be made successively whenever any event referred to therein shall occur.

#### **3.5 No Requirement to Issue Fractional Shares**

The Debtor shall not issue fractional Common Shares upon the conversion of this Debenture. If any fractional interest in a Common Share would, except for the provisions of this Section 3.5, be deliverable upon the conversion of any principal amount of this Debenture, any such fractional interest shall be rounded up to the nearest whole number of Common Shares.

#### **3.6 Taxes and Charges on Conversion**

The Debtor will from time to time promptly pay or make provision for the payment of all Taxes which may be imposed by applicable laws (except income tax or security transfer tax, if any) which shall be payable with respect to the issuance or delivery of Common Shares to the Debentureholder upon the exercise of its right of conversion pursuant to the terms of this Debenture.

#### **3.7 Certificate as to Adjustment**

The Debtor shall from time to time, immediately after the occurrence of any event which requires an adjustment or readjustment as provided in Section 3.3, deliver a certificate to the Debentureholder, executed by the Chief Executive Officer or the Chief Financial Officer of the Debtor, specifying the nature of the event requiring the same and the amount of the adjustment or readjustment necessitated thereby including the resulting Conversion Price and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based. Such certificate and the amount of the adjustment specified therein shall, subject to the provisions of Sections 3.5 and 3.6 and absent manifest error, be conclusive and binding on all interested parties; provided that, if requested in writing by the Debentureholder, the Debtor shall submit the certificate to a firm of chartered accountants selected by the Debtor and acceptable to the Debentureholder for review and confirmation of the calculation and, to the extent required, the facts upon which the calculation was based, and the results of such review shall



be conclusive and binding on all interested parties. The fees and expenses incurred by the chartered accountants in connection with the services contemplated in this Section 3.7 shall be borne by the Debtor.

### 3.8 Notice of Special Matters

The Debtor covenants that, so long as this Debenture remains outstanding, it will give notice to the Debentureholder of its intention to fix a record date for any event referred to in Section 3.3 which may give rise to an adjustment in the Conversion Price, and such notice shall specify the particulars of such event and the record date or the effective date, as applicable, for such event. Except where the Debentureholder otherwise consents to in writing, such notice shall be given not less than twenty (20) days prior to the applicable record date.

### 3.9 Debtor to Reserve Shares

The Debtor covenants that it will at all times reserve and keep available out of its authorized Common Shares (if the number thereof is or becomes limited) solely for the purpose of issue upon conversion of this Debenture such number of Common Shares as shall then be issuable upon the conversion of this Debenture. All Common Shares which shall so be issuable shall be duly and validly issued, fully paid and non-assessable.

### 3.10 Legended Share Certificates

Notwithstanding anything herein contained, Common Shares issuable upon conversion of this Debenture will only be issued in compliance with the securities laws of any applicable jurisdiction, and the certificates representing the Common Shares thereby issued may bear such legend(s) as may, in the opinion of counsel to the Debtor, acting reasonably, be necessary in order to avoid a violation of any securities laws of any province in Canada or of the United States or to comply with the requirements of any stock exchange on which the Common Shares are listed, provided that if, at any time, in the opinion of counsel to the Debtor, such legends are no longer necessary in order to avoid a violation of any such laws, or the holder of any such legended certificate, at the holder's expense, provides the Debtor with evidence satisfactory in form and substance to the Debtor (which may include an opinion of counsel satisfactory to the Debtor) to the effect that such holder is entitled to sell or otherwise transfer such Common Shares in a transaction in which such legends are not required, such legended certificate may thereafter be surrendered to the Debtor in exchange for a certificate which does not bear such legend.

## 4. PRINCIPAL PAYMENTS AND MATURITY

- (a) The principal amount of this Debenture together with all accrued and unpaid interest and all other monies owing hereunder, shall become due and payable on the Maturity Date.
- (b) All instalments of principal and interest hereunder received by the Debentureholder shall be applied in accordance with the terms of the Credit Agreement.

## 5. PREPAYMENT

- (a) The Debtor shall have the right to prepay this Debenture by providing no less than twenty (20) Business Days written notice to the Debentureholder setting out its intention to repay an amount (the "Repayment Amount") that is greater than CDN \$500,000.00 (the "Repayment Notice Period"). The Repayment Notice Period must end prior to the Maturity Date.

- (b) During the Repayment Notice Period, the Debentureholder may elect to exercise its option to convert all or part of the principal amount outstanding under this Debenture to Common Shares in any proportion it chooses pursuant to Sections 3.1 and 3.2 hereof.
- (c) If the Debentureholder notifies the Debtor that it elects not to convert all or part of this Debenture into Common Shares during the Repayment Notice Period, or if the Debentureholder fails to respond to the Debtor during the Repayment Notice Period, then the Debtor shall repay to the Debentureholder the Repayment Amount plus, as a genuine pre-estimate of damages and not as a penalty, an amount equal to 10% of the Repayment Amount. If such prepayment is made prior to the 183<sup>rd</sup> day following the Closing Date, the Debtor shall pay, as a genuine pre-estimate of damages and not as a penalty, in addition to all other obligations (including the aforementioned 10% amount), an amount equal to three (3) months interest on the Repayment Amount.
- (d) Notwithstanding the above, the Debtor shall not be entitled to prepay this Debenture if, at the time of prepayment, the Obligations are greater than Debenture Obligations.

## 6. PAYMENT GENERALLY

- (a) All amounts payable by the Debtor hereunder shall be paid to the Debentureholder in U.S. Dollars, in immediately available funds, without set off or counterclaim on the day such payment is due (i) by wire transfer at such account or financial institution as the Debentureholder may from time to time notify the Debtor or (ii) by bank draft delivered to the Debentureholder at its address as set forth in Section 13 hereof. Any payments received after 2:00 p.m. (Toronto time) will be considered for all purposes as having been made on the next following Business Day.
- (b) If the due date of any payment under this Debenture would otherwise fall on a day that is not a Business Day, such payment shall be due on the immediately preceding Business Day, without any deduction or credit for early payment.
- (c) The Debentureholder will maintain in accordance with its usual practice one or more accounts evidencing the indebtedness of the Debtor to the Debentureholder hereunder. Such account(s) will be *prima facie* evidence of the obligations recorded therein, provided that any failure by the Debentureholder to maintain any account or any error therein shall not affect the obligation of the Debtor to repay its indebtedness to the Debentureholder in accordance with this Debenture.

## 7. DEFAULT

- (a) Upon the occurrence of an Event of Default, the Debentureholder, at its option, may declare all or part of Obligations to be due and payable either on demand or to be immediately due and payable without demand, in each case, all without presentment, protest or further notice of any kind, all of which are hereby expressly waived by the Debtor. In such event the Debentureholder may, in its discretion, exercise any right or recourse and proceed by any action, suit, remedy or proceeding against the Debtor authorized or permitted by law for the recovery of the Obligations hereunder.
- (b) The rights and remedies of the Debentureholder hereunder are cumulative and are in addition to and not in substitution for any other rights or remedies available at law or in

equity or otherwise. No single or partial exercise by the Debentureholder of any right or remedy precludes or otherwise affects the exercise of any other right or remedy to which the Debentureholder may be entitled.

- (c) No failure on the part of the Debentureholder to exercise and no delay in exercising, and no course of dealing with respect to, any right, power or privilege under any Credit Document shall operate as a waiver thereof nor shall any single or partial exercise of any right, power or privilege under any Credit Document preclude any other or further exercise thereof or the exercise of any other right, power, or privilege. The remedies provided herein are cumulative and not exclusive of any remedies provided by law. Any waiver by the Debentureholder of the strict compliance with any term any Credit Document will not be deemed to be a waiver of any subsequent Event of Default.

## 8. INTERPRETATION

Words importing the singular number include the plural and vice versa. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. All forms of "include" shall be deemed to be followed by the phrase "without limitation". The word "will" shall have the same meaning and effect as "shall". Unless the context requires otherwise (i) reference to any agreement or other document herein shall be construed as referring to such agreement or other document as from time to time amended (subject to any restrictions on such amendment set forth herein); (ii) reference to any Person shall be construed to include such Person's successors and assigns; (iii) "herein", "hereof" and "hereunder", and similar words shall be construed to refer to this Debenture in its entirety and not to any particular provision hereof; and (iv) all references to sections, schedules and exhibits shall be construed to refer to sections of, schedules to and exhibits to this Debenture, and all such schedules and exhibits shall form part of this Debenture.

## 9. NOTICE

Any demand or notice to be made or given in connection with this Debenture will be in writing and will be delivered in the manner provided in the Credit Agreement for the communication of notices and demands.

## 10. SUCCESSORS AND ASSIGNS, WAIVER AND ACKNOWLEDGEMENT

- (a) The Debtor may not transfer, assign or convey any of its obligations under this Debenture to any Person without the prior written consent of the Debentureholder. The Debentureholder may transfer or assign this Debenture or any of its rights or obligations hereunder without the consent of the Debtor subject to the terms set out in Section 14.1(c) of the Credit Agreement.
- (b) This Debenture shall be binding upon the Debtor and its successors and shall enure to the benefit of the Debentureholder and its successors and assigns. Any reference herein to the Debentureholder shall include its successors and assigns as if specifically named. Presentment for payment, demand, protest, notice of protest, notice of dishonour and statutory days of grace respecting this Debenture are hereby waived.

**11. GOVERNING LAW AND JURISDICTION**

This Debenture shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein (other than the conflict of laws rules).

**12. SEVERABILITY OF PROVISIONS**

Any provision of this Debenture that is prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of that prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of that provision in any other jurisdiction.

**13. ENTIRE AGREEMENT**

This Debenture and the Credit Documents constitute the entire agreement between the parties hereto with respect to the subject matter hereof and supersede any and all prior agreements or understandings, written or oral, with respect thereto.

**[SIGNATURE PAGE FOLLOWS]**

**IN WITNESS WHEREOF** each of the Debtor and the Debentureholder has executed this Debenture under the hands of its duly authorized officers in that behalf.

**TAMERLANE VENTURES INC.**

Per: \_\_\_\_\_  
Name:  
Title:

Per: \_\_\_\_\_  
Name:  
Title:

The undersigned agrees to be bound by the Debentureholder's covenants contained herein.

**GLOBAL RESOURCE FUND, by its manager  
RENVEST MERCANTILE BANCORP INC.**

Per: \_\_\_\_\_  
Name:  
Title:

Per: \_\_\_\_\_  
Name:  
Title:

**SCHEDULE "A"**  
**CONVERSION FORM**

**TO: TAMERLANE VENTURES INC.**

All terms used herein but not defined shall have the meanings ascribed thereto in the within Debenture.

Pursuant to Section 3 of the Debenture, the undersigned Debentureholder hereby irrevocably elects to convert the principal amount of USD \$ \_\_\_\_\_ converted to CDN \$ \_\_\_\_\_, into \_\_\_\_\_ Common Shares in accordance with the terms of the Debenture, at the Conversion Price, and directs that the Common Shares issuable and deliverable upon the conversion be issued and delivered to the person indicated below.

(If Common Shares are to be issued in the name of a person other than the Debentureholder, all requisite transfer taxes must be tendered by the undersigned).

Print name in which Common Shares issued on conversion are to be issued, registered and delivered:

Name: \_\_\_\_\_

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(City, Province and Postal Code)

DATED this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**GLOBAL RESOURCE FUND, by its manager  
RENVEST MERCANTILE BANCORP INC.**

By: \_\_\_\_\_ c/s

Name: \_\_\_\_\_

Title:

**SCHEDULE 3.1(j)**

**UNDERTAKING**

See attached:

**UNDERTAKING**

TO: Global Resource Fund (the "Lender")

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WHEREAS the undersigned (the "Borrower") has entered into a credit agreement dated the date hereof with the Lender (the "Credit Agreement"), which Credit Agreement contemplates the granting of Security to the Lender;

AND WHEREAS resulting from the Los Pinos Issue, the Borrower and/or its Subsidiaries are unable to provide certain security to the Lender as of the date hereof;

NOW THEREFORE, in consideration of the Lender entering into the Credit Agreement, and for other good and valuable consideration, the sufficiency of which is acknowledged by the Parties, the undersigned hereby undertakes the following:

1. to use its commercially reasonable efforts to deliver and/or cause its Subsidiaries to deliver to the Lender as soon as reasonably practicable following the Closing Date, the following security:
  - (i) a pledge of the Borrower's shares in Tamerlane Ventures Peru S.A.C.;
  - (ii) a pledge of the Borrower's shares in Minera Los Pinos de Canete;
  - (iii) a general security interest in Los Pinos;
  - (iv) a guarantee of Tamerlane Ventures Peru S.A.C. to the Lender; and
  - (v) a guarantee of Minera Los Pinos de Canete to the Lender,

(collectively, the "Additional Security"), and
2. until such time as the Additional Security has been delivered to the Lender, to provide to the Lender quarterly written updates (the "Updates") to the Lender (the first update to be provided to the Lender on March 31, 2011), on the developments regarding granting the Additional Security, such Updates to include a summary of the steps taken by the Borrower to resolve the Los Pinos Issue and the current status of same.

All capitalized terms not defined in this Undertaking shall have the meanings ascribed to them in the Credit Agreement.

DATED the \_\_\_\_\_ day of December, 2010.

**TAMERLANE VENTURES INC.**

Per: \_\_\_\_\_

Name: Margaret M. Kent

Title: Executive Chairman



## SCHEDULE 7.1

## WIRE INSTRUCTIONS

Bank Name: [REDACTED]

Account Number: [REDACTED]

Swift Code: [REDACTED]

Address: [REDACTED]

Contact Number: [REDACTED]

**SCHEDULE 8.1.11****DEBT AND NON-ARM'S LENGTH TRANSACTIONS**

- I. Agreement between Tamerlane Ventures Inc. and Karst Investments LLC dated June 15, 2006.

## SCHEDULE 8.1.12

## OWNERSHIP

Tamerlane Ventures Inc.

1. Mining Leases issued pursuant to the *Northwest Territories and Nunavut Mining Regulations* C.R.C. c. 1516 (the "Regulations"), described as follows:

Lease No.

4858  
4859  
4861  
4862  
4863  
4864  
4865  
4866  
4867  
4860  
4868  
4869  
4870  
4871  
4872  
4873

2. Mining Claims issued pursuant to the Regulations, described as follows:

<u>Claim Name</u>	<u>Claim No.</u>
M2	F73157
M3	F73125
M4	F73126
M5	F73127
M6	F73128
M7	F73129
M8	F73130
M9	F73131
M10	F73132
M11	F73133
M12	F73134
M13	F73135
M14	F73136

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M15	F73137
M16	F73138
N1	F73143
N2	F73144
N3	F73145
N4	F73146
N5	F73147
N17	F75690
N18	F75732
S1	F73123
S17	F73139

3. N.W.T. Lease No. 85 B/11-15-2 made as of the 29<sup>th</sup> day of September, 2009 between Her Majesty the Queen in right of Canada and Tamerlane Ventures Incorporated concerning that certain parcel or tract of land described therein.
4. N.W.T. Lease No. 85 B/11-16-2 made as of the 29<sup>th</sup> day of September, 2009 between Her Majesty the Queen in right of Canada and Tamerlane Ventures Incorporated concerning that certain parcel or tract of land described therein.
5. Month-to-month lease at 10 Industria Drive, Hay River, Northwest Territories for \$4,200 (inclusive of G.S.T.), payable to 4944 NWT Ltd., which is used for geological staff and core logging.

Tamerlane Ventures USA, Inc.

1. Office lease of 2981 rentable square feet at 1609 Broadway, Suites 204 and 205, Bellingham, WA, 98248 from Park Place of Marysville, LLC with termination on August 31, 2011.

Minera Los Pinos de Cafiete

1. Please see attached description of the Los Pinos and El Pino mineral properties in southern Peru (in Spanish).

**INFORME DE TITULOS  
CONCESIONES MINERAS LOS PINOS**

**1. DESCRIPCION DE LAS CONCESIONES: CONCESIONS DESCRIPTION**

Las Concesiones Mineras materia del presente Informe son las siguientes:

- a. **LOS PINOS No. 1**, Código No. 11019610X01, de 600 Hectáreas de extensión, Clasificación Metálica, ubicado en el distrito de Lunahuana, provincia de Cañete, Departamento de Lima, inscrito en la Partida No. 02015282 del Libro de Derechos Mineros del Registro de la Propiedad Inmueble de Lima.
- b. **LOS PINOS No. 6**, Código No. 11019984X01, de 90 Hectáreas de extensión, Clasificación Metálica, ubicado en el distrito de Lunahuana, provincia de Cañete, Departamento de Lima, inscrito en la Partida No. 02017825 del Libro de Derechos Mineros del Registro de la Propiedad Inmueble de Lima.
- c. **EL PINO**, Código No. 11019608X01, de 100 Hectáreas de extensión, Clasificación Metálica, ubicado en el distrito de Lunahuana, provincia de Cañete, Departamento de Lima. Inscrito en la Partida No. 02017306 del Libro de Derechos Mineros del Registro de la Propiedad Inmueble de Lima.

**SCHEDULE 8.1.13****INSURANCE**

## 1. Commercial Insurance Policy

Insured: Tamerlane Ventures USA, Inc.

Insurer: Liberty Northwest Insurance

Policy Type: Business owner's

Policy Period: August 31, 2010 to August 31, 2011

Policy Number: 02-BP-918187-1

## 2. Directors and Officers Policy

Insured: Tamerlane Ventures Inc.

Insurance Company: Chartis Insurance Company of Canada

Policy Number: 02-582-10-97

Policy Period: July 11, 2010 to July 11, 2011

Limit of Liability: \$2,000,000

Crisis Fund: Crisis Loss: \$10,000

Delisting Crisis Loss: \$5,000

Retention: Securities Claims: \$50,000

Employment Practices Claims: \$25,000

Oppressive Conduct Claims: \$50,000

Canadian Pollution Claims: \$25,000

All other claims: \$25,000

## 3. Commercial Package

Insured: Tamerlane Ventures Inc.

Insurer: Chubb Insurance

Policy Number: 37112057

Location 1: 1609 Bellingham

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Personal Property: \$30,000

Electronic Data Processing Equipment: \$125,000

Electronic Data Processing Media: \$100,000

Extra Expense: \$20,000

Location 2: Hay River

Contents: \$30,000

Electronic Data Processing Property: \$2,500

Core Equipment: \$5,000

Limit – Each Occurrence: Each Occurrence Limit: \$5,000,000

General Aggregate Limit: \$25,000,000

US General Aggregate Limit: \$5,000,000

Canadian Dollars Unless Indicated Otherwise:

Products & Completed Operations Aggregate Limit: \$5,000,000

Advertising Injury and Personal Injury Limit: \$5,000,000

Medical Expense Limit: \$25,000

Deductible including Expenses Endorsement: 5,000

Liability Territory: Coverage applies anywhere for suits brought in North America

Employee Benefits Liability: Each Claim Limit: \$1,000,000

Aggregate Limit: \$1,000,000

Deductible – Each Claim: \$5,000

Retroactive Date: February 4, 2005

Non-Owned Auto Liability: Each Accident Limit: \$2,000,000

SEF 96 Contractual Liability

SEF 99 Excluding Long Term Leased Vehicles

SEF 94 Legal Liability for Damage to Hire Vehicles:  
\$50,000

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-Deductible: \$5,000

Forest and Prairie Fire Fighting Expense: General Aggregate Limit: \$250,000

Each Occurrence Limit: \$250,000

Deductible – Each Claim: \$10,000



**SCHEDULE 8.1.14**  
**EMPLOYEE DISPUTES**

None at this time.

## SCHEDULE 8.1.17

## CORPORATE STRUCTURE

- A) 1. TAMERLANE VENTURES INC. - CANADA  
 2. TAMERLANE VENTURES USA, INC. - WASHINGTON STATE  
 3. TAMERLANE VENTURES PERU S.A.C. - PERU  
 4. MINERA LOS PINOS DE CANETE S.A.C. - PERU

B) CORPORATE OFFICE

TAMERLANE VENTURES INC.  
 C/O WILLIAM SHERIDAN  
 LANG MICHENER LLP  
 BROOKFIELD PLACE  
 SUITE 2500, 181 BAY STREET  
 TORONTO, ONTARIO M5J 2T7

BUSINESS UNIT

NORTHWEST TERRITORIES  
 TAMERLANE VENTURES INC.  
 10 INDUSTRIAL DRIVE  
 HAY RIVER, NWT  
 X0E 0R6

MANAGEMENT OFFICE OF TAMERLANE VENTURES INC.

TAMERLANE VENTURES USA, INC.  
 1609 BROADWAY STREET  
 BELLINGHAM, WA. 98225

MINERA LOS PINOS DE CAÑETE S.A.C.

C/O DR. JORGE MANINI  
 ESTUDIO MANINI & ASOCIADOS  
 LOS CASAÑOS NO. 335 SAN ISIDRO  
 LIMA, PERÚ

**Shareholdings:**

1. Tamerlane Ventures Inc. -- publicly traded corporation listed on the TSXV -- 65,507,023 common shares issued and outstanding.
2. Tamerlane Ventures USA, Inc. -- 100 common shares issued to Tamerlane Ventures Inc.

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3. Minera Los Pinos de Cañete S.A.C. (ownership in dispute),  
70133 acciones – Tamerlane Ventures Inc.  
01 acciones – Eduardo Tizón Cabrejas.
4. Tamerlane Ventures Peru S.A.C. – Shareholdings are in dispute.

**SCHEDULE 8.1.18****RELEVANT JURISDICTIONS**

1. Tamerlane Ventures Inc.
  - Ontario
  - British Columbia
  - Northwest Territories
2. Tamerlane Ventures USA, Inc.
  - State of Washington
3. Tamerlane Ventures Peru S.A.C.
  - Peru
4. Minera Los Pinos de Cañete
  - Peru

**SCHEDULE 8.1.20**  
**INTELLECTUAL PROPERTY**

None at this time.

**SCHEDULE 8.1.21****CONTRACTS AND LICENCES**

1. Land use permit MV2008C0023 July 2, 2009 with expiration date of July 1, 2014.
2. Type A Water License – MV2008L2-0003. Effective Date of Licence: December 12, 2008. Expiration Date: July 28, 2013.
3. Prospectors License N32982.
4. Material Agreements as described on Schedule 1.1.63(c).

## SCHEDULE 9.3.20

## ACCOUNTS

1. TAMERLANE VENTURES USA, INC.  
BANK OF AMERICA  
P.O. BOX 94022  
SEATTLE, WA 98124 – 9422  
US FUNDS
  
2. TAMERLANE VENTURES INC.  
HSBC BANK CANADA  
1577 LONSDALE AVENUE  
NORTH VANCOUVER, BC  
V7M 2J2  
  
ACCOUNT# 001 – CANADIAN FUNDS  
070 – US FUNDS
  
3. WOLVERTON SECURITIES (USA) LTD.  
17<sup>TH</sup> FLOOR, 777 DUNSMUIR ST.  
VANCOUVER, B.C.  
V7Y 1J5





**FIRST AMENDING AGREEMENT**

This Amending Agreement made as of the 30<sup>th</sup> day of June, 2011,

**BETWEEN:**

**TAMERLANE VENTURES INC.**  
(hereinafter referred to as the "**Borrower**")

-and-

**GLOBAL RESOURCE FUND**  
(hereinafter referred to as the "**Lender**")

**RECITALS:**

A. the parties hereto entered into a credit agreement made December 16, 2010 (the "**Credit Agreement**"); and

B. the parties have agreed to amend certain terms of the Credit Agreement as set forth herein and to provide such further assurances as are required under the Credit Agreement;

NOW THEREFORE in consideration of the covenants and agreements contained in this Amending Agreement, the Parties agree as follows:

**1.01 Definitions**

Except as amended by this Amending Agreement, all terms used in this Amending Agreement without definition, which are used in the Credit Agreement, shall have the meanings attributed to them in the Credit Agreement.

**2.01 Amendments**

The Credit Agreement is hereby specifically amended as follows:

(1) The definition of "Maturity Date" in Section 1.1.65 of the Credit Agreement is hereby amended by deleting the words "June 16, 2012" and substituting the words "October 16, 2012."

**3.01 Representations and Warranties of the Borrower**

Each of the Obligors jointly and severally makes the following representations and warranties to the Lender, which representations and warranties shall survive the execution and delivery of this Amending Agreement and acknowledges and confirms that the Lender is relying on such representations and warranties:

- (a) except as disclosed in Schedule "A", each of the representations and warranties of the Obligors set forth in Section 8.1 of the Credit Agreement has been and continues to be true and correct in all respects up to and including the date hereof, with the same effect as if those representations and warranties had been made on and as of the date hereof, other than those by which their terms are made only as of a specific date or period of time and relate only to such date or period of time;
- (b) each Obligor has the corporate power and authority to enter into and perform its obligations, and exercise its rights under, the Credit Agreement and this Amending Agreement;
- (c) the entering into and performance by the Obligors of this Amending Agreement has been (i) duly authorized by all necessary corporate actions, (ii) does not and will not violate or conflict with any of their respective Organizational Documents, any Law as may be applicable to them, or any resolutions passed by their respective boards of directors (or any committees thereof) or any of their shareholders as are applicable, (iii) does not, and will not, result in a breach of, or constitute any default under, any of their Material Contracts or Material Licenses, where such breaches or defaults would reasonably be expected to have any Material Adverse Effect at any time, and (iv) does not result in any Encumbrances other than Permitted Encumbrances;
- (d) this Amending Agreement is, and each of the other Credit Documents to which any one or more of them are a party continues to be a valid and legally binding obligation, enforceable against each Obligor party thereto in accordance with their respective terms, subject only to any limitation under applicable laws relating to: (i) bankruptcy, insolvency, reorganization, moratorium or creditors' rights generally; and (ii) the discretion that a court may exercise in the granting of equitable remedies; and
- (e) no Event of Default or Pending Event of Default has occurred that will remain outstanding upon this Amending Agreement becoming effective.

#### **4.01 Conditions Precedent**

This Amending Agreement shall not be effective until each of the Obligors shall have duly authorized, executed and delivered to the Lender this Amending Agreement and the Borrower shall have paid to the Lender a fee in the amount of USD\$150,000. In addition, the Borrower covenants to pay the legal fees of Lender's Counsel in connection with this Amending Agreement.

**5.01 Supplemental**

This Amending Agreement is supplemental to and amends the Credit Agreement and the Credit Agreement shall henceforth be read in conjunction with, as amended by, this Amending Agreement, and the Credit Agreement and this Amending Agreement shall henceforth be read, interpreted, construed and have effect so far as it is practicable and all required re-numbering adjustments to Section references shall be deemed to have been made as if all of the provisions of the Credit Agreement and this Amending Agreement were contained in one instrument.

**5.02 Credit Agreement Remains in Effect**

Each of the parties acknowledges that, except as specifically amended or supplemented by the provisions of this Amending Agreement, the Credit Agreement and each of the other Credit Documents to which each is a party remain in full force and effect unamended and enforceable against the Obligors in accordance with their respective terms.

**5.03 Confirmation Regarding Security**

The Obligors each hereby jointly and severally confirm, notwithstanding all other terms and conditions of this Amending Agreement, that the Security, including all guarantees, executed and delivered by them continues at all times to be legal, valid, binding and enforceable in accordance with the terms and conditions thereof, and continues to stand as good, valid and enforceable security pledged in support of all of the Obligations now or hereafter outstanding, whatsoever and howsoever incurred, to the Lender including those under the Credit Agreement and the Credit Documents.

**5.04 Further Assurances**

The parties hereto covenant and agree at all times and from time to time hereafter to make, do, execute, deliver or cause to be made, done, executed and delivered, all such further and other acts, deeds, assurances, opinions and things as may be required for more effectually implementing and carrying out the provisions of the Credit Agreement, as amended by this Amending Agreement.

**5.05 Governing Law**

The parties agree that this Amending Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein, without prejudice to or limitation of any other rights or remedies available under the laws of any jurisdiction where property or assets of the Obligors may be found.

**5.06 Counterparts**

This Amending Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be

deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this Amending Agreement to produce or account for more than one such counterpart executed by each party.

*[rest of page intentionally left blank; signatures on the next page]*

IN WITNESS WHEREOF the parties hereto have executed this Amending Agreement as of the date first written above.

**TAMERLANE VENTURES INC.**

Per: W.J.V. Sheridan  
Name: W.J.V. SHERIDAN  
Title: Director & Secretary  
I have authority to bind the corporation

**TAMERLANE VENTURES USA, INC.**

Per: W.J.V. Sheridan  
Name: W.J.V. SHERIDAN  
Title: Director & Secretary  
I have authority to bind the corporation

**GLOBAL RESOURCE FUND by its  
Manager RENVEST MERCANTILE  
BANCORP INC.**

Per: \_\_\_\_\_  
Name:  
Title:

Per: \_\_\_\_\_  
Name:  
Title:

We have authority to bind the corporation

IN WITNESS WHEREOF the parties hereto have executed this Amending Agreement as of the date first written above.


**TAMERLANE VENTURES INC.**

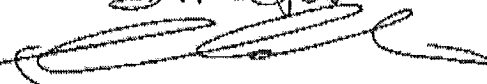
Per: \_\_\_\_\_  
Name:  
Title:  
I have authority to bind the corporation

**TAMERLANE VENTURES USA, INC.**

Per: \_\_\_\_\_  
Name:  
Title:  
I have authority to bind the corporation

**GLOBAL RESOURCE FUND by its  
Manager RENVEST MERCANTILE  
BANCORP INC.**

Per:   
Name: David Lewis  
Title: Director

Per:   
Name: JOHN OALISO  
Title: DIRECTOR  
We have authority to bind the corporation

### Schedule "A"

Below are updates to those sections and schedules which were attached to the Credit Agreement:

Schedule 8.1.11: Please refer to the Borrower's condensed consolidated interim financial statements for the three months ended March 31, 2011 note 11 for an update on any related party transactions.

Schedule 8.1.12: Please refer to the Borrower's condensed consolidated interim financial statements for the three months ended March 31, 2011 note 6(b) for an update on the Los Pinos Issue.

Schedule 8.1.17: The Borrower incorporated a new subsidiary, Pine Point Holding Corp. which was incorporated on March 4, 2011 under the CBCA. The ultimate purpose of this company is to own the Pine Point property, though the leases have not been transferred. Certain immaterial contracts have been entered into by this company.

Schedule 8.1.18: Pine Point Holding Corp. – federal company

Schedule 8.1.21: On June 7, 2011, Pine Point Holding Corp. submitted a proposal to Alvarez & Marsal Inc., the Court Appointed Receiver (the "Receiver") of Redcorp Ventures Ltd. and Redfern Resources Ltd. (collectively "Redfern") to purchase certain equipment in the possession of the Receiver (the "Equipment") for a total offer value of \$825,000. The Receiver has accepted the proposal, however the proposal has not yet been approved by the Court.

Negotiations have commenced with Friesen Drillers Ltd. to enter into a drilling contract with an expected value of approximately \$400,000.

Section 8.1.25g: The Borrower has advised that quantities of H2S have been discovered in ground water in and around the Pine Point deposits. This is naturally occurring. Upon the occurrence, in accordance with the Borrower's environmental permit, the Borrower notified the regulatory authorities. At the suggestion of the regulatory authorities, the Borrower is revising its health and safety policies. No other action has been taken by the regulatory authorities.





**SECOND AMENDING AGREEMENT**

This Second Amending Agreement is made as of the 29<sup>th</sup> day of July, 2011,

**BETWEEN:**

**TAMERLANE VENTURES INC.**  
(hereinafter referred to as the "**Borrower**")

-and-

**GLOBAL RESOURCE FUND**  
(hereinafter referred to as the "**Lender**")

**RECITALS:**

A. the parties hereto entered into a credit agreement made December 16, 2010, which was amended by the First Amending Agreement dated June 30, 2011 (the "**Credit Agreement**"); and

B. the parties have agreed to amend certain terms of the Credit Agreement as set forth herein and to provide such further assurances as are required under the Credit Agreement;

NOW THEREFORE in consideration of the covenants and agreements contained in this Amending Agreement, the Parties agree as follows:

**1.01 Definitions**

Except as amended by this Amending Agreement, all terms used in this Amending Agreement without definition, which are used in the Credit Agreement, shall have the meanings attributed to them in the Credit Agreement. References to the "Second Amending Agreement" mean this Second Amending Agreement.

**2.01 Amendments**

The Credit Agreement is hereby specifically amended as follows:

(1) Section 2.1.2 is hereby amended by deleting the words "The Borrower's ability to draw under the Stand-by Facility will expire on the 183<sup>rd</sup> day following the Closing Date." and replacing same with the following: "The Borrower's ability to draw under the Stand-by Facility will expire on November 30, 2011."

(2) Section 2.2 is hereby amended by deleting the words "Advances under the Stand-by Facility shall only be used to acquire the Mill." and replacing same with the following: "Advances under the Stand-by Facility will be used for general corporate working capital, including continuation of development engineering, and for the purchase of long-lead items and equipment available on the secondary market."

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(3) Section 3.2 is deleted in its entirety and replaced with the following:

“The obligation of the Lender to advance funds under the Stand-by Facility is subject to the fulfillment of the following conditions precedent:

- (a) receipt by the Lender of a timely Notice of Request for Advance as required under Section 2.4;
- (b) the issuance of shares and payment of fees required under section 5.6(b);
- (c) no Event of Default or Pending Event of Default has occurred and is continuing or would result immediately after such advance; and
- (d) receipt by the Lender of one or more Stand-by Facility Debentures evidencing the first \$1,250,000 of Advances under the Stand-by Facility, duly issued, executed and delivered, and receipt of acceptance from the TSXV in connection therewith.”

(4) Section 5.4 is deleted in its entirety and replaced with the following:

“From the date of the Second Amending Agreement until such time as the Stand-By Facility is no longer available in accordance with the terms of Section 2.1.2, the Borrower shall pay to the Lender a standby fee (the “Stand-by Fee”), calculated at the Stand-by Fee Rate, on the amount by which the daily average of the aggregate of all Advances outstanding under the Stand-by Facility during the applicable month is less than the maximum amount available under the Stand-by Facility. The Stand-by Fee shall be determined monthly beginning on the date of the Second Amending Agreement, and shall be payable by the Borrower monthly in arrears on the 25<sup>th</sup> of each calendar month beginning with the first of such dates to occur on the 25<sup>th</sup> day of the calendar month immediately following the month in which the date of the Second Amending Agreement falls. Payments in respect of partial months shall be prorated based on the actual number of days in the applicable monthly period.”

(5) The defined term “Mill” and its definition in Section 1.1(66) is hereby deleted in its entirety.

### **3.01 Representations and Warranties of the Borrower**

Each of the Obligors jointly and severally makes the following representations and warranties to the Lender, which representations and warranties shall survive the execution and delivery of this Amending Agreement and acknowledges and confirms that the Lender is relying on such representations and warranties:

- (a) except as disclosed in Schedule “A”, each of the representations and warranties of the Obligors set forth in Section 8.1 of the Credit Agreement has been and continues to be true and correct in all respects up to and including the date hereof, with the same effect as if those representations

- 3 -

and warranties had been made on and as of the date hereof, other than those by which their terms are made only as of a specific date or period of time and relate only to such date or period of time;

- (b) each Obligor has the corporate power and authority to enter into and perform its obligations, and exercise its rights under, the Credit Agreement and this Amending Agreement;
- (c) the entering into and performance by the Obligors of this Amending Agreement has been (i) duly authorized by all necessary corporate actions, (ii) does not and will not violate or conflict with any of their respective Organizational Documents, any Law as may be applicable to them, or any resolutions passed by their respective boards of directors (or any committees thereof) or any of their shareholders as are applicable, (iii) does not, and will not, result in a breach of, or constitute any default under, any of their Material Contracts or Material Licenses, where such breaches or defaults would reasonably be expected to have any Material Adverse Effect at any time, and (iv) does not result in any Encumbrances other than Permitted Encumbrances;
- (d) this Amending Agreement is, and each of the other Credit Documents to which any one or more of them are a party continues to be a valid and legally binding obligation, enforceable against each Obligor party thereto in accordance with their respective terms, subject only to any limitation under applicable laws relating to: (i) bankruptcy, insolvency, reorganization, moratorium or creditors' rights generally; and (ii) the discretion that a court may exercise in the granting of equitable remedies; and
- (e) no Event of Default or Pending Event of Default has occurred that will remain outstanding upon this Amending Agreement becoming effective.

#### **4.01 Conditions Precedent**

This Amending Agreement shall not be effective until:

- (a) each of the Obligors shall have duly authorized, executed and delivered to the Lender this Amending Agreement and the Borrower shall have paid to the Lender a fee in the amount of USD\$50,000; and
- (b) the Security to be provided pursuant to the terms of the Credit Agreement with respect to Pine Point Holding Corp. has been executed and delivered.

In addition, the Borrower covenants to pay the legal fees of Lender's Counsel in connection with this Amending Agreement.

**5.01 Supplemental**

This Amending Agreement is supplemental to and amends the Credit Agreement and the Credit Agreement shall henceforth be read in conjunction with, as amended by, this Amending Agreement, and the Credit Agreement and this Amending Agreement shall henceforth be read, interpreted, construed and have effect so far as it is practicable and all required re-numbering adjustments to Section references shall be deemed to have been made as if all of the provisions of the Credit Agreement and this Amending Agreement were contained in one instrument.

**5.02 Credit Agreement Remains in Effect**

Each of the parties acknowledges that, except as specifically amended or supplemented by the provisions of this Amending Agreement, the Credit Agreement and each of the other Credit Documents to which each is a party remain in full force and effect unamended and enforceable against the Obligors in accordance with their respective terms.

**5.03 Confirmation Regarding Security**

The Obligors each hereby jointly and severally confirm, notwithstanding all other terms and conditions of this Amending Agreement, that the Security, including all guarantees, executed and delivered by them continues at all times to be legal, valid, binding and enforceable in accordance with the terms and conditions thereof, and continues to stand as good, valid and enforceable security pledged in support of all of the Obligations now or hereafter outstanding, whatsoever and howsoever incurred, to the Lender including those under the Credit Agreement and the Credit Documents.

**5.04 Further Assurances**

The parties hereto covenant and agree at all times and from time to time hereafter to make, do, execute, deliver or cause to be made, done, executed and delivered, all such further and other acts, deeds, assurances, opinions and things as may be required for more effectually implementing and carrying out the provisions of the Credit Agreement, as amended by this Amending Agreement.

**5.05 Governing Law**

The parties agree that this Amending Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein, without prejudice to or limitation of any other rights or remedies available under the laws of any jurisdiction where property or assets of the Obligors may be found.

**5.06 Counterparts**

This Amending Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be


- 5 -

deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this Amending Agreement to produce or account for more than one such counterpart executed by each party.


*[rest of page intentionally left blank; signatures on the next page]*

IN WITNESS WHEREOF the parties hereto have executed this Amending Agreement as of the date first written above.

**TAMERLANE VENTURES INC.**

Per:   
Name: Margaret Kent  
Title: Executive Chairman  
I have authority to bind the corporation

**TAMERLANE VENTURES USA, INC.**

Per:   
Name: William Skerda  
Title: Secretary  
I have authority to bind the corporation

**GLOBAL RESOURCE FUND by its  
Manager RENVEST MERCANTILE  
BANCORP INC.**

Per: \_\_\_\_\_  
Name:  
Title:

Per: \_\_\_\_\_  
Name:  
Title:

We have authority to bind the corporation

IN WITNESS WHEREOF the parties hereto have executed this Amending Agreement as of the date first written above.

**TAMERLANE VENTURES INC.**

Per: \_\_\_\_\_

Name:

Title:

I have authority to bind the corporation

**TAMERLANE VENTURES USA, INC.**

Per: \_\_\_\_\_

Name:

Title:

I have authority to bind the corporation

**GLOBAL RESOURCE FUND by its  
Manager RENVEST MERCANTILE  
BANCORP INC.**

Per:  \_\_\_\_\_

Name: David Lewis

Title: Director

Per:  \_\_\_\_\_

Name: Daniel Cohen

Title: Vice President & General Counsel

We have authority to bind the corporation

**Schedule "A"**

Below are updates to those sections and schedules which were attached to the Credit Agreement:

Schedule 8.1.11: Please refer to the Borrower's condensed consolidated interim financial statements for the three months ended March 31, 2011 note 11 for an update on any related party transactions.

Schedule 8.1.12: Please refer to the Borrower's condensed consolidated interim financial statements for the three months ended March 31, 2011 note 6(b) for an update on the Los Pinos Issue.

Schedule 8.1.17: The Borrower incorporated a new subsidiary, Pine Point Holding Corp. which was incorporated on March 4, 2011 under the CBCA. The ultimate purpose of this company is to own the Pine Point property, though the leases have not been transferred. Certain immaterial contracts have been entered into by this company.

Schedule 8.1.18: Pine Point Holding Corp. -- federal company

Schedule 8.1.21: On June 7, 2011, Pine Point Holding Corp. ("Pine Point") submitted a proposal to Alvarez & Marshal Inc., the Court Appointed Receiver (the "Receiver") of Redcorp Ventures Ltd. and Redfern Resources Ltd. (collectively "Redfern") to purchase certain equipment in the possession of the Receiver (the "Equipment") for a total offer value of \$825,000. The Receiver accepted an amended proposal from Pine Point dated June 17, 2011 (the "Amended Proposal"). On July 8, 2011, the Supreme Court of British Columbia granted a Vesting and Approval Order approving the purchase of the Equipment under the terms of the Amended Proposal (the "Approval Order"). The Approval Order was recognized by the U.S. Bankruptcy Court on July 15, 2011 (the "Recognition Order"). The purchase of the Equipment under the terms of the Amended Proposal will be completed upon the expiry of all applicable appeal periods under the Approval Order and the Recognition Order, which is anticipated to be on or before August 9, 2011, or such earlier date as Pine Point and the Receiver agree to complete the transaction.

Service Provider Agreement between Tamerlane Ventures Inc. and Friesen Drilling effective the June 29, 2011.

Section 8.1.25(g): The Borrower has advised that quantities of H<sub>2</sub>S have been discovered in ground water in and around the Pine Point deposits. This is naturally occurring. Upon the occurrence, in accordance with the Borrower's environmental permit, the Borrower notified the regulatory authorities. At the suggestion of the regulatory authorities, the Borrower is revising its health and safety policies. No other action has been taken by the regulatory authorities.



# Tab G

GUARANTEE

**WHEREAS** it is a condition to any extension of credit by Global Resource Fund (the "Lender") to Tamerlane Ventures Inc. (the "Debtor") pursuant to a credit agreement dated as of December 16, 2010 and amended as of June 30, 2011 between such parties (as may be amended, restated or otherwise modified from time to time, the "Credit Agreement") that the undersigned (the "Guarantor") provide this guarantee;

**NOW THEREFORE** for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor hereby agrees and covenants with the Lender as follows:

The terms defined in the Credit Agreement are used in this guarantee with the definitions given to them in the Credit Agreement.

**Guarantee**

1. The Guarantor hereby unconditionally guarantees payment to the Lender and its successors and assigns, of all present and future debts and liabilities, direct or indirect, now or at any time and from time to time hereafter due or owing to the Lender by the Debtor, whether incurred by the Debtor alone or jointly with any corporation, person or persons, or otherwise howsoever under or pursuant to the Credit Agreement (collectively, the "Obligations"). This guarantee shall be a continuing guarantee and shall secure the Obligations and any ultimate balance thereof, notwithstanding that the Debtor may from time to time satisfy the Obligations in whole or in part and thereafter incur further Obligations.

**Indemnity**

2. In addition to the guarantee provided in paragraph 1, and as a separate and distinct obligation, the Guarantor hereby agrees to indemnify and save harmless the Lender, forthwith upon demand by the Lender, from and against all direct and indirect claims, demands, losses, damages, liabilities, charges, obligations, payments and expenses of any nature or kind, howsoever or whenever arising, which it may suffer or incur in any way relating to or arising from the failure of the Debtor to pay and satisfy the Obligations; provided however that any payment actually made by the Guarantor to the Lender under paragraph 1 shall reduce the liability of the Guarantor under this paragraph 2 by the same amount.

**Determination of Liability for Future Advances**

3. The Obligations herein guaranteed shall not include any advances voluntarily made by the Lender to the Debtor after the date (the "Determination Date") which is forty-five (45) days following the date of receipt by the Lender of written notice from the Guarantor advising that the Guarantor shall not be responsible for such advances. As used herein, "voluntary advances" ~~includes advances~~ <sup>G</sup> ATTACHED

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Legal#6451088.1  
043657-00001

TO THE AFFIDAVIT OF

Margaret M. Kent

SWORN August 22, 2013

IN WITNESS WHEREOF this guarantee has been executed by the Guarantor on  
the \_\_\_\_ day of \_\_\_\_\_, 2011.

**PINE POINT HOLDING CORP.**

By: 

Name: MARGARET LEITCH

Title: DIRECTOR

Fax No:

Address:

Lender's Address for Service:

Global Resource Fund  
c/o Renvest Mercantile Bancorp Inc.  
80 Richmond Street West, Suite 1700  
Toronto, ON M5H 2A4

Attention: David Lewis  
Fax No: 416-866-8793



## GUARANTEE

**WHEREAS** it is a condition to any extension of credit by Global Resource Fund (the "**Lender**") to Tamerlane Ventures Inc. (the "**Debtor**") pursuant to a credit agreement dated the date hereof between such parties (as may be amended, restated or otherwise modified from time to time, the "**Credit Agreement**") that the undersigned (the "**Guarantor**") provide this guarantee;

**NOW THEREFORE** for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor hereby agrees and covenants with the Lender as follows:

The terms defined in the Credit Agreement are used in this guarantee with the definitions given to them in the Credit Agreement.

### **Guarantee**

1. The Guarantor hereby unconditionally guarantees payment to the Lender and its successors and assigns, of all present and future debts and liabilities, direct or indirect, now or at any time and from time to time hereafter due or owing to the Lender by the Debtor, whether incurred by the Debtor alone or jointly with any corporation, person or persons, or otherwise howsoever under or pursuant to the Credit Agreement (collectively, the "**Obligations**"). This guarantee shall be a continuing guarantee and shall secure the Obligations and any ultimate balance thereof, notwithstanding that the Debtor may from time to time satisfy the Obligations in whole or in part and thereafter incur further Obligations.

### **Indemnity**

2. In addition to the guarantee provided in paragraph 1, and as a separate and distinct obligation, the Guarantor hereby agrees to indemnify and save harmless the Lender, forthwith upon demand by the Lender, from and against all direct and indirect claims, demands, losses, damages, liabilities, charges, obligations, payments and expenses of any nature or kind, howsoever or whenever arising, which it may suffer or incur in any way relating to or arising from the failure of the Debtor to pay and satisfy the Obligations; provided however that any payment actually made by the Guarantor to the Lender under paragraph 1 shall reduce the liability of the Guarantor under this paragraph 2 by the same amount.

### **Determination of Liability for Future Advances**

3. The Obligations herein guaranteed shall not include any advances voluntarily made by the Lender to the Debtor after the date (the "**Determination Date**") which is forty-five (45) days following the date of receipt by the Lender of written notice from the Guarantor advising that the Guarantor shall not be responsible for such advances. As used herein, "**voluntary advances**" excludes advances made by the Lender to or for the benefit of the Debtor which the Lender is

required to make as a result of a commitment given to another person, such as a payment by the Lender under a letter of credit or bankers' acceptance issued for the account of the Debtor. For greater certainty, the Obligations herein guaranteed shall continue to include all contingent obligations of the Debtor to the Lender in existence on the Determination Date (including but not limited to contingent obligations of the Debtor arising under guarantees provided by the Debtor in respect of the obligations of others), even though such contingent obligations may mature and be payable by the Debtor to the Lender after the Determination Date, and even though the ultimate liability of the Debtor in respect of such contingent obligations may exceed the Debtor's contingent liability thereunder on the Determination Date.

#### **Debtor's Status and Authority**

4. All monies, advances, renewals or credits in fact borrowed or obtained from the Lender by the Debtor or by persons purporting to act on behalf of the Debtor shall be deemed to form part of the Obligations, notwithstanding any lack or limitation of status or power, incapacity or disability of the Debtor or its directors, officers, employees or agents, or that the Debtor may not be a legal entity or that such borrowing or obtaining of monies, advances, renewals or credits or the execution and delivery of any agreement or document by or on behalf of the Debtor is in excess of the powers of the Debtor or any of its directors, officers, employees or agents or is in any way irregular, defective, fraudulent or informal. The Lender has no obligation to enquire into the powers of the Debtor or any of its directors, officers, employees or agents acting or purporting to act on its behalf, and shall be entitled to rely on this provision notwithstanding any actual or imputed knowledge regarding any of the foregoing matters.

#### **Liability Unaffected by Certain Matters**

5. The liability of the Guarantor hereunder shall be absolute and unconditional irrespective of, and shall not be released, discharged, limited or otherwise affected by:

- (a) the lack of validity or enforceability of the Obligations in whole or in part for any reason whatsoever, including without limitation by reason of prescription, by operation of law or as a result of any applicable statute, law or regulation;
- (b) any prohibition or restriction imposed in respect of the rights and remedies of the Lender in respect of the Obligations, specifically including without limitation any court order which purports to prohibit or suspend the acceleration of the time for payment of any of the Obligations, the payment by the Debtor of any of the Obligations or the rights and remedies of the Lender against the Debtor in respect of the Obligations;

- (c) the lack of validity or enforceability in whole or in part of any of the Credit Documents;
- (d) any change in the corporate existence, structure, ownership or control of the Debtor (including any of the foregoing arising from any merger, consolidation, amalgamation, reorganization or similar transaction); any change in the name, objects, capital stock, constating documents or by-laws of the Debtor; or the dissolution, winding-up, liquidation or other distribution of the assets of the Debtor, whether voluntary or otherwise;
- (e) the Debtor becoming insolvent or bankrupt or subject to any proceeding under the provisions of the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the arrangement provisions of applicable corporate legislation, any legislation similar to the foregoing in any other jurisdiction, or any legislation enacted substantially in replacement of the foregoing, or the Lender voting in favour of any proposal, arrangement or compromise in connection with any of the foregoing;
- (f) the failure or neglect of the Lender to demand payment of the Obligations from the Debtor, any guarantor of the Obligations or any other person;
- (g) the valuation by the Lender of any security held in respect of the Obligations, which shall not be considered as a purchase of such security or as payment on account of the Obligations;
- (h) any right or alleged right of set-off, counterclaim, appropriation or application or any claim or demand that the Debtor or the Guarantor may have or may allege to have against the Lender; or
- (i) any other circumstances which might otherwise constitute a legal or equitable defence available to, or complete or partial discharge of, the Debtor in respect of the Obligations or of the Guarantor in respect of this guarantee.

#### **Liability Unaffected by Actions of Lender**

6. The liability of the Guarantor hereunder shall be absolute and unconditional irrespective of, and shall not be released, discharged, limited or otherwise affected by anything done, suffered or permitted by the Lender in connection with the Debtor, or the Obligations. For greater certainty and without limiting the generality of the foregoing, without releasing, discharging, limiting or otherwise affecting in whole or in part the liability of the Guarantor under this guarantee, and without notice to or the consent of the Guarantor, the Lender may from time to time:

- (a) make advances and extend credit to the Debtor (including new loans and credit facilities, whether in addition to or in replacement for other loans and

credit facilities previously established by the Lender for the Debtor), convert revolving lines of credit into non-revolving lines of credit, increase or decrease the amount of credit available to the Debtor and receive repayments in respect of the Obligations;

- (b) increase the interest rates, fees and charges applicable to all or any portion of the Obligations from time to time;
- (c) amend, renew, waive, release or terminate any Credit Document or any terms and conditions contained therein in whole or in part from time to time (specifically including, without limitation, any terms and conditions relating to interest rates, fees, margin requirements, conditions for the extension of credit and the determination of the amount of credit available (such as margin requirements), positive and negative covenants, the application of payments received by or on behalf of the Debtor, and events of default;
- (d) extend, renew, settle, compromise, waive, release or terminate the Obligations in whole or in part from time to time;
- (e) grant time, renewals, extensions, indulgences, releases and discharges to the Debtor;
- (f) take, refrain from taking or release guarantees from other persons in respect of the Obligations;
- (g) accept compromises or arrangements from the Debtor, any guarantor of the Obligations or any other person;
- (h) refrain from demanding payment from or exercising any rights or remedies in respect of the Debtor or any guarantor of the Obligations;
- (i) apply all monies received from the Debtor, any guarantor of the Debtor or any other person or from the proceeds of any security upon such part of the Obligations as the Lender may see fit, or change any such application in whole or in part from time to time, notwithstanding any direction which may be given regarding application of such monies by the Debtor, any guarantor of the Debtor or any other person; and
- (j) otherwise deal with the Debtor, any guarantor of the Obligations or any other person and any security held by the Lender in respect of the Obligations, as the Lender may see fit in its absolute discretion.

#### **Liability Unaffected by Failure of Lender to Take, Hold or Enforce Security**

7. The Guarantor acknowledges and agrees that the Guarantor has provided this guarantee to the Lender on the express understanding that the Lender has no obligation to obtain any security from the Debtor or from others to secure



payment or performance of the Obligations; and if the Lender in its absolute discretion obtains any such security from the Debtor or others, the Lender shall have no obligation to continue to hold such security or to enforce such security. The Guarantor shall not be entitled to rely upon or benefit from, directly or indirectly, any such security which the Lender may obtain. The Lender hereby advises the Guarantor that the Guarantor may wish to obtain security from the Debtor to secure the Debtor's obligation to indemnify the Guarantor in respect of any amounts paid by the Guarantor to the Lender pursuant to this guarantee; and the Lender hereby consents to the Debtor granting such security to the Guarantor (which security shall be subject to the subordination and postponement provisions set out in paragraph 15 hereof). In furtherance of the foregoing, the liability of the Guarantor hereunder shall be absolute and unconditional irrespective of, and shall not be released, discharged, limited or otherwise affected by:

- (a) the loss of or failure by the Lender to register, perfect or maintain any security given by the Debtor or by other persons in respect of the Obligations, whether intentionally or through failure or neglect or otherwise;
- (b) the failure or neglect of the Lender to enforce any security held in respect of the Debtor or in respect of any guarantor of the Obligations;
- (c) the Lender having released, discharged, compromised or otherwise dealt with any such security in any manner whatsoever (and for greater certainty the Lender shall not be bound to exhaust its recourse against the Debtor, guarantors of the Debtor or other persons or enforce any security held in respect of the Obligations or take any other action or legal proceeding before being entitled to payment from the Guarantor under this guarantee, and the Guarantor hereby waives all benefits of discussion and division); or
- (d) the enforcement by the Lender of any such security in an improvident or commercially unreasonable manner (including the sale or other disposition of any assets encumbered by such security at less than the fair market value thereof) whether as a result of negligence, recklessness or wilful action or inaction on the part of the Lender or otherwise, and regardless of any duty which the Lender might have to the Debtor under applicable law (including applicable personal property security legislation) in respect of the enforcement of any such security.

#### **Accounts Settled**

8. The records of the Lender as to the unpaid balance of the Obligations due to it at any time shall constitute conclusive evidence that the said amount is so due, in the absence of manifest error.

### **Waivers**

9. No delay on the part of the Lender in exercising any of its options, powers, rights or remedies, or any partial or single exercise thereof, shall constitute a waiver thereof. No waiver or modification or amendment of this guarantee or any of the said options, powers, rights or remedies shall be deemed to have been made unless made in writing and signed by an authorized officer of the Lender, and any such waiver shall apply only with respect to the specific instance involved, and shall in no way impair the rights of the Lender or the liability of the Guarantor hereunder in any other respect or at any other time.

### **Foreign Currency Obligations**

10. The Guarantor shall be liable to make payment to the Lender hereunder in the same currency as is required to be paid by the Debtor to the Lender in respect of the Obligations (the "**Required Currency**"). If the Guarantor makes payment to the Lender hereunder in any other currency (the "**Payment Currency**"), such payment shall constitute satisfaction of the said liability of the Guarantor hereunder only to the extent that the Lender is able to purchase Required Currency with the amount of the Payment Currency received from the Guarantor on the date of receipt, in accordance with the Lender's normal practice; and the Guarantor shall remain liable to the Lender for any deficiency together with interest thereon at the highest rate applicable to the Obligations at the time of such demand, compounded monthly and payable both before and after judgment at the same rate.

### **Withholding Taxes**

11. Except as otherwise required by law, each payment by the Guarantor hereunder shall be made without withholding for or on account of any present or future taxes imposed by or within the jurisdiction in which the Guarantor is domiciled, any jurisdiction from which the Guarantor makes any payment or any other jurisdiction, or (in each case) any political subdivision or taxing authority thereof or therein. If any such withholding is required by law, the Guarantor shall make the withholding, pay the amount withheld to the appropriate governmental authority before penalties attach thereto or interest accrues thereon and forthwith pay to the Lender such additional amount as may be necessary to ensure that the net amount actually received by the Lender (after payment of such taxes including any taxes on such additional amount paid) is equal to the amount which the Lender would have received if no amounts had been withheld.

### **Representations and Warranties**

12. The Guarantor represents and warrants to the Lender as follows, and acknowledges that the Lender is relying upon the said representations and warranties as a basis for extending and maintaining the extension of credit to the Debtor:

- (a) The Guarantor has the capacity to enter into this guarantee and to observe and perform all obligations hereunder required to be observed or performed by the Guarantor; and
- (b) Neither the execution and delivery of this guarantee, nor compliance with the terms, provisions and conditions of this guarantee will conflict with, result in a material breach of, or constitute a default under the articles and by-laws of the Guarantor or any agreement or instrument to which the Guarantor is a party or by which the Guarantor or any of the Guarantor's property and assets may be bound or affected, and does not require the consent or approval of any other person (other than consents which have been obtained).

### **Revival of Indebtedness and Liability**

13. If at any time all or any part of any payment previously applied by the Lender to any portion of the Obligations is rescinded or returned by the Lender for any reason whatsoever, whether voluntarily or involuntarily (including, without limitation, as a result of or in connection with the insolvency, bankruptcy or reorganization of the Debtor or the Guarantor, or any allegation that the Lender received a payment in the nature of a preference), then to the extent that such payment is rescinded or returned such portion of the Obligations shall be deemed to have continued in existence notwithstanding such initial application, and this guarantee shall continue to be effective or be reinstated, as the case may be, as to such portion of the Obligations as though such payment had not been made.

### **Assignment and Postponement of Indebtedness**

14. Payment of all present and future obligations of the Debtor to the Guarantor (the "**Postponed Indebtedness**") is hereby postponed to payment of the Obligations. For greater certainty, the Guarantor agrees that the Guarantor shall not receive any payments of principal, interest or any other amounts in respect of the Postponed Indebtedness until the Obligations have been paid and satisfied in full. If any portion of the Postponed Indebtedness is paid in contravention of this guarantee, the Guarantor agrees to hold such amount in trust for the Lender and immediately paid such amount to the Lender. If the Guarantor now or in the future holds any security for the Postponed Indebtedness (the "**Postponed Security**"), the security interests constituted thereby shall be postponed to all present and future security interests held by the Lender in respect of the Obligations, notwithstanding the order of execution, delivery, registration or perfection of the said security interests, the order of advancement of funds, the order of crystallization of security, or any other matter which may affect the relative priorities of such security interests. The Guarantor may not initiate or take any action to enforce the Postponed Security without the prior written consent of the Lender. As additional security for the obligations of the Guarantor to the

Lender under this guarantee, the Guarantor hereby assigns to the Lender the Postponed Indebtedness and the Postponed Security.

### **Restrictions on Right of Subrogation**

15. The Guarantor agrees not to exercise or enforce any right of exoneration, contribution, reimbursement, recourse or subrogation available to the Guarantor against the Debtor or any other guarantor of the Obligations, or as to any security therefor, unless and until the Obligations have been paid and satisfied in full and the Lender have no further obligation to extend credit to the Debtor. The Guarantor has no right to be subrogated hereunder unless: (i) the Guarantor has paid to the Lender an amount equal to the Obligations together with all interest, expenses and other amounts due hereunder; (ii) any other person having a potential right of subrogation has waived such right and consented to the assignment of the Obligations and any security held by the Lender to the Guarantor; (iii) the Lender has received from the Debtor a release of all claims and demands which the Debtor may have against the Lender, including any obligation to grant additional credit to the Debtor; and (iv) the Guarantor has executed and delivered to the Lender a release of any claims which the Guarantor may have against the Lender in respect of the Obligations or this guarantee. Any such assignment of loans and security by the Lender to the Guarantor shall be on an "as is, where is" basis without representations, warranties or conditions, and without recourse to the Lender. All documents listed above shall be in form and substance satisfactory to the Lender.

### **Expenses**

16. The Guarantor agrees to pay to the Lender, forthwith upon demand, all reasonable expenses (including legal fees on a solicitor and his own client basis) incurred by the Lender in connection with the preservation or enforcement of any of its rights and remedies hereunder, together with interest thereon calculated and compounded at the rate provided in the Credit Agreement.

### **Additional Security**

17. This guarantee is in addition to and not in substitution for any guarantees or agreements which may have previously been given to the Lender by the Guarantor in connection with the Debtor or the Obligations, and is in addition to and without prejudice to any security (including guarantees provided by other persons) now or hereafter held by the Lender in respect of the Obligations, and any other rights or remedies which it might have.

### **Set-Off**

18. The Lender may from time to time set-off and apply any liabilities it may have to the Guarantor (including liabilities in respect of any monies deposited with the Lender by the Guarantor) against any and all of the obligations of the Guarantor to the Lender now or hereafter existing under this guarantee, whether or not the

Lender has made any demand hereunder and whether or not any of such obligations may be unliquidated, contingent or unmatured.

### **Notice**

19. Without prejudice to any other method of giving notice, all communications provided for or permitted hereunder shall be in writing and delivered to the addressee by prepaid courier or sent by fax or other direct written electronic means, to the address of the addressee noted on the last page of this guarantee. Any notice, demand or other communication so given prior to 5:00 p.m. (Toronto time) on a Business Day by personal delivery or by fax shall be deemed to have been given, received and made on such Business Day and if so given after 5:00 p.m. (Toronto time) on a Business Day or a day which is not a Business Day, such notice, demand or other communication shall be deemed to have been given, made and received on the next following Business Day. Any party may change its address for service by notice given in the foregoing manner.

### **Severability**

20. If any provision of this guarantee shall be deemed by any court of competent jurisdiction to be invalid or void, the remaining provisions shall remain in full force and effect and all changes rendered necessary by the context shall be deemed to have been made.

### **Interpretation**

21. This guarantee is to be read as if all changes in grammar, number and gender rendered necessary by the context had been made. As used herein, "**person**" includes an individual, corporation, partnership, joint venture, trust, unincorporated association or any government, crown corporation or governmental agency or authority or any combination of the above.

### **Further Assurances**

22. The Guarantor agrees, at the Guarantor's own expense, to promptly execute and deliver or cause to be executed and delivered to the Lender upon request from time to time all such other and further documents, agreements, opinions, certificates and instruments as are required under this guarantee or as may be reasonably requested by the Lender if necessary or desirable to more fully record or evidence the obligations intended to be entered into herein.

### **Entire Agreement; Conclusive Delivery**

23. This guarantee constitutes the entire agreement between the Guarantor and the Lender relating to the subject-matter hereof, and no amendment shall be effective unless made in writing and executed by the Guarantor and the Lender. Possession by the Lender of an original executed copy of this guarantee shall constitute conclusive evidence that: (i) this guarantee was executed and

delivered by the Guarantor to the Lender free of all conditions; (ii) there is no agreement or understanding between the Lender and the Guarantor that this guarantee was delivered in escrow or is not intended to be effective until the occurrence of any event or the satisfaction of any condition; (iii) the Lender has not made any representations, statements or promises to the Guarantor regarding the Debtor, the Lender's intention to obtain any security in respect of the Obligations or guarantees from other persons in respect of the Obligations, the circumstances under which the Lender may enforce this guarantee, the manner in which the Lender might enforce this guarantee or any other matter which might conflict with the provisions expressly set out herein; and (iv) there are no representations, statements, promises, understandings, warranties, conditions or collateral agreements between the Lender and the Guarantor relating to the subject-matter of this guarantee, other than as expressly set out herein.

#### **Governing Law**

24. This guarantee shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. Without prejudice to the right of the Lender to commence any proceedings with respect to this guarantee in any other proper jurisdiction, the Guarantor hereby irrevocably attorns and submits to the jurisdiction of the courts of the Province of Ontario.

#### **Successors and Assigns**

25. This guarantee shall enure to the benefit of the Lender and its respective successors and assigns, and shall be binding upon the Guarantor and the Guarantor's successors and assigns; "**successors**" includes any merged entity resulting from the merger of a corporation with any other corporation. Without limiting the generality of the foregoing, if the Lender assigns or transfers all or any portion of the Obligations or any interest therein to any other person, such person shall thereafter be entitled to the benefit of this guarantee to the extent of the interest so transferred or assigned, and the Obligations or portion thereof or interest therein so transferred or assigned shall be and shall remain part of the "Obligations" hereunder.

#### **Receipt of Copy of Guarantee**

26. The Guarantor hereby acknowledges receipt of a copy of this guarantee.

**(Signature Page Follows)**

IN WITNESS WHEREOF this guarantee has been executed by the Guarantor on the 16<sup>th</sup> day of December, 2010.

**TAMERLANE VENTURES USA, INC.**

By: Margaret Kent  
Name: MARGARET KENT  
Title: Executive Chairperson  
Fax No: 360-752-9463  
Address: 1609 Broadway Street  
Suite 203  
Bellingham, WA 98225

Lender's Address for Service:

Global Resource Fund  
c/o Renvest Mercantile Bancorp Inc.  
80 Richmond Street West, Suite 1700  
Toronto, ON M5H 2A4

Attention: David Lewis  
Fax No: 416-866-8793





TO: Global Resource Fund (the "**Secured Party**")

RE: Credit agreement dated the date hereof (as may be supplemented, amended or otherwise modified from time to time, the "**Credit Agreement**") by the undersigned, as borrower (the "**Debtor**") and the Secured Party, as lender

## PLEDGE OF SECURITIES

### Obligations Secured

1. In consideration of the Secured Party dealing with or extending credit for the benefit of the Debtor and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Debtor, the Debtor hereby enters into this agreement with the Secured Party as security for the payment and performance of the Obligations (as hereinafter defined). Insofar as it affects personal property located in Ontario, this agreement is governed by the PPSA and STA, as applicable.

### Definitions and Interpretation

2. Words and expressions defined in the PPSA and the STA are used in this agreement (capitalized or not) with the defined meanings assigned to them in those statutes, unless the context otherwise requires. As well, terms defined in the Credit Agreement are used in this agreement with the definitions given to them in the Credit Agreement. In addition, the following definitions apply:

"**Business Day**" means any day, excluding a Saturday, Sunday and any other day which is a statutory holiday in Toronto, Ontario;

"**Collateral**" means all securities and other property and assets of the Debtor and the proceeds thereof charged pursuant to paragraph 9 of this agreement;

"**Obligations**" means all present and future indebtedness, liabilities and obligations, direct or indirect, absolute or contingent, of the Debtor to the Secured Party arising pursuant to or in respect of the Credit Agreement and this agreement;

"**Person**" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership or other entity;

"**PPSA**" means the *Personal Property Security Act* (Ontario), as amended from time to time;

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"**Security Interest**" means the interest in the Collateral created in favour of the Secured Party hereunder that secures or is intended to secure payment or performance by the Debtor of the Obligations;

"**STA**" means the *Securities Transfer Act, 2006* (Ontario).

3. The headings in this agreement are included for convenience of reference only, and shall not constitute a part of this agreement for any other purpose.

4. The word "**Debtor**", the personal pronoun "**it**" or "**its**" and any verb relating thereto and used therewith shall be read and construed as required by and in accordance with the context in which such words are used. The term "**successors**" shall include, without limiting its meaning, any corporation resulting from the amalgamation of a corporation with another corporation.

5. If one or more of the provisions contained herein shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

6. In this agreement, a period of days begins on the first day after the event that began the period and ends at 5:00 p.m. Eastern Standard Time on the last day of the period. If any period of time is to expire, or any action or event is to occur, on any day that is not a Business Day, the period expires, or the action or event is considered to occur, at 5:00 p.m. Eastern Standard Time on the preceding Business Day.

7. The Secured Party may in writing (and not otherwise) waive any breach by the Debtor of any of the provisions contained in this agreement or any default by the Debtor in the observance or performance of any provision of this agreement; provided always that no waiver by the Secured Party shall extend to or be taken in any manner whatsoever to affect any subsequent breach or default, whether of the same or a different nature, or the rights resulting therefrom.

8. This agreement shall be construed in accordance with and be governed by the laws of the Province of Ontario. For the purpose of legal proceedings, this agreement shall be deemed to have been made in the said Province and to be performed therein and the courts of that Province shall have jurisdiction over all disputes which may arise under this agreement. The Debtor hereby irrevocably and unconditionally submits to the non-exclusive jurisdiction of such courts, provided always that nothing herein contained shall prevent the Secured Party from proceeding at its election against the Debtor in the courts of any other province, country or jurisdiction.

**Creation of Security Interest**

9. The Debtor hereby pledges, grants, mortgages, charges, transfers, assigns and creates to and in favour of the Secured Party a security interest in the following:

- (a) all present and after acquired issued and outstanding Securities in the capital stock of Tamerlane Ventures USA, Inc., Tamerlane Ventures Peru S.A.C. and Minera Los Pinos Canete and all other securities in the capital stock of such entities, which may be owned by the Debtor or in which the Debtor has an interest from time to time;
- (b) all substitutions from time to time in respect of the foregoing Collateral;
- (c) all dividends and other income (whether in the form of securities or any other property) derived in respect of the foregoing Collateral and all monies and property received or receivable in the nature of the return or repayment of capital in respect thereof; and
- (d) all proceeds derived directly or indirectly from any dealing with the foregoing.

**Registration of Securities**

10. Any certificates representing the Collateral may remain registered in the name of the Debtor, and the Debtor shall at the option of the Secured Party either duly endorse such certificates in blank for transfer or execute stock powers of attorney in respect thereof; in either case with all documentation being in form and substance satisfactory to the Secured Party and any transfer agent appointed from time to time in respect of the Collateral. Notwithstanding the foregoing, at any time and from time to time upon request by the Secured Party, the Debtor shall cause any or all of the Collateral to be registered in the name of the Secured Party or its nominee, and the Secured Party is hereby appointed the irrevocable attorney of the Debtor with full power of substitution to cause any or all of the Collateral to be registered in the name of the Secured Party or its nominee.

**Further Description of Collateral**

11. Without limiting the generality of the description of Collateral as set out in paragraph 9, for greater certainty the Collateral shall include all present and future Collateral described in any schedule now or hereafter attached hereto. The Debtor agrees to promptly inform the Secured Party in writing of the acquisition by the Debtor of any securities which are received in substitution for, as stock dividends on, or as proceeds of any Collateral, and the Debtor hereby irrevocably constitutes and appoints the Secured Party or any officer thereof as

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its true and lawful attorney, with full power of substitution, to attach additional schedules to this agreement from time to time to identify any such additional Collateral which are so intended by the parties to be subject to the Security Interest.

### **Attachment**

12. The parties acknowledge that (i) the Debtor has rights in the Collateral, (ii) the Secured Party has given value to the Debtor, (iii) the parties have not agreed to postpone the time for attachment of the Security Interest, and (iv) the Security Interest is intended to attach (v) as to Collateral in which the Debtor now has rights, when the Debtor executes this agreement and (vi) as to Collateral in which the Debtor subsequently acquires rights, when the Debtor first obtains those rights.

### **Voting Rights**

13. Until the Debtor defaults in the payment or performance of any of the Obligations:

- (a) subject to paragraph 13(b) and as hereafter provided, the Debtor shall be entitled to exercise all voting rights attached to the Collateral and give consents, waivers and ratifications in respect thereof; provided, however, that no vote shall be cast or consent, waiver or ratification given or action taken which may materially adversely affect the interests of the Secured Party or the value of the Collateral or which would impose any restriction on the transferability of any of the Collateral; and
- (b) the Debtor shall not exercise any voting rights attached to the Collateral in connection with any one or more of the following matters relating to the issuer of the Collateral, without the prior written consent of the Secured Party:
  - (i) the issuance of shares of any class in the capital stock of the issuer, or any subdivision or consolidation of any such shares;
  - (ii) any borrowing or guarantee of debt to be undertaken by the issuer;
  - (iii) any investment to be made by the issuer outside the existing scope of its business;
  - (iv) any disposition by the issuer of assets outside of the existing scope of its business;

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- (v) any disposition by the issuer of any securities of its affiliates or subsidiaries;
- (vi) any plan of reorganization, merger, amalgamation dissolution, liquidation, winding-up or other similar plan affecting the corporate structure or existence of the issuer; or
- (vii) any amendment or other change to the constating documents of the issuer.

All such rights of the Debtor to vote and give consents, waivers and ratifications hereunder shall cease immediately upon the occurrence of an Event of Default referred to in the Credit Agreement.

### **Dealing with Income and Proceeds**

14. All dividends, interest and other income in respect of Collateral and all proceeds received by the Debtor in respect of Collateral shall be received by the Debtor as trustee for the Secured Party and shall forthwith be paid over to the Secured Party, to be applied against the Obligations or, at the option of the Secured Party, to be held as additional security for the Obligations.

### **Covenants**

15. The Debtor covenants and agrees with the Secured Party as follows:

- (a) it will not sell, exchange, transfer, assign, lend or otherwise dispose of or deal in any way with the Collateral or any interest therein save and except to the Secured Party hereunder, or enter into any agreement or undertaking to do so;
- (b) it will do, make, execute and deliver such further and other assignments, transfers, deeds, security agreements and other documents as may be required by the Secured Party to grant to the Secured Party the Security Interest with the priority intended hereby and generally to accomplish the intention of this agreement; and
- (c) it will pay all reasonable expenses, including solicitors' and receivers' fees and disbursements, incurred by the Secured Party or its agents in connection with the preparation, perfection, preservation and enforcement of this agreement; including all reasonable expenses incurred by the Secured Party or such agents in dealing with other creditors of the Debtor in connection with the establishment and confirmation of the priority of the Security Interest; all of which expenses shall be payable forthwith upon demand and shall form part of the Obligations.

## Enforcement

16. Whenever any Event of Default referred to in the Credit Agreement occurs, unless the Secured Party notifies the Debtor to the contrary and subject to any terms and conditions that may be contained in that notice, the Obligations will be accelerated and will be immediately due and payable in full and the Security Interest will become immediately crystallized and enforceable without the Secured Party having to take any further action or provide any further notice.

## Remedies

17. Upon the Security Interest becoming enforceable, in addition to any other remedies available at law or equity or contained in any Security Document, all of which remedies will be independent and cumulative, the Secured Party may:

- (a) obtain possession of any Collateral which it does not already hold, by any method permitted by law;
- (b) realize upon, collect, sell, transfer, assign, give options to purchase, or otherwise dispose of and deal with the Collateral or any part thereof;
- (c) notify any parties obligated in respect of any proceeds to make payment thereof to the Secured Party;
- (d) exercise all voting rights attached to the Collateral (whether or not registered in the name of the Secured Party or its nominee) and give or withhold all consents, waivers and ratifications in respect thereof and otherwise act with respect thereto as though it were the absolute owner thereof;
- (e) exercise any and all rights of conversion, exchange, subscription or any other rights, privileges or options pertaining to any of the Collateral as if it were the absolute owner thereof including, without limitation, the right to exchange at its discretion any and all of the Collateral upon the merger, consolidation, reorganization, recapitalization or other readjustment of any issuer thereof, or upon the exercise by any issuer of any right, privilege or option pertaining to any of the Collateral, and in connection therewith, to deposit and deliver any of the Collateral with any committee, depository, transfer agent, registrar or other designated agency upon such terms and conditions as it may determine, all without liability except to account for property actually received by it;
- (f) comply with any limitation or restriction in connection with any proposed sale or other disposition of the Collateral as may be necessary in order to comply with applicable law or regulation or

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any policy imposed by any stock exchange, securities commission or other governmental or regulatory authority or official, and the Debtor further agrees that such compliance shall not result in such sale being considered or deemed not to have been made in a commercially reasonable manner, nor shall the Secured Party be liable or accountable to the Debtor for any discount in the sale price of the Collateral which may be given by reason of the fact that such Collateral are sold in compliance with any such limitation or restriction; and

- (g) file proofs of claim and other documents in order to have the claims of the Secured Party lodged in any bankruptcy, winding-up, or other judicial proceeding relating to the Debtor.

#### **Failure of Secured Party to Exercise Remedies**

18. The Secured Party shall not be liable for any delay or failure to enforce any remedies available to it or to institute any proceedings for such purposes.

#### **Application of Payments**

19. All monies received by the Secured Party in respect of the Obligations and in respect of the enforcement of the Security Interest may be held as security for the Obligations or applied in such manner as may be determined in the discretion of the Secured Party, and the Secured Party may at any time apply or change any such appropriation of such payments or monies to such part or parts of the Obligations as the Secured Party may determine in its discretion. The Debtor shall remain liable to the Secured Party for any deficiency; and any surplus funds realized after the satisfaction of all Obligations shall be paid in accordance with applicable law.

#### **Dealings by Secured Party**

20. The Secured Party may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, and otherwise deal with the Collateral, the Debtor, debtors of the Debtor, sureties of the Debtor, and others as the Secured Party may see fit, without prejudice to the Obligations and the rights of the Secured Party to hold and realize upon the Security Interest. The Secured Party has no obligation to keep Collateral or any portion thereof identifiable.

#### **Notices**

21. Any demand or notice to be made or given in connection with this agreement will be in writing and will be delivered in the manner provided in the Credit Agreement for the communication of notices and demands.

**Separate Security**

22. This agreement and the Security Interest are in addition to and not in substitution for any other security now or hereafter held by the Secured Party in respect of the Debtor, the Obligations or the Collateral.

**Power of Attorney**

23. The Debtor hereby constitutes and appoints the Secured Party or any officer thereof as its true, lawful and irrevocable attorney, with full power of substitution, to execute all documents and take any and all actions as may be necessary or desirable to perform any obligations of the Debtor arising pursuant to this agreement, and in executing such documents and taking such actions, to use the name of the Debtor whenever and wherever it may be considered necessary or expedient.

**Entire Agreement**

24. This agreement together with the Credit Documents constitutes the entire agreement between the Debtor and the Secured Party relating to the subject matter hereof, and no amendment shall be effective unless made in writing. There are no representations, covenants, or other terms other than those set out in this agreement and the Credit Documents.

**Enurement**

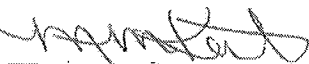
25. This agreement shall enure to the benefit of the Secured Party and its successors and assigns and shall be binding upon the Debtor and its heirs, executors, administrators, legal personal representatives, successors and permitted assigns, as may be applicable. The Debtor shall have no right to assign any benefit which it may be entitled to hereunder without the prior written consent of the Secured Party.

**[Remainder of this page intentionally left blank]**



This agreement has been executed by the undersigned on the 16 day of December, 2010.

**TAMERLANE VENTURES INC.**

By:   
Name: Margaret Kent  
Title: Executive Chairman



## GENERAL SECURITY AGREEMENT

**NOTE: THIS INSTRUMENT CREATES A FIRST PRIORITY CHARGE, LIEN, ENCUMBRANCE, AND INTEREST IN THE COLLATERAL DESCRIBED HEREIN. GLOBAL RESOURCE FUND FORBIDS THE REGISTRATION WITH THE MINING RECORDER OF THE NORTHWEST TERRITORIES BY ANY PERSON AS TRANSFEREE, SECURED PARTY, ASSIGNEE, OR OWNER OF ANY INSTRUMENT AFFECTING ANY ESTATE OR INTEREST IN THE COLLATERAL DESCRIBED HEREIN WITHOUT THE PRIOR WRITTEN CONSENT OF GLOBAL RESOURCE FUND. THE TAKING OF ANY CHARGE, LIEN, ENCUMBRANCE, OR INTEREST IN ANY OF THE COLLATERAL DESCRIBED HEREIN BY ANY PERSON WILL BREACH CERTAIN COVENANTS MADE BY TAMERLANE VENTURES INC. TO GLOBAL RESOURCE FUND AND WILL BE SUBJECT AND SUBORDINATE TO THE INTERESTS OF GLOBAL RESOURCE FUND IN THE COLLATERAL DESCRIBED HEREIN.**

Dated December 16, 2010

BETWEEN:

TAMERLANE VENTURES INC., a corporation continued under the federal laws of Canada (the "Debtor")

- and -

GLOBAL RESOURCE FUND, by its manager, Renvest Mercantile Bancorp Inc. (the "Secured Party")

The parties agree as follows:

### ARTICLE 1 INTERPRETATION

#### 1.01 Definitions

Words and expressions defined in the PPSA and the STA are used in this agreement (capitalized or not) with the defined meanings assigned to them in those statutes, unless the context otherwise requires. For greater certainty, in this agreement each of the words "accessions", "account", "chattel paper", "consumer goods", "document of title", "equipment", "goods", "instruments", "intangible", "inventory", "investment property", "money", "proceeds, and "serial number goods" has the same meaning as its defined meaning in the PPSA and each of the terms "certificated security", "entitlement holder", "financial asset", "security", "securities account", "security entitlement", "security intermediary" and "uncertificated security" has the same meaning as its defined

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meaning in the STA. As well, terms defined in the Credit Agreement are used in this agreement with the definitions given to them in the Credit Agreement. In addition, the following definitions apply:

**"Business Day"** means any day excluding Saturday, Sunday, or any other day which is a statutory holiday in Toronto, Ontario.

**"Collateral"** means, collectively, all present and after-acquired property of the Debtor (including all accounts, chattel paper, Documents, documents of title, equipment, goods, instruments, intangibles, inventory, investment property, Licences, money, mining claims, and mining leases, surface leases, mineral rights, real property, securities, security entitlements, undertaking, proceeds, and Replacements, together with any interest of the Debtor in any of them) but excludes consumer goods. For greater certainty, the Collateral includes the property described in Schedule A hereto.

**"Credit Agreement"** means the credit agreement between the Debtor and the Secured Party dated as of December 16, 2010 as the same may be amended, restated or otherwise modified from time to time.

**"Documents"** means all the Debtor's books, accounts, invoices, letters, papers, security certificates, documents, and other records (including customer lists and records, subject, however, to privacy, confidentiality, and access rights of customers), in any form evidencing or relating to any part of the Collateral, together with all agreements, licences, and other rights and benefits relating to any of them.

**"Intellectual Property"** means:

- (a) all business and trade names, corporate names, brand names, and slogans related to the Debtor;
- (b) all inventions, patents, patent rights, patent applications (including all reissues, divisions, continuations, continuations-in-part, and extensions of any patent or patent application), unregistered industrial designs, applications for registration of individual designs, and registered designs of the Debtor;
- (c) all registered copyrights and all registered and unregistered trademarks (including the goodwill attaching to such trademarks), registrations, and applications for trademarks and copyrights related to the Debtor;
- (d) all rights and interests in and to processes, data, trade secrets, designs, know-how, processes, product formulae and information, manufacturing, engineering, and other drawings and manuals, technology, algorithms, blue prints, research and development reports, technical information, technical assistance, engineering

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data, design and engineering specifications, and similar materials recording or evidencing expertise or information related to the Debtor;

- (e) all other intellectual and industrial property rights throughout the world owned by the Debtor;
- (f) all licences of the intellectual property listed in items (a) to (e) above, except in the case of Shrink-Wrap Software;
- (g) all future income and proceeds from any of the intellectual property listed in items (a) to (e) above and the licences listed in item (f) above; and
- (h) all rights to damages and profits by reason of the infringement of any of the intellectual property listed in items (a) to (f) above.

**“Licence”** means (i) any authorization from any governmental authority having jurisdiction relating to the Debtor or its businesses, undertaking, or properties, (ii) any authorization from any person granting any easement or licence relating to any real or immovable property, and (iii) any IP licence.

**“Notice”** means any notice, request, direction, or other document that a party can or must make or give under this agreement.

**“Obligations”** means all of the Debtor's present and future liabilities, indebtedness, and obligations to the Secured Party (including interest), direct or indirect, contingent or absolute (including (i) obligations under the Credit Agreement and this agreement, and (ii) all obligations of other amalgamating corporations and the amalgamated corporation described in section 7.01(a).

**“Person”** includes any individual, corporation, company, partnership, governmental body, joint venture, association, trust, or any other entity.

**“PPSA”** means the *Personal Property Security Act* (NWT).

**“Receiver”** means any privately- or court-appointed receiver or receiver and manager for the Collateral or for any of the business, undertaking, or property of the Debtor appointed by the Secured Party under this agreement or by a court on application by the Secured Party.

**“Recovery”** means any monies received or recovered by the Secured Party after the Security Interest has become enforceable, whether under any enforcement of the Security Interest, by any suit, action, proceeding, or settlement of any claim, or otherwise.

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**"Related Rights"** means all of the Debtor's rights arising under, by reason of, or otherwise in connection with any agreement, right, Licence, or permit (including the right to receive payments under any of them).

**"Replacements"** means all increases, additions, and accessions to, and all substitutions for and replacements of, any part of the Collateral in which the Debtor now or later has rights.

**"Security Documents"** means this agreement, the Credit Agreement, and each other agreement from time to time in effect between the Debtor and the Secured Party (including all Documents relating to any of them).

**"Security Interest"** means, collectively, the grants, mortgages, charges, transfers, assignments, and security interests created under this agreement.

**"STA"** means the *Securities Transfer Act* (NWT).

**"Third Party Agreements"** means all leases (true or finance), Licences, and other agreements affecting any right, title, or interest of the Debtor in any of the Intellectual Property.

**"undertaking"** means all of the Debtor's present and future real and personal property, businesses, undertaking, and goodwill that are not accounts, chattel paper, Documents, documents of title, equipment, instruments, intangibles, inventory, money, or securities.

#### **1.02 Calculation of Time**

In this agreement, a period of days begins on the first day after the event that began the period and ends at 5:00 p.m. Eastern Standard Time on the last day of the period. If any period of time is to expire, or any action or event is to occur, on any day that is not a Business Day, the period expires, or the action or event is considered to occur, at 5:00 p.m. Eastern Standard Time on the preceding Business Day.

#### **1.03 Currency**

Unless otherwise specified in this Agreement, all references to dollar amounts (without further description) shall mean American Dollars and all payments shall be made in American Dollars.

#### **1.04 Headings; Internal References**

The headings used in this agreement, and its division into articles, sections, schedules, and other subdivisions, do not affect its interpretation. References in this agreement to articles, sections, schedules, and other subdivisions are to those parts of this agreement.

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**1.05 Interpretation of this Agreement**

The parties acknowledge that they have each participated in settling the terms of this agreement. The parties agree that any rule of legal interpretation to the effect that any ambiguity is to be resolved against the drafting party will not apply in interpreting this agreement. Any reference in this agreement to Collateral will, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof".

**1.06 Number and Gender**

Unless the context requires otherwise, words importing the singular number include the plural and *vice versa*; words importing gender include all genders.

**1.07 References to Statutes, etc.**

Unless specified otherwise, any reference in this agreement to a statute includes both the regulations, rules and polices made under that statute and any provision that amends, supplements, supersedes or replaces any such statute, regulation, rule or policy.

**1.08 Use of the Term "Including"**

Where this agreement uses the word "including," it means "including without limitation," and where it uses the word "includes," it means "includes without limitation."

**ARTICLE 2  
GRANT OF SECURITY****2.01 Creation of Security Interest**

As general and continuing security for the due payment, observance, and performance by the Debtor of all Obligations, the Debtor hereby grants to the Secured Party a security interest, charge, lien, and encumbrance in, and assigns and transfers all of the Debtor's rights and benefits in, all of the Debtor's Collateral.

**2.02 Attachment**

The parties acknowledge that (i) the Debtor has rights in the Collateral, (ii) the Secured Party has given value to the Debtor, (iii) the parties have not agreed to postpone the time for attachment of the Security Interest, and (iv) the Security Interest is intended to attach (v) as to Collateral in which the Debtor now has rights, when the Debtor executes this agreement and (vi) as to Collateral in which the Debtor subsequently acquires rights, when the Debtor first obtains those rights.

**2.03 Account Debtor**

The Secured Party may require any account debtor of the Debtor to make payment directly to the Secured Party. The Secured Party may, in its discretion, apply the

amounts received from any account debtor and any proceeds in accordance with section 6.04 or hold them as part of the Collateral.

#### **2.04 Leasehold Interests**

The last day of the term of any lease, sublease, or agreement to lease or sublease now held or subsequently acquired by the Debtor is excluded from the Security Interest and does not form part of the Collateral, but the Debtor will stand possessed of that last day upon trust to assign and dispose of it as the Secured Party directs. If any lease or agreement to lease contains a term that provides, in effect, that it may not be assigned, sub-leased, charged, or made the subject of any Encumbrance without the consent of the lessor, the application of the Security Interest to that lease or agreement will be conditional upon obtaining that consent. The Debtor shall use reasonable efforts to obtain that consent as soon as reasonably practicable.

#### **2.05 Agreements and Licences**

To the extent that the creation of the Security Interest would constitute a breach, or cause the acceleration, of any agreement, right, Licence, or permit to which the Debtor is a party, the Security Interest will not attach to it, but the Debtor shall hold its interest in trust for the Secured Party. The Debtor shall assign that agreement, right, Licence, or permit to the Secured Party immediately upon obtaining the consent of the other party. The Security Interest will nonetheless immediately attach to any Related Rights if, to the extent that, and as at the time that attachment to the Related Rights is not illegal, is not enforceable against the Secured Party or other third parties generally, or would not result in an ineligible transfer or a material loss or expense to the Debtor. The Debtor shall use reasonable efforts to obtain all required material approvals as soon as reasonably practicable. To the extent permitted by law, the Debtor shall hold in trust for the Secured Party and, after an Event of Default occurs, provide the Secured Party with the benefits of, each agreement, right, Licence, or permit and enforce all Related Rights at the direction of and for the benefit of the Secured Party or at the direction of any other person that the Secured Party may designate.

#### **2.06 Intellectual Property**

The Secured Party grants the Security Interest in the Intellectual Property only as security. Before the Security Interest becomes enforceable under this agreement, the Secured Party will not be or be deemed to be the owner of any of the Intellectual Property. Further, the Secured Party will not be deemed to have assumed, or be deemed to be liable for, any covenant, agreement, or other obligation of the Debtor under any agreement, right, Licence, or permit relating to the Intellectual Property to which the Debtor is a party.

#### **2.07 Special Provisions relating to Securities**

- (a) Until the Secured Party provides notice to the contrary, any certificates representing the securities may remain registered in the name of the Debtor. At the option of the Secured Party, the Debtor shall either duly endorse those



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certificates in blank for transfer or execute stock powers of attorney, in either case with signatures guaranteed and with all documentation in form and substance satisfactory to the Secured Party and the transfer agent for those securities. At any time upon request by the Secured Party, the Debtor shall cause any of the securities to be registered in the name of the Secured Party or its nominee; for that purpose, the Debtor hereby appoints the Secured Party as its irrevocable attorney, with full power of substitution, to cause any or all of the securities to be registered in the name of the Secured Party or its nominee.

- (b) Contemporaneously with the execution and delivery of this agreement (as to securities and securities entitlements in which the Debtor now has rights), and within five (5) Business Days of the Debtor first having rights in securities and securities entitlements (as to securities and securities entitlements in which the Debtor subsequently acquires rights), the Debtor shall:
- (i) physically deliver to the Secured Party each certificated security that is in bearer form;
  - (ii) physically deliver to the Secured Party each certificated security that is in registered form and, as the Secured Party may direct, either (A) endorse the security certificate to the Secured Party or in blank by an effective endorsement or (B) register the security certificate in the name of the Secured Party or its representative;
  - (iii) cause the issuer of any uncertificated security to agree with the Secured Party that that issuer shall comply with the Secured Party's instructions without the further consent of the Debtor or any other entitlement holder; and
  - (iv) as the Secured Party directs, do one of the following: (A) cause the Secured Party or its representative to become the entitlement holder of each security entitlement; (B) cause the securities intermediary to agree with the Secured Party that the securities intermediary shall comply with entitlement orders in relation to each security entitlement that are originated by the Secured Party without the further consent of the Debtor or any other entitlement holder; or (C) cause another person that has control on behalf of the Secured Party, or having previously obtained control, to acknowledge that the person has control on behalf of the Secured Party of any security entitlement in the manner contemplated by subclause (A) or (B). Any security (including any security entitlement) held or controlled by the Secured Party pursuant to the foregoing provisions of this subsection will be held as Collateral under this agreement.
- (c) Subject to section 2.07(d), all rights conferred by statute or otherwise upon a registered holder of securities will (i) with respect to any securities or security entitlement held directly by the Secured Party or its representative, be exercised as the Debtor may direct, and (ii) with respect to any securities or security

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entitlement held directly by the Debtor or its representatives, be exercised by the Debtor.

- (d) Until the Secured Party enforces the Security Interest,
- (i) the Debtor may exercise all voting rights attached to, and give consents, waivers, and ratifications in connection with, the securities, except that the Debtor may not cast any vote, give any consent, waiver, or ratification, or take any action that would be prejudicial to the interests of the Secured Party or that would have the effect of either reducing the value of the securities as security for the Obligations or imposing any restriction on the transferability of any of the securities; and
  - (ii) without the prior written consent of the Secured Party, the Debtor may not exercise its voting rights attached to the securities in connection with the following matters relating to the issuer of the securities:
    - (A) the issuance of shares of any class in the capital stock of the issuer, or any subdivision or consolidation of any of those shares;
    - (B) any borrowing or guarantee of debt to be undertaken by the issuer;
    - (C) any investment to be made by the issuer outside the existing scope of its business;
    - (D) any disposition by the issuer of assets outside the existing scope of its business;
    - (E) any disposition by the issuer of any securities of its affiliates or subsidiaries;
    - (F) any plan of reorganization, merger, dissolution, liquidation, winding-up, or other similar plan affecting the corporate structure or existence of the issuer; or
    - (G) any amendment or other change to the constating documents of the issuer.
- (e) If the Debtor defaults in the performance of any of the Obligations and that default is continuing or if the Security Interest otherwise becomes enforceable, all rights of the Debtor to vote and give consents, waivers, and ratifications will immediately cease. In that event, the Secured Party and its representatives may, at the Secured Party's discretion (in the name of the Debtor or otherwise), exercise or cause to be exercised in respect of any of the securities any voting rights or rights to receive dividends, interest, principal, or other payments of money forming part of the securities and all other rights conferred on or exercisable by the bearer or holder thereof.

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- (f) The Secured Party's responsibility in connection with the securities is limited to exercising the same degree of care that it gives its own valuable property at its offices where any of the securities are held. The Secured Party will not be bound under any circumstances to realize upon any of the securities, to allow any of the securities to be sold, to exercise any option or right attaching thereto, or to be responsible for any loss occasioned by any sale of the securities or by its retention or other refusal to sell them. The Secured Party is not obliged to collect or see to the payment of interest or dividends on the securities. The Debtor shall hold in trust all interest and dividends, if and when received, for the Secured Party and shall immediately pay those amounts to the Secured Party.

### **2.08 Commingled Goods**

If the Collateral subsequently becomes part of a product or mass to which the security interest of another secured party attaches, the Security Interest will extend to all accounts, Replacements, or proceeds arising from any dealing with such product or mass.

## **ARTICLE 3 REPRESENTATIONS AND WARRANTIES**

### **3.01 Representations and Warranties of the Debtor**

The Debtor represents and warrants to the Secured Party, acknowledging that the Secured Party is relying on these representations and warranties, that:

- (a) **Security Documents.** It has received and reviewed copies of the Security Documents.
- (b) **Status.** It is the Borrower within the meaning of the Credit Agreement.
- (c) **Representations and Warranties.** It repeats in favour of the Secured Party, and acknowledges and confirms, the representations, warranties, and covenants made in respect of the Debtor and the Collateral in the Credit Agreement, as if they were stated in their entirety in this agreement.
- (d) **Serial Number Goods.** Serial number goods do not form part of the Collateral as of the date of this agreement.
- (e) **Survival of Representations and Warranties.** All representations, warranties, covenants, agreements, undertakings, and conditions made in the Credit Agreement or the other Security Documents, that, if not true, accurate, and complete when made and that, if not performed in accordance with their terms, are material, will be considered to have been relied on by the Secured Party and shall survive the execution and delivery of this agreement or any investigation made at any time by or on behalf of the Secured Party and any disposition or payment of the

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Obligations until repayment and performance in full of the Obligations and termination of all rights of the Debtor that, if exercised, would result in the existence of Obligations.

#### **ARTICLE 4 COVENANTS OF THE DEBTOR**

##### **4.01 Payment of Obligations**

The Debtor shall satisfy the Obligations when due.

##### **4.02 Payment of Expenses**

The Debtor shall forthwith reimburse the Secured Party on a full indemnity basis for, and shall pay, all expenses (including solicitors' and receivers' fees and disbursements) incurred by the Secured Party or its agents (including any Receiver) in connection with the preparation, issuance, protection, enforcement of, and advice relating to this agreement and the creation, validity, perfection, protection, enforcement of, and advice relating to, the Security Interest (including those incurred for registration costs of any financing statement registered in connection with the Security Interest), all of which expenses the Debtor shall pay immediately upon demand and will form part of the Obligations.

##### **4.03 Registration**

The Debtor shall make all necessary filings, registrations, and other recordations to protect the interest of the Debtor in the Collateral (including all recordations in connection with patents, trade-marks, and copyrights forming part of the Intellectual Property). The Debtor shall cause its representatives to immediately register, file, and record this agreement, or notice of this agreement, on behalf of the Secured Party at all proper offices where, in the opinion of counsel to the Secured Party, registration, filing, or recordation may be necessary or advantageous to create, perfect, preserve, or protect the Security Interest in the Collateral and its priority. The Debtor shall subsequently cause its representatives to maintain all those registrations, filings, and recordations on behalf of the Secured Party in full force and effect (including by making timely payment of any renewal or maintenance fees).

##### **4.04 Serial Numbered Goods**

The Debtor shall forthwith notify the Secured Party if and when serial numbered goods are acquired and form part of the Collateral. Such notification must provide a detailed description, value and serial number for each serial number good acquired by the Debtor.

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**ARTICLE 5  
DEFAULT****5.01 Enforcement Upon an Event of Default**

Whenever any Event of Default referred to in the Credit Agreement occurs, unless the Secured Party notifies the Debtor to the contrary and subject to any terms and conditions that may be contained in that notice, the Obligations will be accelerated and will be immediately due and payable in full and the Security Interest will become immediately crystallized and enforceable without the Secured Party having to take any further action or provide any further notice.

**5.02 Waiver**

The Secured Party may waive any Event of Default or any breach of the provisions of this agreement. However, no waiver will be deemed to extend to a subsequent breach or an Event of Default, whether or not the same as or similar to the breach or an Event of Default waived, and no act or omission by the Secured Party shall extend to, or be taken in any manner whatsoever to affect, any subsequent breach or an Event of Default or the rights of the Secured Party arising therefrom. In order to be effective, any waiver must be in writing and signed by the Secured Party. No failure on the part of the Secured Party to exercise, or delay by the Secured Party in exercising, any right under this agreement will operate as a waiver of such right. No single or partial exercise of any such right will preclude any other or further exercise of such right or the exercise of any other right.

**ARTICLE 6  
REMEDIES****6.01 Remedies of the Secured Party**

If the Security Interest becomes enforceable in accordance with ARTICLE 5, the Secured Party will have the rights set out in this ARTICLE 6, in addition to being entitled to exercise any other remedies available at law or contained in any Security Document, all of which remedies will be independent and cumulative.

**6.02 Rights of the Secured Party**

Upon the Security Interest becoming enforceable, the Secured Party may:

- (a) enter any premises owned, leased, or otherwise occupied by the Debtor or where any Collateral may be located to take possession of, dispose of, disable, or remove any Collateral by any method permitted by applicable law. The Debtor shall immediately upon demand deliver to the Secured Party possession of any Collateral at the place specified by the Secured Party;

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- (b) carry on, or concur in the carrying on of, all or any part of the businesses or undertaking of the Debtor and may, to the exclusion of all others (including the Debtor), enter upon, occupy, and use any of the premises, buildings, and plant of or occupied or used by the Debtor and may use all or any of those premises and the equipment and other Collateral located on those premises for whatever time and purposes as the Secured Party sees fit;
- (c) take any actions to maintain, preserve, and protect the Collateral or otherwise deal with any Collateral in the manner, upon the terms and conditions, and at the times it deems advisable in its discretion without notice to the Debtor, except as otherwise required by applicable law (including payments on account of other security interests affecting the Collateral); provided that the Secured Party will not be required to take any of those actions or make any of those expenditures. Any of the amounts that the Secured Party pays (including legal, Receiver's, accounting, or other professional fees and expenses) will be added to the Obligations and will be secured by this agreement;
- (d) sell, lease, consign, license, assign, or otherwise dispose of any Collateral by public auction, private tender, or private contract, with or without notice, advertising, or any other formality, all of which the Debtor hereby waives to the extent permitted by law. The Secured Party may establish the terms of disposition (including terms and conditions as to credit, reserve bid, or price). The Secured Party will credit all payments made under those dispositions against the Obligations only as they are actually received. The Secured Party may buy in, rescind, or vary any contract for the disposition of Collateral and may dispose of any Collateral again without being answerable for any resulting loss. Any disposition may take place whether or not the Secured Party has taken possession of the Collateral. The exercise by the Secured Party of any power of sale does not preclude the Secured Party from any further exercise of its power of sale in accordance with this section 6.02(d);
- (e) collect, sell, or otherwise deal with accounts (including notifying any person obligated to the Debtor in connection with an account, chattel paper, or an Instrument to make payment to the Secured Party of all such present and future amounts that are due);
- (f) collect any rents, income, and profits received in connection with the business of the Debtor or the Collateral, without carrying on the business;
- (g) exercise all voting rights attached to the securities (whether or not registered in the name of the Secured Party or its nominee), give or withhold all related consents, waivers, and ratifications, and otherwise act in connection with the securities as though it were the absolute owner;

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- (h) exercise any rights of conversion, exchange, subscription, or other rights, privileges, or options relating to any of the securities as if the Secured Party were the absolute owner (including the right to exchange, at its discretion, any of the securities upon the merger, consolidation, reorganization, recapitalization, or other readjustment of any issuer or upon the exercise by any issuer of any right, privilege, or option relating to any of the securities), and in doing so, to deposit or deliver any of the securities with or to any committee, depositary, transfer agent, registrar, or other designated agency upon the terms and conditions it may determine;
- (i) comply with any limitation or restriction in connection with any proposed sale or other disposition of the securities necessary to comply with applicable law or regulation or with any policy imposed by any stock exchange, securities commission, or other governmental or regulatory authority or official. That compliance by the Secured Party will not result in the sale being considered or deemed not to have been made in a commercially reasonable manner, nor will the Secured Party be liable or accountable to the Debtor for any discount in the sale price of the securities that may be given because those securities are sold in compliance with any limitation or restriction;
- (j) have, enjoy, and exercise all of the rights of and enjoyed by the Debtor in and to the Collateral or incidental, ancillary, attaching, or deriving from the ownership by the Debtor of the Collateral (including the right to (i) enter into agreements and grant licences over or relating to Collateral, (ii) demand, commence, continue, or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing, or obtaining possession or payment of the Collateral, (iii) grant or agree to Encumbrances and grant or reserve *profits à prendre*, easements, rights of ways, rights in the nature of easements, and licences over or relating to any part of the Collateral, and (iv) give valid receipts and discharges, and to compromise or give time for the payment or performance of all or any part of the accounts or any other obligation of any third party to the Debtor;
- (k) pay any liability owed to any actual or threatened Encumbrance holder against any Collateral, and borrow money to maintain, preserve, or protect any Collateral or to carry on of the businesses or undertaking of the Debtor, and may charge and grant further security interests in any Collateral in priority to the Security Interest as security for the money so borrowed. The Debtor shall immediately upon demand reimburse the Secured Party for all those payments and borrowings;
- (l) accept the Collateral in satisfaction of the Obligations;
- (m) appoint by instrument in writing a Receiver in respect of the Debtor and/or the Collateral, or apply, at any time, to any court of competent jurisdiction

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for the appointment of a Receiver or other official, who may have powers the same as, greater or lesser than, or otherwise different from, those capable of being granted to a Receiver appointed by the Secured Party under this agreement;

- (n) file proofs of claim and other documents in order to have the claims of the Secured Party lodged in any bankruptcy, winding-up, or other judicial proceeding relating to the Debtor or the Collateral;
- (o) upon any sale by the Secured Party of any leasehold interest under this agreement, for the purpose of vesting the one day residue of the term or its renewal in any purchase, may by deed or writing appoint the purchaser or any other person as a new trustee of the residue or renewal in place of the Debtor and may vest those rights in the new trustee so appointed free from any obligation in that Collateral; and
- (p) retain the services of any real estate brokers and agents, lawyers, accountants, appraisers, and other consultants as the Secured Party deems necessary or desirable in connection with anything done or to be done by the Secured Party or with any of the rights of the Secured Party set out in this agreement and pay their commissions, fees, disbursements (which payments will constitute part of the Secured Party's disbursements reimbursable by the Debtor under this agreement). The Debtor shall immediately on demand reimburse the Secured Party for all those payments.

#### **6.03 Right to Appoint a Receiver**

Any Receiver will have the rights set out in this ARTICLE 6. In exercising those rights, a Receiver will act as, and for all purposes will be deemed to be, the agent of the Debtor. The Secured Party will not be responsible for any act, omission, negligence, misconduct, or default of any Receiver. The Secured Party may remove any Receiver and appoint another Receiver. The Secured Party may appoint an officer or employee of the Secured Party as Receiver. No Receiver appointed by the Secured Party need be appointed by, nor need its appointment be ratified by or its actions in any way supervised by, a court. If two or more Receivers are appointed to act concurrently, they shall act severally and not jointly and severally.

#### **6.04 Application of Payments**

The Secured Party, or any Receiver appointed by the Secured Party in the enforcement of the Security Interest, may hold all payments made in connection with the Obligations and all monies received as security for the Obligations (including each Recovery), or may apply those payments or monies in whatever manner they determine in their discretion. The Secured Party may at any time apply or change any application of those payments, monies, or Recoveries to any parts of the Obligations as the Secured Party may determine in its discretion. The Debtor will remain liable to the Secured Party for



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any deficiency. The Secured Party shall pay any surplus funds realized after the satisfaction of all Obligations in accordance with applicable law.

#### **6.05 Limitation of Liability**

Neither the Secured Party nor any Receiver will be liable for any negligence in accordance with any rent, charges, costs, depreciation, or damages in connection with any of its actions. Neither the Secured Party nor any Receiver will be liable or accountable to the Debtor for any failure to seize, collect, realize, dispose of, enforce, or otherwise deal with any Collateral, nor will any of them be bound to bring any action or proceeding for any of those purposes or to preserve any rights of any person in any of the Collateral. Neither the Secured Party nor any Receiver will be liable or responsible for any claim, loss, and expense flowing from any failure resulting from any act, omission, negligence, misconduct, or default of the Secured Party, any Receiver, or any of their respective representatives or otherwise. If any Receiver or the Secured Party takes possession of any Collateral, neither the Secured Party nor any Receiver will have any liability as a mortgagee in possession of the Collateral or be accountable for anything except actual receipts. Further, the Secured Party will not be deemed to have assumed, or be deemed to be liable for, any covenant, agreement, or other obligation of the Debtor under any agreement, right, Licence, or permit to which the Debtor is a party.

#### **6.06 Failure of Secured Party to Exercise Remedies**

The Secured Party or Receiver will not be liable for any delay or failure to enforce any remedies available to it or to institute any proceedings for those purposes.

#### **6.07 Secured Party or Receiver May Perform**

If the Debtor fails to perform any Obligations, the Secured Party or any Receiver may perform those Obligations as attorney for the Debtor in accordance with section 7.08. The Debtor will remain liable under each agreement to which it is party or by which it or any of its businesses, undertaking, and properties is bound and shall perform all of its obligations under each of those agreements; the Debtor will not be released from any of its obligations under any agreement by the exercise of any rights by the Secured Party or any Receiver.

#### **6.08 Dealings by Secured Party**

The Secured Party and any Receiver may grant renewals, extensions of time, and other indulgences, take and give up Encumbrances, accept compositions, grant releases and discharges, perfect or fail to perfect any Encumbrances, release any Collateral to third parties, and otherwise deal or fail to deal with the Collateral, other Encumbrances, the Debtor, debtors of the Debtor, guarantors of the Debtor, sureties of the Debtor, and others as the Secured Party or such Receiver may see fit, all without prejudice to the Obligations and the rights of the Secured Party or any Receiver to hold and realize upon the Security Interest. The Secured Party or any Receiver has no obligation to keep Collateral identifiable or to preserve rights against prior secured creditors in connection with any Collateral.

**6.09 Deficiency**

If the proceeds of the realization of any Collateral are insufficient to repay all Obligations, the Debtor shall immediately pay or cause to be paid to the Secured Party the deficiency.

**6.10 Validity of Sale**

No person dealing with the Secured Party, any Receiver, or any representative of the Secured Party or any Receiver has any obligation to enquire whether the Security has become enforceable, whether any right of the Secured Party or any Receiver has become exercisable, whether any Obligations remain outstanding, or otherwise as to the propriety or regularity of any dealing by the Secured Party or any Receiver with any Collateral or to see to the application of any money paid to the Secured Party or any Receiver. In the absence of fraud on the part of any of those persons, those dealings will be deemed to be within the rights conferred under this agreement and to be valid and effective accordingly.

**6.11 Effect of Appointment of Receiver**

As soon as the Secured Party takes possession of any Collateral or appoints a Receiver over any Collateral, all rights of the Debtor in and to that Collateral will cease.

**6.12 Rights in Addition**

The rights conferred by this ARTICLE 6 are in addition to, and not in substitution for, any other rights the Secured Party may have under this agreement, applicable law, or any Security Document or other agreement. No right of the Secured Party or any Receiver is exclusive of or dependent on any other. Any right may be exercised separately or in combination, and at any time. The exercise by the Secured Party or any Receiver of any right under this agreement does not preclude the Secured Party or any Receiver from further exercise of that right.

**ARTICLE 7  
MISCELLANEOUS****7.01 Amalgamation of the Debtor**

If the Debtor amalgamates with any other corporation or corporations, this agreement will continue in full force and effect and will be binding upon the amalgamated corporation, and, for greater certainty

- (a) the Security Interest will (i) continue to secure all the Obligations; (ii) secure all obligations of each other amalgamating corporation to the Secured Party; and (iii) secure all obligations of the amalgamated corporation to the Secured Party arising after the amalgamation;

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- (b) the Security Interest will (i) continue to attach to all property of the Debtor; (ii) attach to all property of each other amalgamating corporation; and (iii) attach to all property of the amalgamated corporation acquired after the amalgamation, including the Collateral;
- (c) all defined terms and other provisions of this agreement will be deemed to have been amended to reflect the amalgamation, to the extent required by the context; and
- (d) the parties agree to execute and deliver all further documents and assurances as may be necessary or desirable in connection with the foregoing.

#### **7.02 Binding Effect; Assignment**

This agreement enures to the benefit of and binds the parties' respective successors and permitted assigns. The Secured Party may assign this agreement and the Obligations in whole or in part to any person, firm, or corporation without notice to or the consent of the Debtor. Without the prior written consent of the Secured Party, the Debtor may not assign this agreement.

#### **7.03 Conflict of Provisions**

If there is any inconsistency between the provisions of the Credit Agreement, this agreement and any schedule to this agreement, or any of the Security Documents, the provisions of the Credit Agreement will prevail. The parties shall take any necessary steps to conform the inconsistent provisions to the provisions of the Credit Agreement.

#### **7.04 Copy of Agreement**

The Debtor acknowledges receipt of an executed copy of this agreement. To the extent permitted by law, the Debtor irrevocably waives the right to receive a copy of each financing statement or financing change statement (or any related verification statement) filed by the Secured Party in connection with this agreement or any other security agreement and releases all claims it may have against the Secured Party for failure to provide any copy.

#### **7.05 Counterparts**

This agreement may be signed in any number of counterparts, each of which is an original, and all of which taken together constitute one single document. Counterparts may be transmitted by fax or in electronically scanned form. Parties transmitting by fax or electronically will also deliver the original counterpart to the other parties, but failure to do so does not invalidate this agreement.

**7.06 Effective Date**

This agreement is effective as of the date shown at the top of the first page, even if any signatures are made after that date.

**7.07 Entire Agreement; Amendment**

This agreement together with the Security Documents constitutes the entire agreement between the parties relating to the subject matter of this agreement. There are no representations, covenants, or other terms other than those set out in this agreement and the Security Documents. This agreement may only be amended by a written document signed by each of the parties.

**7.08 Further Assurances**

The Debtor, upon request by the Secured Party, shall sign (or cause to be signed) all further documents, do (or cause to be done) all further acts, and provide all reasonable assurances as may reasonably be necessary or desirable to establish in favour of the Secured Party the Security Interest intended to be created under, and to accomplish the intention of, this agreement. The Debtor appoints the Secured Party, acting by any officer, director, employee, agent, or representative for the time being of the Secured Party, to be its attorney with full power of substitution to do on the Debtor's behalf anything that the Debtor can lawfully do by an attorney (including to do, make, and execute all agreements, deeds, acts, matters, or things, with the right to use the name of the Debtor) that it deems necessary or expedient and to carry out its obligations under this agreement, to revise and schedule to this agreement and to complete any missing information in this agreement. This power of attorney is coupled with an interest and is irrevocable until the Obligations are paid in full.

**7.09 Governing Law**

This agreement is governed by, and is to be interpreted, construed and enforced in accordance with, the laws of the Northwest Territories and the laws of Canada applicable in the Northwest Territories, excluding any rule or principle of conflicts of law that may provide otherwise.

**7.10 Information**

The Secured Party may at any time provide to any person that claims an interest in Collateral copies of this agreement or information about it, the Collateral, or the Obligations.

**7.11 Jurisdiction**

The parties irrevocably attorn to the jurisdiction of the courts of the Northwest Territories, which will have non-exclusive jurisdiction over any matter arising out of this agreement.

**7.12 Language**

It is the express wish of the parties that this agreement and any related documentation be drawn up in English. Il est de la volonté expresse des parties que cette convention, ainsi que tout document connexe soient rédigés en langue anglaise.

**7.13 Non-Merger; Survival**

This agreement will not operate by way of a merger of the Obligations or of any guarantee or agreement or other document or instrument by which the Obligations now or at any time subsequently may be represented or evidenced. Neither the taking of any judgment nor the exercise of any power of seizure or disposition shall extinguish the liability of the Debtor to pay and perform the Obligations nor shall the acceptance of any payment or alternate security constitute or create any novation. No covenant, representation or warranty of the Debtor in this agreement shall merge in any judgment.

**7.14 Notice**

Any demand or notice to be made or given in connection with this agreement will be in writing and will be delivered in the manner provided in the Credit Agreement for the communication of notices and demands.

**7.15 No Partnership**

Nothing contain in this agreement will create a partnership, joint venture, principal-and-agent relationship, or any similar relationship, between the parties.

**7.16 Release**

Once the Debtor pays and satisfies the Obligations in full, the Secured Party shall, within a reasonable time after it receives a written request from the Debtor, release the Security Interest and execute and deliver any releases and discharges that the Debtor may reasonably require. The Debtor shall pay all expenses incurred by the Secured Party in doing so.

**7.17 Secured Party Not Obligated to Advance**

Nothing in this agreement obligates the Secured Party to make any loan or accommodation to the Debtor or to extend the time for payment or satisfaction of any Obligations.

**7.18 Separate Security**

This agreement and the Security Interest are in addition to and not in substitution for any other security now or later held by the Secured Party in connection with the Debtor, the Obligations, or the Collateral. The Security Interest does not replace or otherwise affect any existing or future Encumbrance held by the Secured Party. No taking of any suit, action, or proceeding, judicial or extra-judicial, no refraining from doing so, and no

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dealing with any other security for any Obligations will (a) release or affect the Security Interest or (b) release any of the other Encumbrances held by the Secured Party for the payment or performance of the Obligations.

**7.19 Severability**

The invalidity or unenforceability of any particular provision of this agreement will not affect or limit the validity or enforceability of the remaining provisions.

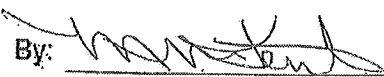
**7.20 Statutory Waiver**

To the fullest extent permitted by applicable law, the Debtor waives all of the rights, benefits, conditions, warranties, and protections given by the provisions of any existing or future statute that imposes limitations upon the rights of a secured party or upon the methods of realization of Security Interest, including and seize or sue or anti-deficiency statute or any similar provisions of any other statute.

**[Remainder of this page intentionally left blank]**

This agreement has been executed by the parties.

**TAMERLANE VENTURES INC.**

By:   
Name: *Margaret Kent*  
Title: *Executive Chairman*

**GLOBAL RESOURCE FUND, by its  
manager, RENVEST MERCANTILE  
BANCORP INC.**

By: \_\_\_\_\_  
Name:  
Title:


By: \_\_\_\_\_  
Name:  
Title:

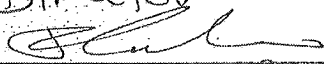
This agreement has been executed by the parties.

**TAMERLANE VENTURES INC.**

By: \_\_\_\_\_  
Name:  
Title:

**GLOBAL RESOURCE FUND, by its  
manager, RENVEST MERCANTILE  
BANCORP INC.**

By:   
Name: David Lewis  
Title: Director

By:   
Name: JOHN CALIENDO  
Title: DIRECTOR



**SCHEDULE A**

See attached

Date: 11/25/2010

"OWNER" Status of Mineral Claims - Northwest Territories - ACTIVE

Claim #	Claim Name	Owner Name	%	NTS 1	NTS 2	NTS 3	NTS 4	Record Date	Anniv Date	Acres	Hectares	Lease #	LN Date	District
F73123	S 1	TAMERLANE VENTURES	100.00	085B16				2001-09-06	2011-09-06	206.60	83.61			NWT
F73125	M 3	TAMERLANE VENTURES	100.00	085B16				2001-09-06	2011-09-06	413.20	167.22			NWT
F73126	M 4	TAMERLANE VENTURES	100.00	085B16				2001-09-06	2011-09-06	774.75	313.53			NWT
F73127	M 5	TAMERLANE VENTURES	100.00	085B16				2001-09-06	2011-09-06	454.85	183.12			NWT
F73128	M 6	TAMERLANE VENTURES	100.00	085B16				2001-09-06	2011-09-06	826.40	334.43			NWT
F73129	M 7	TAMERLANE VENTURES	100.00	085B16	085B16			2001-09-06	2011-09-06	1033.00	418.04			NWT
F73130	M 8	TAMERLANE VENTURES	100.00	085B15				2001-09-06	2011-09-06	1446.20	565.26			NWT
F73131	M 9	TAMERLANE VENTURES	100.00	085B15				2001-09-06	2011-09-06	1446.20	565.26			NWT
F73132	M 10	TAMERLANE VENTURES	100.00	085B15				2001-09-06	2011-09-06	1033.00	418.04			NWT
F73133	M 11	TAMERLANE VENTURES	100.00	085B15				2001-09-06	2011-09-06	1291.25	522.55			NWT
F73134	M 12	TAMERLANE VENTURES	100.00	085B15				2001-09-06	2011-09-06	1291.25	522.55			NWT
F73135	M 13	TAMERLANE VENTURES	100.00	085B15				2001-09-06	2011-09-06	1807.75	731.57			NWT
F73136	M 14	TAMERLANE VENTURES	100.00	085B15				2001-09-06	2011-09-06	2824.25	940.59			NWT
F73137	M 15	TAMERLANE VENTURES	100.00	085B15				2001-09-06	2011-09-06	1807.75	731.57			NWT
F73138	M 16	TAMERLANE VENTURES	100.00	085B15				2001-09-06	2011-09-06	1807.75	731.57			NWT
F73139	S 17	TAMERLANE VENTURES	100.00	085B15				2001-09-06	2011-09-06	206.60	83.61			NWT
F73143	N 1	TAMERLANE VENTURES	100.00	085B15				2001-09-06	2011-09-06	619.80	250.82			NWT
F73144	N 2	TAMERLANE VENTURES	100.00	085B15				2001-09-06	2011-09-06	619.80	250.82			NWT
F73145	N 3	TAMERLANE VENTURES	100.00	085B15				2001-09-06	2011-09-06	619.80	250.82			NWT
F73146	N 4	TAMERLANE VENTURES	100.00	085B15				2001-09-06	2011-09-06	619.80	250.82			NWT
F73147	N 5	TAMERLANE VENTURES	100.00	085B15				2001-09-06	2011-09-06	585.80	237.06			NWT
F73157	M 2	TAMERLANE VENTURES	100.00	085B15				2001-09-06	2011-09-06	309.90	125.41			NWT
F75690	N 17	TAMERLANE VENTURES	100.00	085B16				2002-04-10	2012-04-10	154.95	62.71			NWT
F75732	N 18	TAMERLANE VENTURES	100.00	085B16				2002-04-10	2012-04-10	103.30	41.80			NWT

Date: 1/25/2010

"ACTIVE" & "TAMERLANE VENTURES INC." - Canada Mining Leases - Northwest Territories

Lease #	%	NTS 1	NTS 2	NTS 3	NTS 4	Issued	Expires	Acres	Hectares	Rent Due	District
4858	100.00	085B15				2007-05-09	2028-05-09	156.00	63.13	2011-05-09	NWT
4859	100.00	085B15				2007-05-09	2028-05-09	143.00	57.87	2011-05-09	NWT
4860	100.00	085B11				2007-05-09	2028-05-09	213.00	86.20	2011-05-09	NWT
4861	100.00	085B10	085B15			2007-05-09	2028-05-09	2486.00	1006.05	2011-05-09	NWT
4862	100.00	085B10	085B15			2007-05-09	2028-05-09	2192.00	887.07	2011-05-09	NWT
4863	100.00	085B10	085B11	085B14	085B15	2007-05-09	2028-05-09	2023.00	818.69	2011-05-09	NWT
4864	100.00	085B11	085B14			2007-05-09	2028-05-09	2313.00	936.04	2011-05-09	NWT
4865	100.00	085B11	085B14			2007-05-09	2028-05-09	2068.00	836.89	2011-05-09	NWT
4866	100.00	085B11	085B14			2007-05-09	2028-05-09	1788.00	723.58	2011-05-09	NWT
4867	100.00	085B11				2007-05-09	2028-05-09	2535.00	1066.35	2011-05-09	NWT
4868	100.00	085B15				2007-07-16	2028-07-16	1000.00	404.69	2011-07-16	NWT
4869	100.00	085B15				2007-07-16	2028-07-16	620.00	250.91	2011-07-16	NWT
4870	100.00	085B15				2007-07-16	2028-07-16	1291.00	522.45	2011-07-16	NWT
4871	100.00	085B15				2007-07-16	2028-07-16	1709.00	691.61	2011-07-16	NWT
4872	100.00	085B15				2007-07-16	2028-07-16	596.00	241.19	2011-07-16	NWT
4873	100.00	085B15				2007-07-16	2028-07-16	189.00	76.49	2011-07-16	NWT



## GENERAL SECURITY AGREEMENT

**NOTE: THIS INSTRUMENT CREATES A FIRST PRIORITY CHARGE, LIEN, ENCUMBRANCE, AND INTEREST IN THE COLLATERAL DESCRIBED HEREIN. GLOBAL RESOURCE FUND FORBIDS THE REGISTRATION WITH THE MINING RECORDER OF THE NORTHWEST TERRITORIES BY ANY PERSON AS TRANSFEREE, SECURED PARTY, ASSIGNEE, OR OWNER OF ANY INSTRUMENT AFFECTING ANY ESTATE OR INTEREST IN THE COLLATERAL DESCRIBED HEREIN WITHOUT THE PRIOR WRITTEN CONSENT OF GLOBAL RESOURCE FUND. THE TAKING OF ANY CHARGE, LIEN, ENCUMBRANCE, OR INTEREST IN ANY OF THE COLLATERAL DESCRIBED HEREIN BY ANY PERSON WILL BREACH CERTAIN COVENANTS MADE BY TAMERLANE VENTURES INC. TO GLOBAL RESOURCE FUND AND WILL BE SUBJECT AND SUBORDINATE TO THE INTERESTS OF GLOBAL RESOURCE FUND IN THE COLLATERAL DESCRIBED HEREIN.**

Dated: July 29, 2011

BETWEEN:

PINE POINT HOLDING CORP., a corporation incorporated under the federal laws of Canada (the "**Debtor**")

- and -

GLOBAL RESOURCE FUND, by its manager, Renvest Mercantile Bancorp Inc. (the "**Secured Party**")

The parties agree as follows:

### ARTICLE 1 INTERPRETATION

#### 1.01 Definitions

Words and expressions defined in the PPSA and the STA are used in this agreement (capitalized or not) with the defined meanings assigned to them in those statutes, unless the context otherwise requires. For greater certainty, in this agreement each of the words "accessions", "account", "chattel paper", "consumer goods", "document of title", "equipment", "goods", "instruments", "intangible", "inventory", "investment property", "money", "proceeds, and "serial number goods" has the same meaning as its defined meaning in the PPSA and each of the terms "certificated security", "entitlement holder", "financial asset", "security", "securities account", "security entitlement", "security intermediary" and "uncertificated security" has the same meaning as its defined meaning in the STA. As well, terms defined in the Credit Agreement are used in this

agreement with the definitions given to them in the Credit Agreement. In addition, the following definitions apply:

**“Business Day”** means any day excluding Saturday, Sunday, or any other day which is a statutory holiday in Toronto, Ontario.

**“Collateral”** means, collectively, all present and after-acquired property of the Debtor (including all accounts, chattel paper, Documents, documents of title, equipment, goods, instruments, intangibles, inventory, investment property, Licences, money, mining claims, and mining leases, surface leases, mineral rights, real property, securities, security entitlements, undertaking, proceeds, and Replacements, together with any interest of the Debtor in any of them) but excludes consumer goods.

**“Credit Agreement”** means the credit agreement between the Tamerlane Ventures Inc. and the Secured Party dated as of December 16, 2010 and amended as of June 30, 2011 as the same may be amended, restated or otherwise modified from time to time.

**“Documents”** means all the Debtor’s books, accounts, invoices, letters, papers, security certificates, documents, and other records (including customer lists and records, subject, however, to privacy, confidentiality, and access rights of customers), in any form evidencing or relating to any part of the Collateral, together with all agreements, licences, and other rights and benefits relating to any of them.

**“Guarantee”** means the guarantee between the Debtor and the Secured Party dated as of even date herewith as the same may be amended, restated or otherwise modified from time to time.

**“Intellectual Property”** means:

- (a) all business and trade names, corporate names, brand names, and slogans related to the Debtor;
- (b) all inventions, patents, patent rights, patent applications (including all reissues, divisions, continuations, continuations-in-part, and extensions of any patent or patent application), unregistered industrial designs, applications for registration of individual designs, and registered designs of the Debtor;
- (c) all registered copyrights and all registered and unregistered trademarks (including the goodwill attaching to such trademarks), registrations, and applications for trademarks and copyrights related to the Debtor;
- (d) all rights and interests in and to processes, data, trade secrets, designs, know-how, processes, product formulae and information,

manufacturing, engineering, and other drawings and manuals, technology, algorithms, blue prints, research and development reports, technical information, technical assistance, engineering data, design and engineering specifications, and similar materials recording or evidencing expertise or information related to the Debtor;

- (e) all other intellectual and industrial property rights throughout the world owned by the Debtor;
- (f) all licences of the intellectual property listed in items (a) to (e) above, except in the case of Shrink-Wrap Software;
- (g) all future income and proceeds from any of the intellectual property listed in items (a) to (e) above and the licences listed in item (f) above; and
- (h) all rights to damages and profits by reason of the infringement of any of the intellectual property listed in items (a) to (f) above.

**“Licence”** means (i) any authorization from any governmental authority having jurisdiction relating to the Debtor or its businesses, undertaking, or properties, (ii) any authorization from any person granting any easement or licence relating to any real or immovable property, and (iii) any IP licence.

**“Notice”** means any notice, request, direction, or other document that a party can or must make or give under this agreement.

**“Obligations”** means all of the Debtor's present and future liabilities, indebtedness, and obligations to the Secured Party (including interest), direct or indirect, contingent or absolute (including (i) obligations under the Guarantee and this agreement, and (ii) all obligations of other amalgamating corporations and the amalgamated corporation described in section 7.01(a).

**“Person”** includes any individual, corporation, company, partnership, governmental body, joint venture, association, trust, or any other entity.

**“PPSA”** means the *Personal Property Security Act* (NWT).

**“Receiver”** means any privately- or court-appointed receiver or receiver and manager for the Collateral or for any of the business, undertaking, or property of the Debtor appointed by the Secured Party under this agreement or by a court on application by the Secured Party.

**“Recovery”** means any monies received or recovered by the Secured Party after the Security Interest has become enforceable, whether under any enforcement of the Security Interest, by any suit, action, proceeding, or settlement of any claim, or otherwise.

**“Related Rights”** means all of the Debtor’s rights arising under, by reason of, or otherwise in connection with any agreement, right, Licence, or permit (including the right to receive payments under any of them).

**“Replacements”** means all increases, additions, and accessions to, and all substitutions for and replacements of, any part of the Collateral in which the Debtor now or later has rights.

**“Security Documents”** means this agreement, the Credit Agreement, and each other agreement from time to time in effect between the Debtor and the Secured Party (including all Documents relating to any of them).

**“Security Interest”** means, collectively, the grants, mortgages, charges, transfers, assignments, and security interests created under this agreement.

**“STA”** means the *Securities Transfer Act* (NWT).

**“Third Party Agreements”** means all leases (true or finance), Licences, and other agreements affecting any right, title, or interest of the Debtor in any of the Intellectual Property.

**“undertaking”** means all of the Debtor’s present and future real and personal property, businesses, undertaking, and goodwill that are not accounts, chattel paper, Documents, documents of title, equipment, instruments, intangibles, inventory, money, or securities.

## **1.02 Calculation of Time**

In this agreement, a period of days begins on the first day after the event that began the period and ends at 5:00 p.m. Eastern Standard Time on the last day of the period. If any period of time is to expire, or any action or event is to occur, on any day that is not a Business Day, the period expires, or the action or event is considered to occur, at 5:00 p.m. Eastern Standard Time on the preceding Business Day.

## **1.03 Currency**

Unless otherwise specified in this Agreement, all references to dollar amounts (without further description) shall mean American Dollars and all payments shall be made in American Dollars.

## **1.04 Headings; Internal References**

The headings used in this agreement, and its division into articles, sections, schedules, and other subdivisions, do not affect its interpretation. References in this agreement to articles, sections, schedules, and other subdivisions are to those parts of this agreement.



**1.05 Interpretation of this Agreement**

The parties acknowledge that they have each participated in settling the terms of this agreement. The parties agree that any rule of legal interpretation to the effect that any ambiguity is to be resolved against the drafting party will not apply in interpreting this agreement. Any reference in this agreement to Collateral will, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof".

**1.06 Number and Gender**

Unless the context requires otherwise, words importing the singular number include the plural and *vice versa*; words importing gender include all genders.

**1.07 References to Statutes, etc.**

Unless specified otherwise, any reference in this agreement to a statute includes both the regulations, rules and policies made under that statute and any provision that amends, supplements, supersedes or replaces any such statute, regulation, rule or policy.

**1.08 Use of the Term "Including"**

Where this agreement uses the word "including," it means "including without limitation," and where it uses the word "includes," it means "includes without limitation."

**ARTICLE 2  
GRANT OF SECURITY****2.01 Creation of Security Interest**

As general and continuing security for the due payment, observance, and performance by the Debtor of all Obligations, the Debtor hereby grants to the Secured Party a security interest, charge, lien, and encumbrance in, and assigns and transfers all of the Debtor's rights and benefits in, all of the Debtor's Collateral.

**2.02 Attachment**

The parties acknowledge that (i) the Debtor has rights in the Collateral, (ii) the Secured Party has given value to the Debtor, (iii) the parties have not agreed to postpone the time for attachment of the Security Interest, and (iv) the Security Interest is intended to attach (v) as to Collateral in which the Debtor now has rights, when the Debtor executes this agreement and (vi) as to Collateral in which the Debtor subsequently acquires rights, when the Debtor first obtains those rights.

**2.03 Account Debtor**

The Secured Party may require any account debtor of the Debtor to make payment directly to the Secured Party. The Secured Party may, in its discretion, apply the

amounts received from any account debtor and any proceeds in accordance with section 6.04 or hold them as part of the Collateral.

#### **2.04 Leasehold Interests**

The last day of the term of any lease, sublease, or agreement to lease or sublease now held or subsequently acquired by the Debtor is excluded from the Security Interest and does not form part of the Collateral, but the Debtor will stand possessed of that last day upon trust to assign and dispose of it as the Secured Party directs. If any lease or agreement to lease contains a term that provides, in effect, that it may not be assigned, sub-leased, charged, or made the subject of any Encumbrance without the consent of the lessor, the application of the Security Interest to that lease or agreement will be conditional upon obtaining that consent. The Debtor shall use reasonable efforts to obtain that consent as soon as reasonably practicable.

#### **2.05 Agreements and Licences**

To the extent that the creation of the Security Interest would constitute a breach, or cause the acceleration, of any agreement, right, Licence, or permit to which the Debtor is a party, the Security Interest will not attach to it, but the Debtor shall hold its interest in trust for the Secured Party. The Debtor shall assign that agreement, right, Licence, or permit to the Secured Party immediately upon obtaining the consent of the other party. The Security Interest will nonetheless immediately attach to any Related Rights if, to the extent that, and as at the time that attachment to the Related Rights is not illegal, is not enforceable against the Secured Party or other third parties generally, or would not result in an ineligible transfer or a material loss or expense to the Debtor. The Debtor shall use reasonable efforts to obtain all required material approvals as soon as reasonably practicable. To the extent permitted by law, the Debtor shall hold in trust for the Secured Party and, after an Event of Default occurs, provide the Secured Party with the benefits of, each agreement, right, Licence, or permit and enforce all Related Rights at the direction of and for the benefit of the Secured Party or at the direction of any other person that the Secured Party may designate.

#### **2.06 Intellectual Property**

The Secured Party grants the Security Interest in the Intellectual Property only as security. Before the Security Interest becomes enforceable under this agreement, the Secured Party will not be or be deemed to be the owner of any of the Intellectual Property. Further, the Secured Party will not be deemed to have assumed, or be deemed to be liable for, any covenant, agreement, or other obligation of the Debtor under any agreement, right, Licence, or permit relating to the Intellectual Property to which the Debtor is a party.

#### **2.07 Special Provisions relating to Securities**

- (a) Until the Secured Party provides notice to the contrary, any certificates representing the securities may remain registered in the name of the Debtor. At the option of the Secured Party, the Debtor shall either duly endorse those

certificates in blank for transfer or execute stock powers of attorney, in either case with signatures guaranteed and with all documentation in form and substance satisfactory to the Secured Party and the transfer agent for those securities. At any time upon request by the Secured Party, the Debtor shall cause any of the securities to be registered in the name of the Secured Party or its nominee; for that purpose, the Debtor hereby appoints the Secured Party as its irrevocable attorney, with full power of substitution, to cause any or all of the securities to be registered in the name of the Secured Party or its nominee.

- (b) Contemporaneously with the execution and delivery of this agreement (as to securities and securities entitlements in which the Debtor now has rights), and within five (5) Business Days of the Debtor first having rights in securities and securities entitlements (as to securities and securities entitlements in which the Debtor subsequently acquires rights), the Debtor shall:
- (i) physically deliver to the Secured Party each certificated security that is in bearer form;
  - (ii) physically deliver to the Secured Party each certificated security that is in registered form and, as the Secured Party may direct, either (A) endorse the security certificate to the Secured Party or in blank by an effective endorsement or (B) register the security certificate in the name of the Secured Party or its representative;
  - (iii) cause the issuer of any uncertificated security to agree with the Secured Party that that issuer shall comply with the Secured Party's instructions without the further consent of the Debtor or any other entitlement holder; and
  - (iv) as the Secured Party directs, do one of the following: (A) cause the Secured Party or its representative to become the entitlement holder of each security entitlement; (B) cause the securities intermediary to agree with the Secured Party that the securities intermediary shall comply with entitlement orders in relation to each security entitlement that are originated by the Secured Party without the further consent of the Debtor or any other entitlement holder; or (C) cause another person that has control on behalf of the Secured Party, or having previously obtained control, to acknowledge that the person has control on behalf of the Secured Party of any security entitlement in the manner contemplated by subclause (A) or (B). Any security (including any security entitlement) held or controlled by the Secured Party pursuant to the foregoing provisions of this subsection will be held as Collateral under this agreement.
- (c) Subject to section 2.07(d), all rights conferred by statute or otherwise upon a registered holder of securities will (i) with respect to any securities or security entitlement held directly by the Secured Party or its representative, be exercised as the Debtor may direct, and (ii) with respect to any securities or security

entitlement held directly by the Debtor or its representatives, be exercised by the Debtor.

- (d) Until the Secured Party enforces the Security Interest,
- (i) the Debtor may exercise all voting rights attached to, and give consents, waivers, and ratifications in connection with, the securities, except that the Debtor may not cast any vote, give any consent, waiver, or ratification, or take any action that would be prejudicial to the interests of the Secured Party or that would have the effect of either reducing the value of the securities as security for the Obligations or imposing any restriction on the transferability of any of the securities; and
  - (ii) without the prior written consent of the Secured Party, the Debtor may not exercise its voting rights attached to the securities in connection with the following matters relating to the issuer of the securities:
    - (A) the issuance of shares of any class in the capital stock of the issuer, or any subdivision or consolidation of any of those shares;
    - (B) any borrowing or guarantee of debt to be undertaken by the issuer;
    - (C) any investment to be made by the issuer outside the existing scope of its business;
    - (D) any disposition by the issuer of assets outside the existing scope of its business;
    - (E) any disposition by the issuer of any securities of its affiliates or subsidiaries;
    - (F) any plan of reorganization, merger, dissolution, liquidation, winding-up, or other similar plan affecting the corporate structure or existence of the issuer; or
    - (G) any amendment or other change to the constating documents of the issuer.
- (e) If the Debtor defaults in the performance of any of the Obligations and that default is continuing or if the Security Interest otherwise becomes enforceable, all rights of the Debtor to vote and give consents, waivers, and ratifications will immediately cease. In that event, the Secured Party and its representatives may, at the Secured Party's discretion (in the name of the Debtor or otherwise), exercise or cause to be exercised in respect of any of the securities any voting rights or rights to receive dividends, interest, principal, or other payments of money forming part of the securities and all other rights conferred on or exercisable by the bearer or holder thereof.

- (f) The Secured Party's responsibility in connection with the securities is limited to exercising the same degree of care that it gives its own valuable property at its offices where any of the securities are held. The Secured Party will not be bound under any circumstances to realize upon any of the securities, to allow any of the securities to be sold, to exercise any option or right attaching thereto, or to be responsible for any loss occasioned by any sale of the securities or by its retention or other refusal to sell them. The Secured Party is not obliged to collect or see to the payment of interest or dividends on the securities. The Debtor shall hold in trust all interest and dividends, if and when received, for the Secured Party and shall immediately pay those amounts to the Secured Party.

## 2.08 Commingled Goods

If the Collateral subsequently becomes part of a product or mass to which the security interest of another secured party attaches, the Security Interest will extend to all accounts, Replacements, or proceeds arising from any dealing with such product or mass.

## ARTICLE 3 REPRESENTATIONS AND WARRANTIES

### 3.01 Representations and Warranties of the Debtor

The Debtor represents and warrants to the Secured Party, acknowledging that the Secured Party is relying on these representations and warranties, that:

- (a) **Security Documents.** It has received and reviewed copies of the Security Documents.
- (b) **Status.** It is the Guarantor within the meaning of the Guarantee.
- (c) **Representations and Warranties.** It repeats in favour of the Secured Party, and acknowledges and confirms, the representations, warranties, and covenants made in respect of the Debtor and the Collateral in the Credit Agreement, as if they were stated in their entirety in this agreement.
- (d) **Serial Number Goods.** Serial number goods do not form part of the Collateral as of the date of this agreement.
- (e) **Survival of Representations and Warranties.** All representations, warranties, covenants, agreements, undertakings, and conditions made in the Credit Agreement or the other Security Documents, that, if not true, accurate, and complete when made and that, if not performed in accordance with their terms, are material, will be considered to have been relied on by the Secured Party and shall survive the execution and delivery of this agreement or any investigation made at any time by or on behalf of the Secured Party and any disposition or payment of the

Obligations until repayment and performance in full of the Obligations and termination of all rights of the Debtor that, if exercised, would result in the existence of Obligations.

#### **ARTICLE 4 COVENANTS OF THE DEBTOR**

##### **4.01 Payment of Obligations**

The Debtor shall satisfy the Obligations when due.

##### **4.02 Payment of Expenses**

The Debtor shall forthwith reimburse the Secured Party on a full indemnity basis for, and shall pay, all expenses (including solicitors' and receivers' fees and disbursements) incurred by the Secured Party or its agents (including any Receiver) in connection with the preparation, issuance, protection, enforcement of, and advice relating to this agreement and the creation, validity, perfection, protection, enforcement of, and advice relating to, the Security Interest (including those incurred for registration costs of any financing statement registered in connection with the Security Interest), all of which expenses the Debtor shall pay immediately upon demand and will form part of the Obligations.

##### **4.03 Registration**

The Debtor shall make all necessary filings, registrations, and other recordations to protect the interest of the Debtor in the Collateral (including all recordations in connection with patents, trade-marks, and copyrights forming part of the Intellectual Property). The Debtor shall cause its representatives to immediately register, file, and record this agreement, or notice of this agreement, on behalf of the Secured Party at all proper offices where, in the opinion of counsel to the Secured Party, registration, filing, or recordation may be necessary or advantageous to create, perfect, preserve, or protect the Security Interest in the Collateral and its priority. The Debtor shall subsequently cause its representatives to maintain all those registrations, filings, and recordations on behalf of the Secured Party in full force and effect (including by making timely payment of any renewal or maintenance fees).

##### **4.04 Serial Numbered Goods**

The Debtor shall forthwith notify the Secured Party if and when serial numbered goods are acquired and form party of the Collateral. Such notification must provide a detailed description, value and serial number for each serial number good acquired by the Debtor.

## ARTICLE 5 DEFAULT

### 5.01 Enforcement Upon an Event of Default

Whenever any Event of Default referred to in the Credit Agreement occurs, unless the Secured Party notifies the Debtor to the contrary and subject to any terms and conditions that may be contained in that notice, the Obligations will be accelerated and will be immediately due and payable in full and the Security Interest will become immediately crystallized and enforceable without the Secured Party having to take any further action or provide any further notice.

### 5.02 Waiver

The Secured Party may waive any Event of Default or any breach of the provisions of this agreement. However, no waiver will be deemed to extend to a subsequent breach or an Event of Default, whether or not the same as or similar to the breach or an Event of Default waived, and no act or omission by the Secured Party shall extend to, or be taken in any manner whatsoever to affect, any subsequent breach or an Event of Default or the rights of the Secured Party arising therefrom. In order to be effective, any waiver must be in writing and signed by the Secured Party. No failure on the part of the Secured Party to exercise, or delay by the Secured Party in exercising, any right under this agreement will operate as a waiver of such right. No single or partial exercise of any such right will preclude any other or further exercise of such right or the exercise of any other right.

## ARTICLE 6 REMEDIES

### 6.01 Remedies of the Secured Party

If the Security Interest becomes enforceable in accordance with ARTICLE 5, the Secured Party will have the rights set out in this ARTICLE 6, in addition to being entitled to exercise any other remedies available at law or contained in any Security Document, all of which remedies will be independent and cumulative.

### 6.02 Rights of the Secured Party

Upon the Security Interest becoming enforceable, the Secured Party may:

- (a) enter any premises owned, leased, or otherwise occupied by the Debtor or where any Collateral may be located to take possession of, dispose of, disable, or remove any Collateral by any method permitted by applicable law. The Debtor shall immediately upon demand deliver to the Secured Party possession of any Collateral at the place specified by the Secured Party;

- (b) carry on, or concur in the carrying on of, all or any part of the businesses or undertaking of the Debtor and may, to the exclusion of all others (including the Debtor), enter upon, occupy, and use any of the premises, buildings, and plant of or occupied or used by the Debtor and may use all or any of those premises and the equipment and other Collateral located on those premises for whatever time and purposes as the Secured Party sees fit;
- (c) take any actions to maintain, preserve, and protect the Collateral or otherwise deal with any Collateral in the manner, upon the terms and conditions, and at the times it deems advisable in its discretion without notice to the Debtor, except as otherwise required by applicable law (including payments on account of other security interests affecting the Collateral); provided that the Secured Party will not be required to take any of those actions or make any of those expenditures. Any of the amounts that the Secured Party pays (including legal, Receiver's, accounting, or other professional fees and expenses) will be added to the Obligations and will be secured by this agreement;
- (d) sell, lease, consign, license, assign, or otherwise dispose of any Collateral by public auction, private tender, or private contract, with or without notice, advertising, or any other formality, all of which the Debtor hereby waives to the extent permitted by law. The Secured Party may establish the terms of disposition (including terms and conditions as to credit, reserve bid, or price). The Secured Party will credit all payments made under those dispositions against the Obligations only as they are actually received. The Secured Party may buy in, rescind, or vary any contract for the disposition of Collateral and may dispose of any Collateral again without being answerable for any resulting loss. Any disposition may take place whether or not the Secured Party has taken possession of the Collateral. The exercise by the Secured Party of any power of sale does not preclude the Secured Party from any further exercise of its power of sale in accordance with this section 6.02(d);
- (e) collect, sell, or otherwise deal with accounts (including notifying any person obligated to the Debtor in connection with an account, chattel paper, or an instrument to make payment to the Secured Party of all such present and future amounts that are due);
- (f) collect any rents, income, and profits received in connection with the business of the Debtor or the Collateral, without carrying on the business;
- (g) exercise all voting rights attached to the securities (whether or not registered in the name of the Secured Party or its nominee), give or withhold all related consents, waivers, and ratifications, and otherwise act in connection with the securities as though it were the absolute owner;



- (h) exercise any rights of conversion, exchange, subscription, or other rights, privileges, or options relating to any of the securities as if the Secured Party were the absolute owner (including the right to exchange, at its discretion, any of the securities upon the merger, consolidation, reorganization, recapitalization, or other readjustment of any issuer or upon the exercise by any issuer of any right, privilege, or option relating to any of the securities), and in doing so, to deposit or deliver any of the securities with or to any committee, depository, transfer agent, registrar, or other designated agency upon the terms and conditions it may determine;
- (i) comply with any limitation or restriction in connection with any proposed sale or other disposition of the securities necessary to comply with applicable law or regulation or with any policy imposed by any stock exchange, securities commission, or other governmental or regulatory authority or official. That compliance by the Secured Party will not result in the sale being considered or deemed not to have been made in a commercially reasonable manner, nor will the Secured Party be liable or accountable to the Debtor for any discount in the sale price of the securities that may be given because those securities are sold in compliance with any limitation or restriction;
- (j) have, enjoy, and exercise all of the rights of and enjoyed by the Debtor in and to the Collateral or incidental, ancillary, attaching, or deriving from the ownership by the Debtor of the Collateral (including the right to (i) enter into agreements and grant licences over or relating to Collateral, (ii) demand, commence, continue, or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing, or obtaining possession or payment of the Collateral, (iii) grant or agree to Encumbrances and grant or reserve *profits à prendre*, easements, rights of ways, rights in the nature of easements, and licences over or relating to any part of the Collateral, and (iv) give valid receipts and discharges, and to compromise or give time for the payment or performance of all or any part of the accounts or any other obligation of any third party to the Debtor;
- (k) pay any liability owed to any actual or threatened Encumbrance holder against any Collateral, and borrow money to maintain, preserve, or protect any Collateral or to carry on of the businesses or undertaking of the Debtor, and may charge and grant further security interests in any Collateral in priority to the Security Interest as security for the money so borrowed. The Debtor shall immediately upon demand reimburse the Secured Party for all those payments and borrowings;
- (l) accept the Collateral in satisfaction of the Obligations;
- (m) appoint by instrument in writing a Receiver in respect of the Debtor and/or the Collateral, or apply, at any time, to any court of competent jurisdiction

for the appointment of a Receiver or other official, who may have powers the same as, greater or lesser than, or otherwise different from, those capable of being granted to a Receiver appointed by the Secured Party under this agreement;

- (n) file proofs of claim and other documents in order to have the claims of the Secured Party lodged in any bankruptcy, winding-up, or other judicial proceeding relating to the Debtor or the Collateral;
- (o) upon any sale by the Secured Party of any leasehold interest under this agreement, for the purpose of vesting the one day residue of the term or its renewal in any purchase, may by deed or writing appoint the purchaser or any other person as a new trustee of the residue or renewal in place of the Debtor and may vest those rights in the new trustee so appointed free from any obligation in that Collateral; and
- (p) retain the services of any real estate brokers and agents, lawyers, accountants, appraisers, and other consultants as the Secured Party deems necessary or desirable in connection with anything done or to be done by the Secured Party or with any of the rights of the Secured Party set out in this agreement and pay their commissions, fees, disbursements (which payments will constitute part of the Secured Party's disbursements reimbursable by the Debtor under this agreement). The Debtor shall immediately on demand reimburse the Secured Party for all those payments.

### **6.03 Right to Appoint a Receiver**

Any Receiver will have the rights set out in this ARTICLE 6. In exercising those rights, a Receiver will act as, and for all purposes will be deemed to be, the agent of the Debtor. The Secured Party will not be responsible for any act, omission, negligence, misconduct, or default of any Receiver. The Secured Party may remove any Receiver and appoint another Receiver. The Secured Party may appoint an officer or employee of the Secured Party as Receiver. No Receiver appointed by the Secured Party need be appointed by, nor need its appointment be ratified by or its actions in any way supervised by, a court. If two or more Receivers are appointed to act concurrently, they shall act severally and not jointly and severally.

### **6.04 Application of Payments**

The Secured Party, or any Receiver appointed by the Secured Party in the enforcement of the Security Interest, may hold all payments made in connection with the Obligations and all monies received as security for the Obligations (including each Recovery), or may apply those payments or monies in whatever manner they determine in their discretion. The Secured Party may at any time apply or change any application of those payments, monies, or Recoveries to any parts of the Obligations as the Secured Party may determine in its discretion. The Debtor will remain liable to the Secured Party for

any deficiency. The Secured Party shall pay any surplus funds realized after the satisfaction of all Obligations in accordance with applicable law.

#### **6.05 Limitation of Liability**

Neither the Secured Party nor any Receiver will be liable for any negligence in accordance with any rent, charges, costs, depreciation, or damages in connection with any of its actions. Neither the Secured Party nor any Receiver will be liable or accountable to the Debtor for any failure to seize, collect, realize, dispose of, enforce, or otherwise deal with any Collateral, nor will any of them be bound to bring any action or proceeding for any of those purposes or to preserve any rights of any person in any of the Collateral. Neither the Secured Party nor any Receiver will be liable or responsible for any claim, loss, and expense flowing from any failure resulting from any act, omission, negligence, misconduct, or default of the Secured Party, any Receiver, or any of their respective representatives or otherwise. If any Receiver or the Secured Party takes possession of any Collateral, neither the Secured Party nor any Receiver will have any liability as a mortgagee in possession of the Collateral or be accountable for anything except actual receipts. Further, the Secured Party will not be deemed to have assumed, or be deemed to be liable for, any covenant, agreement, or other obligation of the Debtor under any agreement, right, Licence, or permit to which the Debtor is a party.

#### **6.06 Failure of Secured Party to Exercise Remedies**

The Secured Party or Receiver will not be liable for any delay or failure to enforce any remedies available to it or to institute any proceedings for those purposes.

#### **6.07 Secured Party or Receiver May Perform**

If the Debtor fails to perform any Obligations, the Secured Party or any Receiver may perform those Obligations as attorney for the Debtor in accordance with section 7.08. The Debtor will remain liable under each agreement to which it is party or by which it or any of its businesses, undertaking, and properties is bound and shall perform all of its obligations under each of those agreements; the Debtor will not be released from any of its obligations under any agreement by the exercise of any rights by the Secured Party or any Receiver.

#### **6.08 Dealings by Secured Party**

The Secured Party and any Receiver may grant renewals, extensions of time, and other indulgences, take and give up Encumbrances, accept compositions, grant releases and discharges, perfect or fail to perfect any Encumbrances, release any Collateral to third parties, and otherwise deal or fail to deal with the Collateral, other Encumbrances, the Debtor, debtors of the Debtor, guarantors of the Debtor, sureties of the Debtor, and others as the Secured Party or such Receiver may see fit, all without prejudice to the Obligations and the rights of the Secured Party or any Receiver to hold and realize upon the Security Interest. The Secured Party or any Receiver has no obligation to keep Collateral identifiable or to preserve rights against prior secured creditors in connection with any Collateral.

**6.09 Deficiency**

If the proceeds of the realization of any Collateral are insufficient to repay all Obligations, the Debtor shall immediately pay or cause to be paid to the Secured Party the deficiency.

**6.10 Validity of Sale**

No person dealing with the Secured Party, any Receiver, or any representative of the Secured Party or any Receiver has any obligation to enquire whether the Security has become enforceable, whether any right of the Secured Party or any Receiver has become exercisable, whether any Obligations remain outstanding, or otherwise as to the propriety or regularity of any dealing by the Secured Party or any Receiver with any Collateral or to see to the application of any money paid to the Secured Party or any Receiver. In the absence of fraud on the part of any of those persons, those dealings will be deemed to be within the rights conferred under this agreement and to be valid and effective accordingly.

**6.11 Effect of Appointment of Receiver**

As soon as the Secured Party takes possession of any Collateral or appoints a Receiver over any Collateral, all rights of the Debtor in and to that Collateral will cease.

**6.12 Rights in Addition**

The rights conferred by this ARTICLE 6 are in addition to, and not in substitution for, any other rights the Secured Party may have under this agreement, applicable law, or any Security Document or other agreement. No right of the Secured Party or any Receiver is exclusive of or dependent on any other. Any right may be exercised separately or in combination, and at any time. The exercise by the Secured Party or any Receiver of any right under this agreement does not preclude the Secured Party or any Receiver from further exercise of that right.

**ARTICLE 7  
MISCELLANEOUS****7.01 Amalgamation of the Debtor**

If the Debtor amalgamates with any other corporation or corporations, this agreement will continue in full force and effect and will be binding upon the amalgamated corporation, and, for greater certainty

- (a) the Security Interest will (i) continue to secure all the Obligations; (ii) secure all obligations of each other amalgamating corporation to the Secured Party; and (iii) secure all obligations of the amalgamated corporation to the Secured Party arising after the amalgamation;

- (b) the Security Interest will (i) continue to attach to all property of the Debtor; (ii) attach to all property of each other amalgamating corporation; and (iii) attach to all property of the amalgamated corporation acquired after the amalgamation, including the Collateral;
- (c) all defined terms and other provisions of this agreement will be deemed to have been amended to reflect the amalgamation, to the extent required by the context; and
- (d) the parties agree to execute and deliver all further documents and assurances as may be necessary or desirable in connection with the foregoing.

#### **7.02 Binding Effect; Assignment**

This agreement enures to the benefit of and binds the parties' respective successors and permitted assigns. The Secured Party may assign this agreement and the Obligations in whole or in part to any person, firm, or corporation without notice to or the consent of the Debtor. Without the prior written consent of the Secured Party, the Debtor may not assign this agreement.

#### **7.03 Conflict of Provisions**

If there is any inconsistency between the provisions of the Credit Agreement, this agreement and any schedule to this agreement, or any of the Security Documents, the provisions of the Credit Agreement will prevail. The parties shall take any necessary steps to conform the inconsistent provisions to the provisions of the Credit Agreement.

#### **7.04 Copy of Agreement**

The Debtor acknowledges receipt of an executed copy of this agreement. To the extent permitted by law, the Debtor irrevocably waives the right to receive a copy of each financing statement or financing change statement (or any related verification statement) filed by the Secured Party in connection with this agreement or any other security agreement and releases all claims it may have against the Secured Party for failure to provide any copy.

#### **7.05 Counterparts**

This agreement may be signed in any number of counterparts, each of which is an original, and all of which taken together constitute one single document. Counterparts may be transmitted by fax or in electronically scanned form. Parties transmitting by fax or electronically will also deliver the original counterpart to the other parties, but failure to do so does not invalidate this agreement.

**7.06 Effective Date**

This agreement is effective as of the date shown at the top of the first page, even if any signatures are made after that date.

**7.07 Entire Agreement; Amendment**

This agreement together with the Security Documents constitutes the entire agreement between the parties relating to the subject matter of this agreement. There are no representations, covenants, or other terms other than those set out in this agreement and the Security Documents. This agreement may only be amended by a written document signed by each of the parties.

**7.08 Further Assurances**

The Debtor, upon request by the Secured Party, shall sign (or cause to be signed) all further documents, do (or cause to be done) all further acts, and provide all reasonable assurances as may reasonably be necessary or desirable to establish in favour of the Secured Party the Security Interest intended to be created under, and to accomplish the intention of, this agreement. The Debtor appoints the Secured Party, acting by any officer, director, employee, agent, or representative for the time being of the Secured Party, to be its attorney with full power of substitution to do on the Debtor's behalf anything that the Debtor can lawfully do by an attorney (including to do, make, and execute all agreements, deeds, acts, matters, or things, with the right to use the name of the Debtor) that it deems necessary or expedient and to carry out its obligations under this agreement, to revise and schedule to this agreement and to complete any missing information in this agreement. This power of attorney is coupled with an interest and is irrevocable until the Obligations are paid in full.

**7.09 Governing Law**

This agreement is governed by, and is to be interpreted, construed and enforced in accordance with, the laws of the Northwest Territories and the laws of Canada applicable therein, excluding any rule or principle of conflicts of law that may provide otherwise.

**7.10 Information**

The Secured Party may at any time provide to any person that claims an interest in Collateral copies of this agreement or information about it, the Collateral, or the Obligations.

**7.11 Jurisdiction**

The parties irrevocably attorn to the jurisdiction of the courts of the Northwest Territories, which will have non-exclusive jurisdiction over any matter arising out of this agreement.

**7.12 Language**

It is the express wish of the parties that this agreement and any related documentation be drawn up in English. Il est de la volonté expresse des parties que cette convention ainsi que tout document connexe soient rédigés en langue anglaise.

**7.13 Non-Merger; Survival**

This agreement will not operate by way of a merger of the Obligations or of any guarantee or agreement or other document or instrument by which the Obligations now or at any time subsequently may be represented or evidenced. Neither the taking of any judgment nor the exercise of any power of seizure or disposition shall extinguish the liability of the Debtor to pay and perform the Obligations nor shall the acceptance of any payment or alternate security constitute or create any novation. No covenant, representation or warranty of the Debtor in this agreement shall merge in any judgment.

**7.14 Notice**

Any demand or notice to be made or given in connection with this agreement will be in writing and will be delivered in the manner provided in the Credit Agreement for the communication of notices and demands.

**7.15 No Partnership**

Nothing contain in this agreement will create a partnership, joint venture, principal-and-agent relationship, or any similar relationship, between the parties.

**7.16 Release**

Once the Debtor pays and satisfies the Obligations in full, the Secured Party shall, within a reasonable time after it receives a written request from the Debtor, release the Security Interest and execute and deliver any releases and discharges that the Debtor may reasonably require. The Debtor shall pay all expenses incurred by the Secured Party in doing so.

**7.17 Secured Party Not Obligated to Advance**

Nothing in this agreement obligates the Secured Party to make any loan or accommodation to the Debtor or to extend the time for payment or satisfaction of any Obligations.

**7.18 Separate Security**

This agreement and the Security Interest are in addition to and not in substitution for any other security now or later held by the Secured Party in connection with the Debtor, the Obligations, or the Collateral. The Security Interest does not replace or otherwise affect any existing or future Encumbrance held by the Secured Party. No taking of any suit, action, or proceeding, judicial or extra-judicial, no refraining from doing so, and no

dealing with any other security for any Obligations will (a) release or affect the Security Interest or (b) release any of the other Encumbrances held by the Secured Party for the payment or performance of the Obligations.

#### **7.19 Severability**

The invalidity or unenforceability of any particular provision of this agreement will not affect or limit the validity or enforceability of the remaining provisions.

#### **7.20 Statutory Waiver**


To the fullest extent permitted by applicable law, the Debtor waives all of the rights, benefits, conditions, warranties, and protections given by the provisions of any existing or future statute that imposes limitations upon the rights of a secured party or upon the methods of realization of Security Interest, including and seize or sue or anti-deficiency statute or any similar provisions of any other statute.

**[Remainder of this page intentionally left blank]**



This agreement has been executed by the parties.

**PINE POINT HOLDING CORP.**

By:   
Name:  
Title:

**GLOBAL RESOURCE FUND, by its  
manager, RENVEST MERCANTILE  
BANCORP INC.**

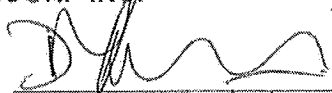
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Title:  
By: \_\_\_\_\_  
Name:  
Title:


This agreement has been executed by the parties.

**PINE POINT HOLDING CORP.**

By: \_\_\_\_\_  
Name:  
Title:

**GLOBAL RESOURCE FUND, by its  
manager, RENVEST MERCANTILE  
BANCORP INC.**

By:  \_\_\_\_\_  
Name: David Lewis  
Title: Director

By:  \_\_\_\_\_  
Name: Daniel Coker  
Title: Vice President & General Counsel



## SECURITY AGREEMENT

THIS AGREEMENT is made by and between GLOBAL RESOURCE FUND domiciled in the Cayman Islands (hereinafter referred to as "Secured Party"); and TAMERLANE VENTURES USA, INC., a Washington corporation (the "Company") (hereinafter referred to as "Debtor") effective as of DECEMBER 15, 2010, as follows:

1. **RECITALS.** Secured Party has or shall advance to TAMERLANE VENTURES INC., a Canadian corporation (hereinafter referred to as "Borrower"), the sole shareholder of Debtor, up to the sum of Ten Million Dollars in Canadian funds (\$10,000,000.00 Canadian) (hereinafter referred to as the "Loan"), as evidenced by a Credit Agreement and related documents by and between Lender and Borrower (the "Credit Documents"). Along with other security for the Loan, Debtor hereby agrees to give Secured Party certain collateral as described herein to secure said debt, as evidenced below.

2. **CREATION OF SECURITY AGREEMENT.** Debtor hereby grants to Secured Party a security interest in the collateral described in Section 5, below, to secure Debtors' obligation to Secured Party, described in Paragraph 1, above.

3. **ATTACHMENT.** The parties acknowledge that (i) the Debtor has rights in the Collateral, (ii) the Secured Party has given value to the Debtor, (iii) the parties have not agreed to postpone the time for attachment of the security interest, and (iv) the security interest is intended to attach (v) as to Collateral in which the Debtor now has rights, when the Debtor executes this Agreement and (vi) as to Collateral in which the Debtor subsequently acquires rights, when the Debtor first obtains those rights.

4. **AGREEMENTS AND LICENSES.** To the extent that the creation of the security interest would constitute a breach, or cause the acceleration, of any agreement, right, licence, or permit to which the Debtor is a party, the security interest will not attach to it, but the Debtor shall hold its interest in trust for the Secured Party. The Debtor shall assign that agreement, right, licence, or permit to the Secured Party immediately upon obtaining the consent of the other party. The security interest will nonetheless immediately attach to any related rights if, to the extent that, and as at the time that attachment to the related rights is not illegal, is not enforceable against the Secured Party or other third parties generally, or would not result in an ineligible transfer or a material loss or expense to the Debtor. The Debtor shall use reasonable

efforts to obtain all required material approvals as soon as reasonably practicable. To the extent permitted by law, the Debtor shall hold in trust for the Secured Party and, after an Event of Default occurs, provide the Secured Party with the benefits of, each agreement, right, licence, or permit and enforce all related rights at the direction of and for the benefit of the Secured Party or at the direction of any other person that the Secured Party may designate.

5. **COLLATERAL.** The property of which is subject to the security interest created by this Agreement is the following, all present and after-acquired property of the Debtor, including and not limited to:

a. All accounts receivable, machinery, furniture and fixtures of the Company;

b. All inventory of the Company, including, without limitation, all raw materials, work in progress, finished goods, merchandise and supplies of every kind and description, including inventory temporarily out of the Company's custody or possession and including other proceeds;

c. All equipment (for any titled equipment the Debtor shall add the Secured Party as the legal owner on any State license/registration title); together with all substitutions therefor and additions and accessions thereto, together with all proceeds of such property and all other similar property which Company has or shall hereafter acquire an interest in (collectively referred to herein as the "Collateral").

6. **SECURE PAYMENT.** This Security Agreement is given to secure the payment and performance of the Loan on behalf of Borrower.

7. **USE OF COLLATERAL.** Company agrees to comply with any governmental regulation affecting the use of the Collateral and will not use nor permit the use of the Collateral in any unlawful manner that will void insurance required to be carried in connection therewith.

8. **OWNERSHIP OF COLLATERAL.** Debtor is the owner of the Collateral and the Collateral is free of all liens, encumbrances and other security interests. The Debtor will defend the Collateral against the claims and demands of all other persons at any time claiming the same or any interest therein.

9. **REMOVAL OF COLLATERAL PROHIBITED.** Debtor shall not, except in the ordinary course of the Company's business, permanently remove the Collateral from the State of Washington without the written consent of Secured Party.

10. **PERFECTION OF SECURITY INTEREST.** Debtor agrees to authorize the filing of financing statements, with or without additional signatures by Debtor, and to do whatever may be necessary under the applicable Uniform Commercial Code in the state and county where the Debtor is located, to perfect and continue Secured Party's interest in the Collateral, all at Debtor's expense.

11. **TAXES.** Debtor will pay, before delinquency, all taxes or other governmental charges levied against the Collateral and will pay any tax that may be levied on any obligation secured hereby.

12. **INSURANCE.** Debtor shall have and maintain, or cause to be maintained, insurance at all times with respect to all Collateral except accounts receivable, against such risks as Secured Party may reasonably require, in such form, for such periods and written by such companies as may be reasonably satisfactory to Secured Party, naming Secured Party as loss payee and an additional named insured, in a form reasonably acceptable to Secured Party and/or such other endorsements as Secured Party may from time-to-time request, and Debtor will promptly provide Secured Party with the original policies or certificates of such insurance. Debtor shall promptly notify Secured Party of any loss or damage that may occur to the Collateral. Secured Party is hereby authorized to make proof of loss if it is not made promptly by Debtor. All proceeds of any insurance on the Collateral shall be held by Secured Party as a part of the Collateral. Such proceeds shall be paid out from time-to-time upon order of Debtor for the purpose of paying the reasonable cost of repairing or restoring the property damaged. Any proceeds that have not been so paid out within 120 days following their receipt by Secured Party shall be applied to the prepayment of principal on the Loan. In the event of failure to provide insurance as herein provided, Secured Party may, at Secured Party's option, provide such insurance at Debtor's expense.

13. **PROTECTION OF SECURED PARTY'S SECURITY.** If Debtor fails to perform the covenants and agreements contained or incorporated in this Agreement and/or the other Credit Documents, or if any action or proceeding is commenced which affects the Collateral or title thereto or the interest of Secured Party therein, including, but not limited to, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Secured Party, at Secured Party's option, may make such appearance, disburse such sums, and take such action as Secured Party deems necessary in his sole discretion to protect Secured Party's interest, including but not limited to: 1) disbursement of attorneys' fees; 2) entry upon Debtor's property to make repairs to the Collateral; and 3) procurement of

satisfactory insurance. Any amounts disbursed by Secured Party pursuant to this Section, with interest thereon, shall become additional indebtedness of Debtor secured by this Agreement. Unless Debtor and Secured Party agree to other terms of payment, such amounts shall be immediately due and payable and shall bear interest from the date of disbursement at the default rate stated in the Credit Documents unless collection from Debtor of interest at such rate would be contrary to applicable law; in which event, such amounts shall bear interest at the highest rate which may be collected from Debtor under applicable law. Nothing contained in this Section shall require Secured Party to incur any expense or take any action.

14. **INSPECTION.** Secured Party may make or cause to be made reasonable entries upon, and inspections of, Debtor's premises to inspect the Collateral.

15. **WAIVER.** This Security Agreement shall not be qualified or supplemented by course of dealing. No waiver or modification by Secured Party of any of the terms or conditions hereby shall be effective unless in writing, signed by Secured Party. Neither waiver nor indulgence by Secured Party of any of the terms or conditions hereby shall be effective unless in writing, signed by Secured Party. Debtor hereby waives any counterclaims or defense hereunder against any assignment for value.

16. **DEFAULTS.** Time is of the essence in this Security Agreement, and in any of the following events, Debtor shall be in default ("Events of Default"):

- a. Any failure to pay when due the full amount of any payment which Debtor may be called on to make pursuant to the Credit Documents, in its role as Obligor, and that may be secured hereby; or
- b. Any failure to perform as required by any covenant or agreement herein; or
- c. The falsity of any representation by Debtor herein; or
- d. If the Collateral should be seized or levied upon under any legal or governmental process against Debtor or against the Collateral; or
- e. Debtor become insolvent or is the subject of a petition in bankruptcy, either voluntary or involuntary, or in any other proceeding under the federal bankruptcy laws, or make an assignment for the benefit of creditors, or if Debtor is named in, or the Collateral is subject to a suit for the appointment of a receiver; or
- f. Loss, substantial damage to, or destruction of any portion of the Collateral that is not insured; or
- g. Entry of any judgment against Debtor after the date of this Agreement.

Then, and in any of such events of default, the entire amount of indebtedness secured hereby shall then or at any time thereafter, at the option of Secured Party become immediately due and payable without notice or demand, and Secured Party shall have an immediate right to pursue the remedies set forth in this Agreement.

17. **DUE ON SALE.** In the event that Debtor sells or transfers ("Transfer") more than 50% of the ownership in the Company and/or substantially all of the assets of the Company to any individual or entity, Secured Party may declare the entire unpaid balance due under the Credit Documents immediately due and payable. The Debtor shall notify the Secured Party at least ten (10) days prior to such Transfer.

18. **REMEDIES.** In the event of a default hereunder, Secured Party shall have all remedies provided by law; and without limiting the generality of the foregoing, shall be entitled, as follows:

(a) enter any premises owned, leased, or otherwise occupied by the Debtor or where any Collateral may be located to take possession of, dispose of, disable, or remove any Collateral by any method permitted by law. The Debtor shall immediately upon demand deliver to the Secured Party possession of any Collateral at any reasonable place specified by the Secured Party;

(b) carry on, or concur in the carrying on of, all or any part of the businesses or undertaking of the Debtor and may, to the exclusion of all others (including the Debtor), enter upon, occupy, and use any of the premises, buildings, and plant of or occupied or used by the Debtor and may use all or any of those premises and the equipment and other Collateral located on those premises for whatever time and purposes as the Secured Party reasonably sees fit;

(c) take any actions to maintain, preserve, and protect the Collateral or otherwise deal with any Collateral in the manner, upon the terms and conditions, and at the times it deems advisable in its reasonable discretion without notice to the Debtor, except as otherwise required by applicable law (including payments on account of other security interests affecting the Collateral); provided that the Secured Party will not be required to take any of those actions or make any of those expenditures. Any of the amounts that the Secured Party pays (including legal, Receiver's, accounting, or other professional fees and expenses) will be



added to the obligations secured hereby and will be secured by this Security Agreement;

(d) sell, lease, consign, license, assign, or otherwise dispose of any Collateral by public auction, private tender, or private contract, with or without notice, advertising, or any other formality, all of which the Debtor hereby waives to the extent permitted by law. The Secured Party may establish the terms of disposition (including reasonable terms and conditions as to credit, reserve bid, or price). The Secured Party will credit all payments made under those dispositions against the obligations only as they are actually received. The Secured Party may buy in, rescind, or vary any contract for the disposition of Collateral and may dispose of any Collateral again without being answerable for any resulting loss. Any disposition may take place whether or not the Secured Party has taken possession of the Collateral. The exercise by the Secured Party of any power of sale does not preclude the Secured Party from any further exercise of its power of sale in accordance with this section 18(d);

(e) collect, sell, or otherwise deal with accounts (including notifying any person obligated to the Debtor in connection with an account, chattel paper, or an instrument to make payment to the Secured Party of all such present and future amounts that are due);

(f) collect any rents, income, and profits received in connection with the business of the Debtor or the Collateral, without carrying on the business;

(g) exercise all voting rights attached to the securities (whether or not registered in the name of the Secured Party or its nominee), give or withhold all related consents, waivers, and ratifications, and otherwise act in connection with the securities as though it were the absolute owner;

(h) exercise any rights of conversion, exchange, subscription, or other rights, privileges, or options relating to any of the securities as if the Secured Party were the absolute owner (including the right to exchange, at its discretion, any of the securities upon the merger, consolidation, reorganization, recapitalization, or other readjustment of any issuer or upon the exercise by any issuer of any right, privilege, or option relating to any of the securities), and in doing so, to deposit or

deliver any of the securities with or to any transfer agent, fiduciary, or other designated agency upon the terms and conditions it may reasonably determine;

(i) comply with any limitation or restriction in connection with any proposed sale or other disposition of the securities necessary to comply with applicable law or regulation or with any policy imposed by any stock exchange, securities commission, or other governmental or regulatory authority or official. That compliance by the Secured Party will not result in the sale being considered or deemed not to have been made in a commercially reasonable manner, nor will the Secured Party be liable or accountable to the Debtor for any discount in the sale price of the securities that may be given because those securities are sold in compliance with any limitation or restriction;

(j) have, enjoy, and exercise all of the rights of and enjoyed by the Debtor in and to the Collateral or incidental, ancillary, attaching, or deriving from the ownership by the Debtor of the Collateral (including the right to (i) enter into agreements and grant licences over or relating to Collateral, (ii) demand, commence, continue, or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing, or obtaining possession or payment of the Collateral, (iii) grant or agree to encumbrances and grant or reserve *profits à prendre*, easements, rights of ways, rights in the nature of easements, and licences over or relating to any part of the Collateral, and (iv) give valid receipts and discharges, and to compromise or give time for the payment or performance of all or any part of the accounts or any other obligation of any third party to the Debtor;

(k) pay any liability owed to any actual or threatened encumbrance holder against any Collateral, and borrow money to maintain, preserve, or protect any Collateral or to carry on of the businesses or undertaking of the Debtor, and may charge and grant further security interests in any Collateral in priority to the security interest as security for the money so borrowed. The Debtor shall immediately upon demand reimburse the Secured Party for all those payments and borrowings;

(l) accept the Collateral in satisfaction of the obligations;

(m) appoint by instrument in writing a Receiver in respect of the Debtor and/or the Collateral, or apply, at any time, to any court of competent jurisdiction for the appointment of a Receiver or other official, who may have powers the same as, greater or lesser than, or otherwise different from, those capable of being granted to a Receiver appointed by the Secured Party under this Agreement;

(n) file proofs of claim and other documents in order to have the claims of the Secured Party lodged in any bankruptcy, winding-up, or other judicial proceeding relating to the Debtor or the Collateral;

(o) retain the services of any real estate brokers and agents, lawyers, accountants, appraisers, and other consultants as the Secured Party deems necessary or desirable in connection with anything done or to be done by the Secured Party or with any of the rights of the Secured Party set out in this Agreement and pay their commissions, fees, disbursements (which payments will constitute part of the Secured Party's disbursements reimbursable by the Debtor under this agreement). The Debtor shall immediately on demand reimburse the Secured Party for all those payments.

19. **RIGHT TO APPOINT A RECEIVER.** The term "Receiver" means any privately- or court-appointed receiver or receiver and manager for the Collateral or for any of the business, undertaking, or property of the Debtor appointed by the Secured Party under this Agreement or by a court on application by the Secured Party. Any Receiver will have the rights set out in this Section 19. In exercising those rights, a Receiver will act as, and for all purposes will be deemed to be, the agent of the Debtor. The Secured Party will not be responsible for any act, omission, negligence, misconduct, or default of any Receiver. The Secured Party may remove any Receiver and appoint another Receiver. The Secured Party may appoint an officer or employee of the Secured Party as Receiver. No Receiver appointed by the Secured Party need be appointed by, nor need its appointment be ratified by or its actions in any way supervised by, a court. If two or more Receivers are appointed to act concurrently, they shall act severally and not jointly and severally.

20. **APPLICATION OF PAYMENTS.** The Secured Party, or any Receiver appointed by the Secured Party in the enforcement of the security interest, may hold all payments made in connection with the obligations and all monies received as security for the obligations (including each recovery), or may apply those payments or monies in whatever manner they

determine in their discretion. The Secured Party may at any time apply or change any application of those payments, monies, or recoveries to any parts of the obligations as the Secured Party may determine in its discretion. The Debtor will remain liable to the Secured Party for any deficiency. The Secured Party shall pay any surplus funds realized after the satisfaction of all obligations in accordance with applicable law.

21. **LIMITATION OF LIABILITY.** Neither the Secured Party nor any Receiver will be liable for any negligence in accordance with any rent, charges, costs, depreciation, or damages in connection with any of its actions. Neither the Secured Party nor any Receiver will be liable or accountable to the Debtor for any failure to seize, collect, realize, dispose of, enforce, or otherwise deal with any Collateral, nor will any of them be bound to bring any action or proceeding for any of those purposes or to preserve any rights of any person in any of the Collateral. Neither the Secured Party nor any Receiver will be liable or responsible for any claim, loss, and expense flowing from any failure resulting from any act, omission, negligence, misconduct, or default of the Secured Party, any Receiver, or any of their respective representatives or otherwise. If any Receiver or the Secured Party takes possession of any Collateral, neither the Secured Party nor any Receiver will have any liability as a mortgagee in possession of the Collateral or be accountable for anything except actual receipts. Further, the Secured Party will not be deemed to have assumed, or be deemed to be liable for, any covenant, agreement, or other obligation of the Debtor under any agreement, right, license, or permit to which the Debtor is a party.

22. **FAILURE OF SECURED PARTY TO EXERCISE REMEDIES.** The Secured Party or Receiver will not be liable for any delay or failure to enforce any remedies available to it or to institute any proceedings for those purposes.

23. **SECURED PARTY OR RECEIVER MAY PERFORM.** If the Debtor fails to perform any obligations, the Secured Party or any Receiver may perform those obligations as attorney for the Debtor in accordance with Section 35. The Debtor will remain liable under each agreement to which it is party or by which it or any of its businesses, undertaking, and properties is bound and shall perform all of its obligations under each of those agreements; the Debtor will not be released from any of its obligations under any agreement by the exercise of any rights by the Secured Party or any Receiver.

24. **DEALINGS BY SECURED PARTY.** The Secured Party and any Receiver may grant renewals, extensions of time, and other indulgences, take and give up encumbrances, accept compositions, grant releases and discharges, perfect or fail to perfect any encumbrances, release

any Collateral to third parties, and otherwise deal or fail to deal with the Collateral, other encumbrances, the Debtor, debtors of the Debtor, guarantors of the Debtor, sureties of the Debtor, and others as the Secured Party or such Receiver may see fit, all without prejudice to the obligations and the rights of the Secured Party or any Receiver to hold and realize upon the security interest. The Secured Party or any Receiver has no obligation to keep Collateral identifiable or to preserve rights against prior secured creditors in connection with any Collateral.

25. **DEFICIENCY.** If the proceeds of the realization of any Collateral are insufficient to repay all obligations, the Debtor shall immediately pay or cause to be paid to the Secured Party the deficiency.

26. **VALIDITY OF SALE.** No person dealing with the Secured Party, any Receiver, or any representative of the Secured Party or any Receiver has any obligation to inquire whether the security has become enforceable, whether any right of the Secured Party or any Receiver has become exercisable, whether any obligations remain outstanding, or otherwise as to the propriety or regularity of any dealing by the Secured Party or any Receiver with any Collateral or to see to the application of any money paid to the Secured Party or any Receiver. In the absence of fraud on the part of any of those persons, those dealings will be deemed to be within the rights conferred under this Security Agreement and to be valid and effective accordingly.

27. **EFFECT OF APPOINTMENT OF RECEIVER.** As soon as the Secured Party takes possession of any Collateral or appoints a Receiver over any Collateral, all rights of the Debtor in and to that Collateral will cease.

28. **RIGHTS IN ADDITION.** The rights conferred by this Security Agreement are in addition to, and not in substitution for, any other rights the Secured Party may have under this Security Agreement, applicable law, or any security document or other agreement. No right of the Secured Party or any Receiver is exclusive of or dependent on any other. Any right may be exercised separately or in combination, and at any time. The exercise by the Secured Party or any Receiver of any right under this Security Agreement does not preclude the Secured Party or any Receiver from further exercise of that right.

29. **CONFLICTS IN PROVISION.** If there is any inconsistency between the provisions of the Credit Agreement, this Security Agreement and any schedule to this Agreement, or any of the Credit Documents, the provisions of the Credit Agreement will prevail. The parties shall take any necessary steps to conform the inconsistent provisions to the provisions of the Credit Agreement.

30. **LAW GOVERNING.** This Security Agreement shall be governed by and construed in accordance with the laws of the State of Washington.

31. **TITLES AND CAPTIONS.** All section titles or captions contained in this Agreement are for convenience only, and shall not be deemed part of the context nor affect the interpretation of this Security Agreement.

32. **AGREEMENT BINDING.** This Security Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the parties.

33. **PRONOUNS AND PLURALS.** All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the person or persons may require.

34. **SAVINGS CLAUSE.** If any provision of this Agreement, or the application of such provision to any person or circumstance shall be held invalid, the remainder of this Security Agreement or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

35. **FURTHER ASSURANCES.** The Debtor, upon request by the Secured Party, shall sign (or cause to be signed) all further documents, do (or cause to be done) all further acts, and provide all reasonable assurances as may reasonably be necessary or desirable to establish in favor of the Secured Party the security interest intended to be created under, and to accomplish the intention of, this Security Agreement. The Debtor appoints the Secured Party, acting by any officer, director, employee, agent, or representative for the time being of the Secured Party, to be its attorney with full power of substitution to do on the Debtor's behalf anything that the Debtor can lawfully do by an attorney (including to do, make, and execute all agreements, deeds, acts, matters, or things, with the right to use the name of the Debtor) that it deems necessary or expedient and to carry out its obligations under this Security Agreement. This power of attorney is coupled with an interest and is irrevocable until the obligations are paid in full.

36. COUNTERPARTS. This Security Agreement may be executed in counterparts, each of which shall be deemed an original, and which together shall constitute a single, integrated contract. Fax signatures shall be deemed originals for purposes of this Security Agreement.

DATED, this 16 day of December 2010.

DEBTORS:

Tamerlane Ventures USA, Inc.

  
By: Margaret Peggy Kent, Its: President

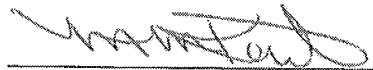
SECURED PARTY:

Global Resource Fund, by its Manager,  
Renvest Mercantile Bancorp Inc.

By: \_\_\_\_\_  
Its: \_\_\_\_\_

CONSENTED TO BY BORROWER:

Tamerlane Ventures Inc.

  
By: Margaret Peggy Kent  
Its: Executive Chairman and  
Chief Financial Officer

By: \_\_\_\_\_  
Its: \_\_\_\_\_



DATED, this \_\_\_\_\_ day of \_\_\_\_\_ 2010.

DEBTORS:

Tamerlane Ventures USA, Inc.

\_\_\_\_\_  
By: Margaret Peggy Kent, Its: President

CONSENTED TO BY BORROWER:

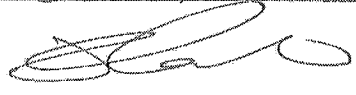
Tamerlane Ventures Inc.

\_\_\_\_\_  
By: Margaret Peggy Kent  
Its: Executive Chairman and  
Chief Financial Officer

SECURED PARTY:

Global Resource Fund, by its Manager,  
Renvest Mercantile Bancorp Inc.

By:   
Its: DIRECTOR

By:   
Its: DIRECTOR

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF WHATCOM )

I certify that I know or have satisfactory evidence that **Margaret Peggy Kent** is the person who appeared before me, and said person acknowledged that she signed this instrument as the **President** of **Tamerlane Ventures USA, Inc.**, a Washington corporation, and acknowledged it to be the free and voluntary act and deed of the corporation for the uses and purposes mentioned in the instrument.

DATED: \_\_\_\_\_, 2010.

(SEAL/STAMP)

\_\_\_\_\_  
NOTARY PUBLIC  
My appointment expires: \_\_\_\_\_

PROVINCE OF ONTARIO  
CANADA

This instrument was acknowledged before me as of December 15<sup>th</sup>, 2010 by David Lewis, as Director of Global Resource Fund.

A. Plastina  
Name: Amanda Plastina  
Province of Ontario  
My commission is unlimited as to time

PROVINCE OF ONTARIO  
CANADA

This instrument was acknowledged before me as of December 15<sup>th</sup>, 2010 by JOHN CALIENS, as DIRECTOR of Global Resource Fund.

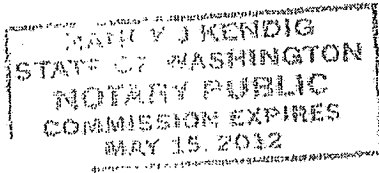
A. Plastina  
Name: Amanda Plastina  
Province of Ontario  
My commission is unlimited as to time

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF WHATCOM )

I certify that I know or have satisfactory evidence that Margaret Peggy Kent is the person who appeared before me, and said person acknowledged that he/she signed this instrument as the Executive Chairman and Chief Financial Officer of Tamerlane Ventures Inc., a Canadian corporation, and acknowledged it to be the free and voluntary act and deed of the corporation for the uses and purposes mentioned in the instrument.

DATED: December 15, 2010.

(SEAL/STAMP)



Nancy J. Kendig  
NOTARY PUBLIC  
My appointment expires: 3/15/2012

# Tab H

## FORBEARANCE AGREEMENT

This Forbearance Agreement is made as of the 31<sup>st</sup> day of December, 2012,

BETWEEN:

**TAMERLANE VENTURES INC. (the "Borrower")**

- and -

**PINE POINT HOLDING CORP. ("Pine Point") and TAMERLANE VENTURES USA, INC. ("Tamerlane USA")**

- and -

**GLOBAL RESOURCE FUND (the "Lender")**

**RECITALS:**

- (A) The Borrower entered into a credit agreement with the Lender on December 16, 2010, which was amended by the First Amending Agreement dated June 30, 2011 and the Second Amending Agreement dated July 29, 2011 (as such agreement has been amended, restated or otherwise modified from time to time, the "**Credit Agreement**").
- (B) Pine Point and Tamerlane USA (collectively, the "**Guarantors**") have guaranteed the Borrower's obligations under the Credit Agreement.
- (C) The Borrower has failed to (i) make the interest payment due on September 25th, 2012, (ii) pay interest since September 25, 2012, and (iii) repay the balance of the Obligations in full on the Maturity Date, each being an Event of Default under the Credit Agreement. Each such Event of Default continues to be a default at this time (the "**Existing Defaults**").
- (D) The parties hereto have agreed to amend certain terms of the Credit Agreement and agree to certain other terms, all as set forth herein and to provide such further assurances as are required by the Lender.

**NOW THEREFORE** in consideration of the covenants and agreements contained in this Forbearance Agreement, the Parties agree as follows:

### 1. Definitions

Except as amended by this Forbearance Agreement, all terms used in this Forbearance Agreement without definition, which are used in the Credit Agreement, shall have the meanings attributed to them in the Credit Agreement.

THIS IS EXHIBIT   H   ATTACHED  
TO THE AFFIDAVIT OF  
  Margaret M. Kent    
SWORN   August 22, 2013

## 2. **Forbearance.**

Provided that, and so long as, the terms, conditions and covenants contained in this Forbearance Agreement being in good standing and fully complied with, the Lender agrees not to take steps to realize on any of the loans made pursuant to the Credit Agreement and to allow the terms, conditions and covenants of this Agreement to be fully performed by the parties hereto.

## 3. **Specific Amendments**

The Credit Agreement is hereby specifically amended as follows:

- (a) The definition of "Maturity Date" in Section 1.1.65 of the Credit Agreement is hereby amended by deleting the words "October 16, 2012" and substituting the words "October 16, 2013".
- (b) Subsection (b) of the definition of "Permitted Debt" in Section 1.1.77 is hereby deleted and replaced with "Debt secured by PMSI's incurred prior to the date hereof in compliance with the terms of this Agreement."
- (c) Section 9.3.2 is hereby amended by deleting the words ", other than Permitted Capital Expenditures".
- (d) Section 9.3.10 is hereby amended by deleting the section in its entirety and replacing it with "No Obligor shall make any Acquisition."
- (e) Section 11.1 (b) is amended by deleting the reference to "five (5)" and replacing it with "three (3)".
- (f) Section 11.1 (c) is amended by deleting the reference to "ten (10)" and replacing it with "five (5)".
- (g) Section 11.1 (e) is amended by deleting the reference to "ten (10)" and replacing it with "five (5)".
- (h) Section 11.1 (i) is amended by deleting the reference to "material".
- (i) Section 15.1(b) is hereby amended by deleting the word "and" at the end of subsection (i), changing subsection (ii) to subsection (iii) and adding a new subsection (ii):
  - (i) "it may disclose all or any part of the Information if the Person to whom such information is to be disclosed has signed a non-disclosure agreement not materially different from the form attached hereto as Exhibit 1 and the Borrower is a beneficiary of the covenants provided therein, provided the Lender delivers a copy of such agreement no later than 5 Business Days following execution thereof; and".

4. **Budget.**

No Obligor will make any expenditure that is not contemplated in the Budget attached hereto as Exhibit 5 (as amended from time to time with the consent of the Lender, the "**Budget**") without the prior consent of the Lender. The Obligors acknowledge that the Budget assumes the Borrower will raise capital through the issuance of equity instruments in order to make the expenditures contemplated therein and failure by the Borrower to raise such funds will not, in any way, relieve the Borrower of its obligations hereunder and under the other Credit Documents.

5. **Interest.**

Notwithstanding Section 5.1(b) of the Credit Agreement, payment of interest accruing from September 1, 2012 to and including December 31, 2012 being \$424,353.77, is hereby "capitalized" and satisfied by the addition of such amount to the principal amount of the Advances. Interest accruing from January 1, 2013 to and including the Maturity Date will be paid in cash in arrears on each Interest Payment Date commencing on January 25, 2013. Notwithstanding Section 5.5 of the Credit Agreement, Obligations not paid when due and payable have accrued interest at 12.5% per annum and not 18% per annum, and will continue to accrue interest at a rate of 12.5% per annum provided the Obligors remain in strict compliance with the terms hereof and the Credit Agreement. For greater certainty, the Lender is not waiving its right to charge interest at 18% per annum in accordance with Section 5.5 of the Credit Agreement from and after the occurrence of any Event of Default other than the Existing Defaults.

6. **Forbearance Fees.**

In consideration for the Lender's forbearance from and after September 25, 2012, being the date of the initial Existing Default, and the Lender entering into this Forbearance Agreement, the Borrower will (i) pay to the Lender a fee in the amount of \$1,000,000, and (ii) issue to the Lender 16,172,673 Issued Shares on or before January 31, 2013. The aforementioned \$1,000,000 fee is fully earned as of the date hereof and is hereby "capitalized" and satisfied by the addition of such amount to the principal amount of the Advances as of the date hereof. The aforementioned Issued Shares are fully earned as of the date hereof.

7. **Acknowledgement of Advances.**

The Obligors acknowledge that the total amount of the Obligations as of the date hereof is \$11,504,357.68. This amount includes the capitalization of interest and fees pursuant to Sections 5 and 6 hereof, and the capitalization of the Lender's legal fees and other expenses in the amount of \$80,003.91 owing as of the date hereof.

**8. Repayment.**

- (a) The Borrower shall repay to the Lender \$1,500,000 on March 31, 2013, and a further \$1,500,000 on June 30, 2013, on account of the outstanding Advances.
- (b) Subject to the following sentence, an amount equal to 50% of the proceeds (net of reasonable, bona fide direct transaction costs and expenses) from the issuance of common shares of the Borrower will be paid by or on behalf of the Borrower to the Lender immediately upon the closing of the transaction under which such capital is raised, and shall be applied to the Obligations. The preceding sentence will not apply to proceeds from (i) the issuance of "flow through" shares or (ii) the first \$2,000,000 of capital, other than proceeds from the issuance of "flow through" shares, raised prior to January 31, 2013.
- (c) The Borrower will be permitted to borrow up to \$100,000 of Debt provided such Debt is unsecured and the lender thereof executes and delivers to the Lender a subordination agreement in the form attached hereto as Exhibit 2.

**9. Board Representation.**

- (a) The Lender shall have the right at any time, exercised by delivery to the Borrower of a request in writing, to appoint one director and one observer to the Borrower's board of directors. The director so appointed shall be paid on the same basis as other Tamerlane directors and the Lender shall not be otherwise compensated for the services of such director. The director and observer so appointed shall (i) be copied on all materials distributed to the board of directors or any committees of the board of directors, (ii) receive notice of, and an invitation to attend, all meetings of the board of directors or any committee of the board of directors and (iii) where a director is appointed, be covered by the Borrower's director and officer liability insurance policy. Any telephone call, meeting or other live communication between 3 or more directors of the Borrower and related to the business of the Borrower shall be considered a "directors meeting" for the purpose hereof.
- (b) Any observer appointed in accordance with section 9(a) shall sign and deliver a non-disclosure agreement not materially different from the form attached hereto as Exhibit 1 (except disclosure to the Lender and/or Renvest Mercantile Bancorp Inc. will be permitted), which agreement shall be delivered to the Borrower prior to the observer receiving any materials or notices pursuant to section 9(a). The foregoing will not apply to an employee, director or officer of Renvest Mercantile Bancorp Inc. or the Lender, as such individual will be bound by the Lender's obligations with respect to confidentiality under the Credit Agreement. Any observer



appointed in accordance with section 9(a) shall be entitled to disclose to the Lender and Renvest Mercantile Bancorp Inc. all information that it receives in its capacity as an observer.

- (c) The Borrower shall call regularly scheduled directors' meetings no less than once per calendar quarter.
- (d) An observer appointed pursuant hereto shall be entitled to call board meetings as it deems necessary. The observer shall deliver an agenda to the directors at least 48 hours prior to such called meeting.
- (e) The Lender shall be copied on all materials distributed to the board of directors or any committees of the board of directors.

**10. Consultants.**

- (a) The Lender shall have the right to appoint one or more independent, arm's length consultants who have appropriate experience in respect of the purpose for which they have been retained (determined by the Lender, acting reasonably) to review aspects of the business, business plan and/or the strategy of the Obligors. Upon the Lender's request, the Borrower shall consent to the appointment of a consultant by executing a written consent in form and substance satisfactory to the Lender.
- (b) Upon demand by the Lender, the Borrower will pay all reasonable costs, charges and expenses incurred by the Lender from time to time in connection with the appointment of one or more consultants pursuant to this Section, including any evaluations required by the Lender, up to a maximum amount of \$50,000 in each calendar quarter. Amounts incurred by the Lender from time to time in connection with the appointment of one or more consultants pursuant to this Section that exceed \$50,000 in any calendar quarter shall be capitalized and added to the principal amount of the Advances. All consultants will sign a non-disclosure agreement not materially different from the form set out in Exhibit 1.
- (c) Wherever reference is made in the Credit Agreement to the provision of information to the Lender, such reference shall be deemed to be a reference to the provision of information to the Lender or any consultant that the Lender may appoint from time to time. The rights of the Lender under Section 9.1.2 shall be extended to any consultant of the Lender.

**11. Obligors' Bank Accounts.**

The Obligors will provide the Lender with "view-only" electronic access to each of their banking and other accounts.

**12. Michael Willett.**

No Obligor will terminate, or take such any action that amounts to constructive dismissal of, the employment of Michael Willett, except for termination "for cause" as determined at common law in Ontario. The Borrower will immediately notify the Lender of any change or threatened change in the status of Michael Willett's employment.

**13. No New Agreements.**

The Borrower will not enter into or authorize any agreement, contract or other instrument of any kind or nature, including amendments to existing agreements, contracts or other instruments, without the prior written consent of the Lender. Notwithstanding the foregoing, the Borrower will not require the Lender's consent to enter into the following:

- (a) non-disclosure agreements with third parties, provided that, within 5 Business Days of entering into any non-disclosure agreement, the Borrower provides the Lender with the name(s) of the other party(ies) to such non-disclosure agreement;
- (b) any agreement, contract or other instrument which provides for the immediate repayment of the Obligations in full;
- (c) agreements, contracts or other instruments entered into in the normal course of business that have been identified in the Budget;
- (d) agreements, contracts or other instruments entered into in the normal course of business where the expenditure required by the Borrower does not exceed \$10,000 per agreement, contract or other instrument and \$50,000 cumulatively in any given calendar quarter; and
- (e) agreements in respect of the expenditure of funds raised from the issuance of flow through shares but only to the extent such expenditures are permitted under applicable legislation and are in the ordinary course of Obligors' business.

**14. Payments to Management.**

- (a) Prior to the Condition Date, the Borrower will deliver to the Lender an agreement from Ross Burns in the form set out in Exhibit 2 pursuant to which Ross Burns will agree to defer payment of all accrued and future salary, bonuses, and other amounts owing, and subordinate any rights he

has in respect of such amounts in favour of the Lender, provided that Ross Burns shall be entitled to be reimbursed for expenses incurred by him on behalf of the Obligors in the ordinary course of business so long as the Obligors are otherwise permitted to incur such expenses under the terms hereof and the Credit Agreement.

- (b) Prior to the Condition Date, the Borrower will deliver to the Lender an agreement from each executive and/or officer of the Obligors (other than Ross Burns) in the form set out in Exhibit 2 pursuant to which each such individual will agree to defer payment of all accrued salary, bonuses, and other amounts owing, and subordinate any rights he or she has in respect of such amounts in favour of the Lender, provided that each such executive and/or officer shall be entitled to (i) be reimbursed for expenses incurred by him or her on behalf of the Obligors in the ordinary course of business, and (ii) receive future salary, so long as the Obligors are, in each case, otherwise permitted to incur such expenses or be paid such salary under the terms hereof and the Credit Agreement.
- (c) No Obligor will make any payment to any director, observer, officer, executive or employee of any Obligor except as contemplated by the Budget. For greater certainty, the foregoing shall not restrict the Borrower from issuing stock options under its stock option plan as compensation.

**15. Termination of ROFR.**

Prior to the Condition Date, the Borrower will deliver to the Lender an agreement from Karst Investments LLC ("Karst") in a form acceptable to the Lender pursuant to which the Right of First Refusal between Karst and the Lender dated December 16, 2010 is terminated and of no further force and effect.

**16. Acknowledgements.**

Each of the Obligors jointly and severally acknowledge and irrevocably and unconditionally agree that:

- (a) all facts, as set out in the recitals to this Forbearance Agreement are true and correct, and are incorporated herein as if restated, and form an integral part of the inducement for the Lender to enter into this Forbearance Agreement;
- (b) except as expressly provided in this Forbearance Agreement, the Lender is in a position to take steps to enforce its rights, remedies and recourses pursuant to the Security and pursue all of its rights, remedies and recourses with respect to the Obligations and the Security;
- (c) except as provided in this Forbearance Agreement, the Lender (either by itself or through its employees or agents) has made no promises, nor has