

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

GLOBAL RESOURCE FUND

Applicant

- and -

TAMERLANE VENTURES INC. and PINE POINT HOLDING CORP.

Respondents

**APPLICATION UNDER section 243 of *Bankruptcy and Insolvency Act*, RSC 1985, c B-3,
as amended and section 101 of the *Courts of Justice Act*, RSO 1990, c C.43**

**APPLICATION RECORD
(returnable January 30, 2014)**

January 24, 2014

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TAB 1

Court File No.

CV-14-10417-0002

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF SECTION 243 OF THE *BANKRUPTCY AND INSOLVENCY ACT*
AND SECTION 101 OF THE *COURTS OF JUSTICE ACT***

**AND IN THE MATTER OF THE RECEIVERSHIP OF TAMERLANE VENTURES INC.
AND PINE POINT HOLDING CORP.**

B E T W E E N:

(Court Seal)

GLOBAL RESOURCE FUND

Applicant

- and -

TAMERLANE VENTURES INC. and PINE POINT HOLDING CORP.

Respondents

APPLICATION UNDER section 243 of *Bankruptcy and Insolvency Act*, RSC 1985, c B-3,
as amended and section 101 of the *Courts of Justice Act*, RSO 1990, c C.43

NOTICE OF APPLICATION

TO THE RESPONDENT(S)

A LEGAL PROCEEDING HAS BEEN COMMENCED by the Applicant. The Claim made by the Applicant appears on the following page.

THIS APPLICATION will come on for a hearing on Thursday, January 30, 2014, at 3:00 p.m., before a judge presiding over the Commercial List at 330 University Avenue, 8th Floor, Toronto, Ontario, M5G 1R7.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the *Rules of Civil Procedure*, serve it on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

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IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date January 24, 2014

Issued by

**Natasha Brown
Registrar**

Local Registrar

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court office:330 University Avenue, 7th Floor
Toronto ON M5G 1R7

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APPLICATION

1. The applicant, Global Resource Fund ("**Global**"), a creditor, makes application for
 - (a) an order validating the manner of service of the Application Record and declaring that the time for service of this Notice of Application and the Application Record herein be abridged so that this application is properly returnable today and that further service thereof is dispensed with;
 - (b) an Order appointing Duff & Phelps Canada Restructuring Inc. ("**Duff & Phelps**") pursuant to section 243 of the *Bankruptcy and Insolvency Act* and section 101 of the *Courts of Justice Act*, as receiver (in such capacity, the "**Receiver**"), without security, over all property, assets, and undertakings of Tamerlane Ventures Inc. and Pine Point Holding Corp. (collectively, the "**Respondents**") and granting a Receivership Order substantially in the form of the draft order found at Tab 3 of the within Application Record; and
 - (c) such further and other relief as this Honourable Court may deem just.
2. The grounds for the application are as follows:
 - (a) Global is a provider of bridge financing to mining and oil and gas companies and projects worldwide;
 - (b) Tamerlane Ventures Inc. ("**Tamerlane**") is a corporation subsisting under the *Canada Business Corporations Act*, which has its registered office in Toronto. Tamerlane is a natural resource company engaged in the exploration and development of base metals projects in Canada and Peru;

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- (c) Through its holding of shares in foreign subsidiary corporations, Tamerlane claims an interest in the Los Pinos Copper Deposit in Southern Peru (the "**Los Pinos Project**");
- (d) Pine Point Holding Corp. ("**Pine Point**") is a corporation incorporated under the *Canada Business Corporations Act*, which is a wholly-owned subsidiary of Tamerlane. Pine Point holds assets relating to a lead-zinc project in the Northwest Territories south of Great Slave Lake (the "**Pine Point Project**");
- (e) The registered office of Pine Point is located in Toronto;
- (f) On December 16, 2010, Global and Tamerlane entered into a credit agreement, which was subsequently amended on several occasions (collectively, the "**Credit Agreement**"), pursuant to which Global established for Tamerlane a non-revolving bridge loan facility in the principal amount of USD \$5 million and a standby facility in the maximum principal amount of USD \$5 million;;
- (g) Tamerlane entered into a General Security Agreement with Global;
- (h) Pine Point and several other subsidiaries of Tamerlane (collectively, the "**Guarantors**") executed a guarantee of Tamerlane's indebtedness under the Credit Agreement and also gave general security in favour of Global in support of the guarantee;
- (i) Tamerlane later defaulted under the Credit Agreement, including by failing to pay amounts owing when due.

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- (j) Tamerlane and the Guarantors entered into a series of forbearance agreements (the "**Forbearance Agreements**"), the terms of which included an extension of time for Tamerlane to pay principal and interest;
- (k) As of August 22, 2013, the total amount owing under the Credit Agreement was USD \$13,277,337.23;
- (l) In the summer of 2013, Global informed Tamerlane that it intended to bring an application for the appointment of a Receiver over all assets and undertaking of the Respondents for the purpose of realizing on its security. In August 2013, the Respondents sought the consent of Global to an application for protection under the *Companies' Creditors Arrangement Act* (the "**CCAA**") to permit the Respondents to have several additional months to try to sell their assets in order to realize sufficient proceeds to repay the indebtedness to Global;
- (m) Global ultimately consented to the proposed CCAA application on specified terms, including the following:
 - (i) Global would consent to the Respondents' application under the CCAA so long as no stay extension beyond January 7, 2014 was sought or obtained without the consent of Global;
 - (ii) Global would agree to provide debtor-in-possession financing (the "**DIP Loan**") on specified terms;

- (iii) The Respondents would undertake a Sale and Investment Solicitation Process (“SISP”) with the assistance of a financial advisor (the “Financial Advisor”) to generate proceeds to re-pay the Indebtedness (defined below);
- (iv) Tamerlane and the Guarantors were required to re-pay the indebtedness relating to both
 - (A) the Credit Agreement as supplemented by the Forbearance Agreements; and
 - (B) the DIP Loan(collectively, the “Indebtedness”) by no later than the Outside Date (as defined in the Initial Order), which date was initially fixed at January 7, 2014;
- (v) In the event that the Respondents did not re-pay the Indebtedness by the Outside Date and Global and the Monitor did not consent to the extension of such date, the CCAA proceedings would terminate and, upon application by Global, a Receivership order would issue;
- (n) The above-noted terms were incorporated into a court order of Mr. Justice Newbould, dated August 23, 2013 and a subsequent order of Justice Morawetz dated September 17, 2013 (the latter of which extended the CCAA stay from September 22, 2013 to January 7, 2014);

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- (o) From August 23, 2013 until December 2013, the Respondents undertook the SISP;
- (p) The SISP resulted in interest from a number of prospective purchasers, and the Respondents and Global wished to pursue such options;
- (q) Although the Respondents were not in a position to repay the Indebtedness by January 7, 2014, Global and the Monitor did agree to extend the CCAA stay and the Outside Date to from January 7, 2014 to January 31, 2014, in order to allow the SISP to continue;
- (r) The extension of such deadlines was effected by Order of Mr. Justice Brown dated January 7, 2014;
- (s) It is now apparent that the Respondents will not be able to complete the SISP or repay the Indebtedness by January 31, 2014 and Global is not prepared to consent to further extensions of the Outside Date or the CCAA stay;
- (t) As such, Global requires that the CCAA proceedings terminate and Receivership Order in respect of the Respondents be issued, as contemplated by the Order of Mr. Justice Newbould, dated August 23, 2013;
- (u) The Receiver intends to continue efforts to sell the assets of the Respondents within the Receivership;

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- (v) Global proposes that Duff & Phelps be appointed as Receiver;
 - (w) Section 243 of the *Bankruptcy and Insolvency Act*;
 - (x) Section 101 of the *Courts of Justice Act*;
 - (y) Rules 2.01, 2.03, 3.02, 38 and 41 of the *Rules of Civil Procedure*; and
 - (z) Such further and other grounds as the lawyers may advise.
3. The following documentary evidence will be used at the hearing of the application:
- (a) The Affidavit of David Lewis, sworn January 24, 2014;
 - (b) The Third Report of the Monitor, Duff & Phelps, to be filed in Ontario Superior Court of Justice (Commercial List) File No. CV-13-10228-00CL;
 - (c) The Order of Mr. Justice Newbould, dated August 23, 2013;
 - (d) The Order of Mr. Justice Morawetz, dated September 17, 2013;
 - (e) The Order of Mr. Justice Brown, dated January 7, 2014;
 - (f) The signed Consent of Duff & Phelps to act as Receiver; and
 - (g) Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

January 24th / 14
(Date of issue)

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Applicant

and
TAMERLANE VENTURES INC. et al.
Respondents

Court File No.

CN-14-10417-002

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
PROCEEDING COMMENCED AT
TORONTO

NOTICE OF APPLICATION

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TAB 2

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

GLOBAL RESOURCE FUND

Applicant

- and -

TAMERLANE VENTURES INC. and PINE POINT HOLDING CORP.

Respondents

APPLICATION UNDER section 243 of *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended and section 101 of the *Courts of Justice Act*, RSO 1990, c C.43

AFFIDAVIT OF DAVID LEWIS

I, David Lewis, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY:

1. I am a Director of Renvest Mercantile Bancorp Inc. ("**Renvest**"), which has been retained by the Applicant, Global Resource Fund ("**Global**"), in this proceeding to manage certain affairs, including the Applicant's lending relationship with the Respondents. I have been involved in Renvest's day-to-day management of Global's relationship with the Respondents and, accordingly, I have personal knowledge of the matters to which I hereafter depose. In addition, I have knowledge based on a review of the documents referred to herein, or, where indicated, the advice of others, in which case I verily believe such information to be true.

2. This affidavit is sworn on behalf of Global in support of its application for the appointment of Duff & Phelps Canada Restructuring Inc. ("**Duff & Phelps**") as receiver (in such capacity, the "**Receiver**") over all assets and undertaking of the Respondents, Tamerlane Ventures Inc. ("**Tamerlane**") and Pine Point Holding Corp. ("**Pine Point**").

Background Regarding the Parties

3. Global is a corporation incorporated pursuant to the laws of the Cayman Islands. Global provides bridge financing to resource companies and projects worldwide.

4. Tamerlane was incorporated under the British Columbia *Business Corporations Act*, SBC 2002, c 57, on May 16, 2000. Tamerlane was continued as a federal corporation under the *Canada Business Corporations Act*, RSC 1985, c C-44 ("**CBCA**") on July 26, 2010. Tamerlane has its registered head office in Toronto. It is essentially a holding company that is the parent of several subsidiaries that are engaged in the exploration and development of base metals mines in Canada and Peru. Tamerlane has not generated any revenue since its incorporation. None of the subsidiaries is operating, or has operated, any mine property.

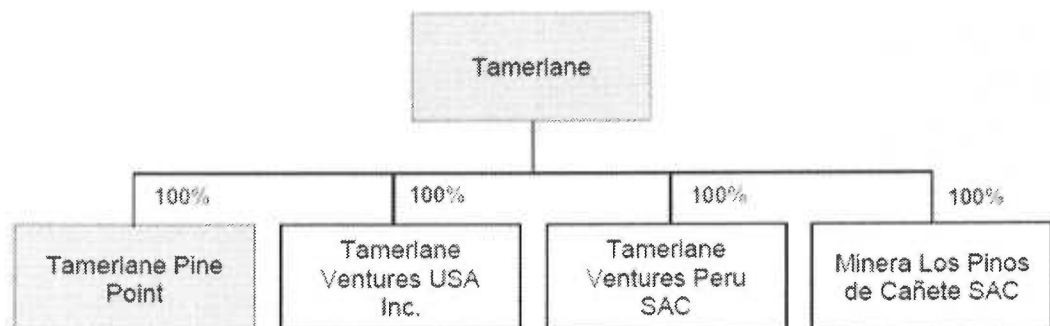
5. Pine Point is a corporation which was incorporated under the CBCA on March 4, 2011 and has its registered office in Toronto. Pine Point is a wholly-owned subsidiary of Tamerlane that holds assets related to the Pine Point lead-zinc project in the Northwest Territories south of Great Slave Lake ("**Pine Point Project**").

6. There are two Peruvian subsidiaries of Tamerlane. First, Minera Los Pinos de Cañete SAC ("**Minera**") hold interests in the Los Pinos copper deposit in southern Peru ("**Los Pinos Project**"). This interest in the Los Pinos Project is the subject of ongoing

litigation with the former general manager of one of Tamerlane's Peruvian subsidiaries. Second, Tamerlane Ventures Peru SAC ("**Tamerlane Peru**") was formerly the parent company of Minera, but is now essentially a company without assets. Since these two subsidiaries have no assets in Canada and are incorporated in Peru, their mining assets will not be directly included in the Receivership. Any disposition of Tamerlane's interests in Minera and Tamerlane Peru in these proceedings would have to be effected through a sale of the shares of those corporations that Tamerlane holds.

7. Tamerlane Ventures USA, Inc. ("**Tamerlane USA**", collectively with Tamerlane and Pine Point, the "**Debtors**") is incorporated pursuant to the *Washington Business Corporation Act*, Wash. Rev. Code § 23B. Tamerlane USA is a wholly-owned subsidiary of Tamerlane, whose sole role is to provide management services to the Respondents and other subsidiaries of Tamerlane and to act as lessee of Tamerlane USA's head office premises in Blaine, Washington. Tamerlane USA is not included in this receivership application.

8. The following is a simplified organizational chart, prepared by Duff & Phelps, for the group of companies of which the Respondents are members:



The Credit Facilities

9. On December 16, 2010, Global and Tamerlane entered into a credit agreement (the “**Initial Credit Agreement**”, attached as **Exhibit “A”**). Global and Tamerlane subsequently entered into amending agreements on June 30, 2011 (**Exhibit “B”**) and again on July 29, 2011 (**Exhibit “C”**). (Hereafter, the Initial Credit Agreement, as subsequently amended, shall be referred to as the “**Credit Agreement**”.)

10. Pursuant to section 2.1.1 of the Credit Agreement, Global established for Tamerlane a non-revolving bridge loan facility in the principal amount of USD\$5,000,000 (“**Bridge Loan**”). The Bridge Loan was scheduled to mature on June 16, 2012. Tamerlane paid an upfront fee of USD\$125,000 on the Bridge Loan and issued to Global 835,800 common shares with an estimated fair value of CAD\$192,233.

11. The purpose of the Bridge Loan was to fund engineering expenditures for the Pine Point Project and cash deposits on long lead-time orders; to provide general working capital for Tamerlane; and to secure permits for, complete drilling at, and attain clear title to the Los Pinos Project.

12. Section 2.1.2 of the Credit Agreement provided for a non-revolving stand-by facility in the principal amount of USD\$5,000,000 (“**Stand-by Facility**”), which Global would make available upon Tamerlane meeting certain funding conditions on or before the 183rd day following the close of the Initial Credit Agreement. The full Stand-by Facility was eventually advanced.

13. The Respondents have acknowledged in writing that, as of August 22, 2013, they were indebted to Global in the amount of USD\$13,277,337.23

14. Pursuant to sections 5.1(a) and (b) of the Credit Agreement, Tamerlane's debt to Global bears interest at 12.5% per annum and payments of interest were to be made monthly, on the 25th day of each month.

Guarantees and Security Given to Global

15. As general and continuing security for the amounts advanced under the Credit Agreement, on December 16, 2010, Tamerlane executed a general security agreement (the "**GSA**", **Exhibit "D"**) and a securities pledge agreement (the "**Pledge Agreement**", **Exhibit "E"**). Pursuant to section 2.01 of the GSA, Tamerlane granted Global a security interest in all of Tamerlane's present and after-acquired property, excluding consumer goods (collectively, "**Tamerlane Security**").

16. Global perfected its security interests by registering financing statements in Ontario, British Columbia, the Northwest Territories, the District of Columbia, and the State of Washington.

17. In conjunction with the Credit Agreement and the security provided thereunder by Tamerlane, Tamerlane USA provided a guarantee of all present and future debts and liabilities due or owing to Global by Tamerlane under the Credit Agreement. Tamerlane USA signed a security agreement dated December 15, 2010 in favour of Global. Pursuant to section 2 thereof, Tamerlane USA granted a security interest in all of Tamerlane USA's present and after-acquired property (the "**Tamerlane USA Security**").

18. Global perfected the Tamerlane USA Security by registering financing statements in the State of Washington.

19. Since the time that the Initial Credit Agreement and related security documents were entered into, a number of amendments were made with the consent of Tamerlane and Global and, in some cases, additional security was provided. For example, in conjunction with an amending agreement dated July 29, 2011, Pine Point executed and delivered to Global a guarantee ("**Pine Point Guarantee**", collectively with the Tamerlane USA Guarantee, the "**Guarantees**", attached collectively as **Exhibit "F"**) of all present and future debts and liabilities due or owing to Global by Tamerlane under the Credit Agreement. To secure the obligations owed under the Pine Point Guarantee, Pine Point executed a general security agreement ("**Pine Point GSA**", **Exhibit "G"**) dated July 29, 2011, covering all of Pine Point's present and after-acquired property, excluding consumer goods ("**Pine Point Security**").

20. Global perfected the Pine Point Security by registering financing statements in Ontario, British Columbia, the Northwest Territories, the District of Columbia, and the State of Washington.

Defaults by Tamerlane

21. Since the Initial Credit Agreement was entered into in December 2010, numerous defaults under the Credit Agreement occurred. These defaults led to the Respondents entering into a number of forbearance agreements that partially restructured the indebtedness.

22. Despite the forbearance agreements, Tamerlane was still unable to comply with the Credit Agreement. Numerous defaults occurred in 2013, including a failure by Tamerlane to make a USD\$1,500,000 payment that was due on March 31, 2013. Further

defaults occurred thereafter by virtue of Tamerlane's failure to make monthly interest payments when due.

23. On May 29, 2013, Global made formal demand (the "**May 29 Demand**") for payment by June 10, 2013 of the then total indebtedness under the Loans in the amount of USD\$11,631,948.90 plus interest to the date of payment and costs. Along with the May 29 Demand, Global served a notice of intention to enforce security ("**NITES**") pursuant to section 244 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 ("**BIA**") and a notice of intention to dispose of collateral ("**PPSA Notice**") pursuant section 63 of the *Personal Property Security Act*, RSO 1990, c P.10 ("**PPSA**"). A copy of the May 29 Demand and the corresponding NITES and PPSA Notice are attached hereto and marked, collectively, as **Exhibit "H"**.

24. The parties subsequently entered into a forbearance agreement dated June 10, 2013 which required, among other things, that Tamerlane continue making monthly interest payments during the forbearance period. The Debtors made the interest payment due on June 25, 2013 on a timely basis but then failed to make the interest payment due on July 25, 2013. As such, the Credit Agreement went back into default on July 26, 2013.

25. On July 26, 2013, Global made demand ("**July 26 Demand**") for payment by August 6, 2013 of USD\$12,100,254.26 plus interest to the date of payment and costs. Along with the July 26 Demand, Global served Tamerlane with a NITES and a PPSA Notice. A copy of the July 26 Demand and the corresponding NITES and PPSA Notice are attached hereto and marked, collectively, as **Exhibit "I"**.

26. Global and the Debtors subsequently reached agreement on several occasions to extend the deadline for payment into August 2013.

The Parties Reach Agreement Regarding CCAA Proceedings and Receivership

27. Following the July 26 Demand, Global made it clear that it intended to seek the appointment of a receiver to sell the assets of Tamerlane and the guarantors. In response, Tamerlane advised that it was prepared to seek CCAA protection—over the objections of Global—if that became necessary.

28. Global and the Debtors ultimately entered into a forbearance arrangement dated August 22, 2013 (the “**Current Forbearance Arrangement**”) under which Global would forbear from exercising its rights until after January 7, 2014 and the Respondents would attempt to market and sell their assets during the course of a CCAA proceeding. The Current Forbearance Arrangement provides for the following, in relevant part:

- (a) Global would consent to the Respondents’ application under the CCAA;
- (b) Global would agree to provide net debtor-in-possession financing (the “**DIP Loan**”) of up to USD\$978,571 on specified terms;
- (c) The Debtors were required to re-pay the indebtedness relating to both (i) the Credit Agreement and (ii) the DIP Loan (collectively, the “**Indebtedness**”) by no later than the Outside Date (as defined in the Initial Order), which date was initially fixed at January 7, 2014;
- (d) No extension of the CCAA stay or Outside Date beyond January 7, 2014 would be sought or obtained by the Respondents unless (i) the

Indebtedness was paid in full or (ii) both Global and the Monitor consented to such extension;

- (e) The Respondents would undertake a Sale and Investment Solicitation Process (“**SISP**”) with the assistance of a financial advisor (the “**Financial Advisor**”) to generate proceeds to re-pay the Indebtedness (defined below);
- (f) In the event that the Debtors did not re-pay the Indebtedness by the Outside Date and Global did not consent to the extension of such date, the CCAA proceedings would terminate and a Receivership order would issue.

29. The Current Forbearance Arrangement was memorialized in writing by, among other things, an Amending Agreement—Second Amendment to the Forbearance Agreement, dated August 22, 2013 (a copy of which is attached hereto and marked as **Exhibit “J”**).

30. In support of their obligations, Tamerlane and Pine Point executed and delivered to Global an irrevocable consent to the appointment of a Receiver (attached as **Exhibit “K”**).

31. On August 23, 2013, the hearing of the application for a CCAA Initial Order took place before Justice Newbould. Global consented to the relief being sought. Justice Newbould signed the Initial Order (attached as **Exhibit “L”**) substantially in the form sought by the parties, including a term prohibiting any stay extensions beyond January 7,

2014 unless (a) the Indebtedness had been paid in full or (b) Global and the Monitor consented to such an extension.

32. A copy of Justice Newbould's endorsement dated August 23, 2013 is attached as **Exhibit "M"**.

33. The Initial Order also approved the terms of the SISP.

34. In addition, the Initial Order provided that, upon the termination of the CCAA proceedings, but subject to the discretion of the court, a Receiver over the Respondents would be appointed, consistent with the irrevocable consent that the Respondents had provided to Global.

Events During the CCAA Proceedings

35. In light of the provisions of the CCAA that limit the initial stay period to 30 days, the August 23, 2013 order provided for a stay until September 22, 2013. However, on September 17, 2013, on consent of the Monitor and Global, the stay period was extended to January 7, 2014 in accordance with the terms of the Current Forbearance Arrangement.

36. During the fall of 2013, the Respondents undertook the SISP. That process generated interest from a number of prospective purchasers. However, it became apparent that it would not be possible to complete the SISP and close a transaction by January 7, 2014 so that the Indebtedness could be paid by that date. Because the Respondents, Global, and the Monitor wanted to permit additional time to complete the SISP, Global and the Monitor consented to an extension of the CCAA stay period and the

Outside Date (as defined in the Initial Order) to January 31, 2014. Global also agreed to increase the authorized amount of the DIP Loan by approximately USD\$118,000, so that the Respondents and Tamerlane USA would have sufficient operating funds for the extended stay period.


37. On January 7, 2014, Mr. Justice David M. Brown granted an order (**Exhibit “N”**) containing the agreed-upon terms of the extension.

38. Although activities under the SISF have continued since January 7, 2014, it is now apparent that the SISF will not be completed—and the Indebtedness will not be paid—by January 31, 2014.

39. Global has informed the Respondents and the Monitor that it is not prepared to consent to further extensions of the CCAA stay or the Outside Date. As such, the CCAA proceedings cannot continue beyond January 31, 2014 and Global intends to seek the appointment of Duff & Phelps as Receiver. The intention is to have the Receiver continue the marketing of the Respondents’ assets with a view to completing a transaction (subject, of course, to further court approval) that will yield proceeds to pay creditors. PricewaterhouseCoopers Corporate Finance Inc. (“**PwCCFI**”) has been acting as the Financial Advisor in the CCAA proceedings pursuant to an engagement letter between Tamerlane and PwCCFI dated August 22, 2013 (the “**Engagement Letter**”). It is contemplated that the Receiver will negotiate an arrangement with PwCCFI to continue its role as Financial Advisor on behalf of the Receiver (rather than Tamerlane) on terms substantially identical to those contained in the Engagement Letter.

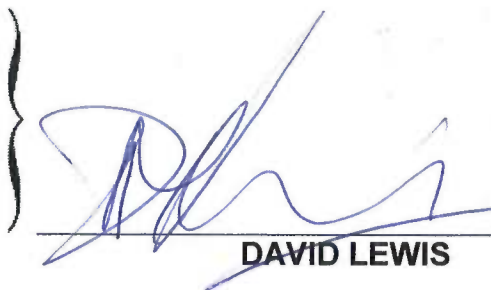
40. In accordance with the irrevocable consent that the Respondents have provided and the terms of the August 23, 2013 order of Justice Newbould, Global asks that a Receivership Order over the Respondents be granted and that Duff & Phelps be appointed as Receiver.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario on .January 24, 2014



Commissioner for Taking Affidavits
(or as may be)

JEREMY DAVID BORNSTEIN,
A COMMISSIONER, ETC.,
PROVINCE OF ONTARIO,
WHILE A STUDENT-AT-LAW
EXPIRES APRIL 12, 2015.



DAVID LEWIS

GLOBAL RESOURCE FUND
Applicant

and

TAMERLANE VENTURES INC. et al.
Respondents

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
PROCEEDING COMMENCED AT
TORONTO**

AFFIDAVIT OF DAVID LEWIS

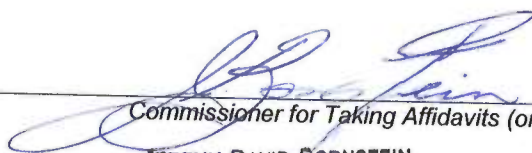
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Lawyers for the applicant

EXHIBIT "A"

This is Exhibit "A" referred to in the Affidavit of David Lewis
sworn January ²⁴....., 2014



Commissioner for Taking Affidavits (or as may be)

**JEREMY DAVID BORNSTEIN,
A COMMISSIONER, ETC.,
PROVINCE OF ONTARIO,
WHILE A STUDENT-AT-LAW
EXPIRES APRIL 12, 2015.**

CREDIT AGREEMENT

Made as of December 16, 2010

Between

TAMERLANE VENTURES INC.
(as “Borrower”)

- and -

GLOBAL RESOURCE FUND
(as “Lender”)

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ADDENDA

Schedule 1.1.15 – Bridge Loan Debenture
Schedule 1.1.63(c) – Material Contracts
Schedule 1.1.68 – Notice of Request for Advance
Schedule 1.1.76 – Permitted Capital Expenditures
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Schedule 8.1.20 – Intellectual Property
Schedule 8.1.21 – Contracts and Licences
Schedule 9.3.20 – Accounts

CREDIT AGREEMENT

THIS AGREEMENT is made as of December 16, 2010,

B E T W E E N:

Tamerlane Resources Inc., a corporation continued under the federal laws of Canada (the “**Borrower**”)

- and -

Global Resource Fund, domiciled in the Cayman Islands (the “**Lender**”).

The Parties agree as follows:

ARTICLE 1 - INTERPRETATION

1.1 Definitions

In this Agreement unless something in the subject matter or context is inconsistent therewith:

- 1.1.1 “**Acquisition**” means, with respect to any Person, any purchase or other acquisition, regardless of how accomplished or effected (including any purchase or other acquisition effected by way of amalgamation, merger, arrangement, business combination or other form of corporate reorganization, or by way of purchase, lease or other acquisition arrangements), of
- (a) any other Person (including any purchase or acquisition of issued and outstanding securities of, or a portion of an equity interest in, another Person, with the effect of that other Person becoming a Subsidiary of the purchaser or of any of its Affiliates) or of all or substantially all of the Property of any other Person; or
 - (b) any division, business, operation or undertaking of any other Person or of all or substantially all of the Property of any division, business, operation or undertaking of any other Person;
- 1.1.2 “**Additional Compensation**” has the meaning ascribed to that term in Section 13.1(a);
- 1.1.3 “**Additional Financing**” means any transaction or series of transactions under which any Person or Persons acquire, purchase or otherwise effect any equity interest or investment in to any one or more of the Obligors, or any Subsidiary of any of the Obligors, or enters into or is granted any right, option or agreement with respect to any such transaction;
- 1.1.4 “**Advance**” means a borrowing by the Borrower hereunder;

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- 1.1.5 “**Affiliate**” of a Person means any other Person which, directly or indirectly, Controls or is Controlled by or is under common Control with the first Person and for greater certainty includes a directly or indirectly held Subsidiary of any of the Obligors;
- 1.1.6 “**Agreement**” means this agreement, including all schedules hereto (as updated in accordance with the terms hereof), as amended, revised, replaced, supplemented or restated from time to time;
- 1.1.7 “**Annual Business Plan**” means the annual business plan of the Borrower, prepared in respect of the Obligors on a consolidated and unconsolidated basis, with detailed financial projections and budgets on a month to month basis for the following Fiscal Year, in each case consisting of a balance sheet, statement of income, statement of retained earnings, statement of changes in financial position and proposed Capital Expenditures for such year, which annual business plan shall be in compliance with the terms of this Agreement;
- 1.1.8 “**Applicable Accounting Standards**” means those accounting standards that the Borrower is required to comply with pursuant to the CICA Handbook which, prior to the obligation of the Borrower to comply with International Financial Reporting Standards, is GAAP, and following the obligation of the Borrower to comply with International Financial Reporting Standards shall be International Financial Reporting Standards.
- 1.1.9 “**Applicable Law**” means, in respect of a Person, property, transaction, event or other matter, as applicable, all present or future Law relating or applicable to that Person, property, transaction, event or other matter, including any interpretation of Law by any Governmental Authority;
- 1.1.10 “**Applicable Order**” means any applicable domestic or foreign order, judgment, award or decree of any Governmental Authority;
- 1.1.11 “**Arm’s Length**” has the meaning ascribed to that term in the definition of “Non-Arm’s Length”;
- 1.1.12 “**Associate**” means an “associate” as defined in the *Business Corporations Act* (Ontario);
- 1.1.13 “**Borrower**” has the meaning ascribed to that term in the first paragraph of this Agreement;
- 1.1.14 “**Borrower’s Counsel**” means the firm of Lang Michener LLP or such other firm of legal counsel as the Borrower may from time to time designate;
- 1.1.15 “**Bridge Loan Debenture**” means a convertible debenture to be issued by the Borrower to the Lender in the form attached hereto as Schedule 1.1.15 evidencing up to \$1,250,000 of Advances under the Bridge Loan Facility;
- 1.1.16 “**Bridge Loan Facility**” has the meaning ascribed to that term in Section 2.1.1;

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- 1.1.17 “**Business**” means the business as now carried on by the Obligors, namely that of an exploration and development mining company, and all business or activities related or ancillary thereto;
- 1.1.18 “**Business Day**” means any day excluding Saturday, Sunday and any other day which is a statutory holiday in Toronto, Ontario;
- 1.1.19 “**Canadian Dollars**”, and “**Cdn\$**” mean the lawful money of Canada;
- 1.1.20 “**Capital Expenditures**” means, for any period, any expenditure made by any Person, on a consolidated basis, for the purchase, acquisition, license, erection, development, improvement, construction, repair or replacement of capital assets, and any expenditure related to a Capital Lease or an operating lease in respect of which such Person has furnished a residual value guarantee to the lessor, all as determined in accordance with Applicable Accounting Standards;
- 1.1.21 “**Capital Lease**” means any lease which should be treated as a capital lease under Applicable Accounting Standards;
- 1.1.22 “**Closing Date**” means the date of this Agreement or such other date as may be agreed to in writing by the Parties;
- 1.1.23 “**Computer Equipment**” means any electronic device that performs logical, arithmetic and memory functions by manipulating electronic or magnetic impulses, and includes all input, output, processing, storage, computer software and communication facilities that are connected or related to a computer in a computer system or computer network;
- 1.1.24 “**Contingent Obligation**” means, in respect of any Person, any obligation, whether secured or unsecured, of that Person guaranteeing or indemnifying, or in effect guaranteeing or indemnifying, any indebtedness, leases, dividends, letters of credit or other monetary obligations (the “primary obligations”) of any other Person (a “primary obligor”) by that Person in any manner, whether directly or indirectly;
- 1.1.25 “**Control**” (including with correlative meanings the terms “controlled by” and “under common control with”) in respect of a corporation has the meaning given thereto in the *Business Corporations Act* (Ontario) and in respect of any other Person means the power to direct or cause the direction of the management and policies of any Person, whether through the ownership of shares or voting interests or by contract or otherwise;
- 1.1.26 “**Control Person**” has the meaning given thereto in the *Securities Act* (Ontario);
- 1.1.27 “**Credit Documents**” means this Agreement, the Bridge Loan Debenture, the Stand-by Debenture, the Security, and all other documents, certificates and instruments executed or delivered or to be executed or delivered by an Obligor to the Lender pursuant hereto or thereto, as the same may be modified, amended, extended, restated or supplemented from time to time and “**Credit Document**” shall mean any one of the Credit Documents;

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1.1.28 **“Credit Facilities”** means the Bridge Loan Facility and the Stand-by Facility and **“Credit Facility”** means any one of them;

1.1.29 **“Debenture Obligations”** means the Obligations evidenced by the Stand-by Debenture and the Bridge Loan Debenture;

1.1.30 **“Debt”** means, with respect to any Person, at any time:

- (a) all items which would then be classified as liabilities on that Person’s consolidated balance sheet, or the notes thereto, including, without limitation, the Credit Facilities; and
- (b) without duplication, any item which is then to that Person:
 - (i) an obligation in respect of borrowed money, or for the deferred purchase price of Property or services, or an obligation which is evidenced by a note, bond, debenture or any other similar instrument;
 - (ii) a transfer with recourse or with an obligation to repurchase, to the extent of that Person’s liability;
 - (iii) an obligation secured by any Encumbrance on any of that Person’s Property to the extent attributable to that Person’s respective interest in such Property, even though it has not assumed or become liable for its payment;
 - (iv) a Capital Lease obligation;
 - (v) an obligation arising in connection with an acceptance facility or letter of credit or letter of guarantee;
 - (vi) a Contingent Obligation to the extent that the primary obligation guaranteed is not otherwise classified as a liability on that Person’s consolidated balance sheet;
 - (vii) the aggregate amount at which any shares in that Person’s capital which are redeemable or retractable at the option of the holder of such shares (except where the holder is that Person) may be redeemed or retracted; or
 - (viii) any other obligation arising under arrangements or agreements that, in substance, provide financing;

provided, however, that there shall not be included for the purpose of this definition any item which is on account of:

- (ix) subject to Section 1.1.30(b)(vii) above, issued share capital or surplus;
- (x) reserves for deferred income taxes or general contingencies;
- (xi) minority interests in Subsidiaries; or

- (xii) trade accounts payable and accrued liabilities (including deferred revenues and income taxes payable) incurred in the ordinary course of business, except to the extent any of the trade accounts payable or accrued liabilities under this Section 1.1.30(b)(xii) remain unpaid and undisputed for more than 120 days after the date upon which they were incurred;
- 1.1.31 **“Disposition”** means any sale, assignment, transfer, conveyance, lease, license or other disposition of any nature or kind whatsoever of any Property or of any right, title or interest in or to any Property, and the verb **“Dispose”** shall have a correlative meaning;
- 1.1.32 **“Distribution”** means, with respect to any Person, any payment, directly or indirectly, by that Person:
- (a) of any dividends on any equity units or shares of its capital;
 - (b) on account of, or for the purpose of setting apart any property for a sinking or other analogous fund for, the purchase, redemption, retirement or other acquisition of any shares of its capital or any warrants, options or rights to acquire any such shares;
 - (c) of any other distribution in respect of any shares of its capital;
 - (d) of any principal of or interest or premium on, or of any amount in respect of a sinking or analogous fund or defeasance fund for, Subordinated Debt or other indebtedness or liability of such Person ranking, at law or by contract, in right of payment subordinate to any liability of such Person under the Credit Documents or otherwise; or
 - (e) of any management, consulting or similar fee or any bonus payment or comparable payment, or by way of gift or other gratuity, to any Affiliate of such Person or to any director or officer of such Person or Affiliate of such Person, or to any Person not dealing at Arm’s Length with such first Person or Affiliate, director or officer;
- 1.1.33 **“Drawdown”** means an Advance under any Credit Facility.
- 1.1.34 **“Drawdown Date”** means the Business Day on which a Drawdown is made by the Borrower pursuant to the provisions of this Agreement;
- 1.1.35 **“Encumbrance”** means, in respect of any Person, any mortgage, debenture, pledge, hypothec, lien, charge, encumbrance, assignment by way of security, hypothecation or security interest granted or permitted by that Person or arising by operation of law, in respect of any of that Person’s Property, or any consignment or Capital Lease of Property by that Person as consignee or lessee or any other security agreement, trust or arrangement having the effect of security for the payment of any debt, liability or obligation, and **“Encumbrances”**, **“Encumbrancer”**, **“Encumber”** and **“Encumbered”** shall have corresponding meanings;

- 1.1.36 “**Environmental Bond Facility**” means the Cdn\$60,000 letter of credit facility provided by HSBC to the Borrower in order to post a letter of credit in the amount of Cdn\$60,000 with the Ministry of Indian and Northern Affairs regarding land use permit GTENVC2009101;
- 1.1.37 “**Event of Default**” has the meaning ascribed to that term in Section 11.1;
- 1.1.38 “**Financial Assistance**” means, without duplication and with respect to any Person, all loans granted by that Person and guarantees or Contingent Obligations incurred by that Person for the purpose of, or having the effect of, providing financial assistance to another Person or Persons, including, without limitation, letters of guarantee, letters of credit, legally binding comfort letters or indemnities issued in connection with them, endorsements of bills of exchange (other than for collection or deposit in the ordinary course of business), obligations to purchase assets regardless of the delivery or non-delivery of those assets and obligations to make advances or otherwise provide financial assistance to any other entity, and for greater certainty “Financial Assistance” shall include any guarantee of any third party lease obligations;
- 1.1.39 “**Fiscal Quarter**” means each quarterly accounting period of the Borrower ending respectively on March 31, June 30, September 30 or December 31 in each Fiscal Year;
- 1.1.40 “**Fiscal Year**” means the fiscal year of the Borrower ending on December 31st in each calendar year;
- 1.1.41 “**GAAP**” means generally accepted accounting principles in effect from time to time in Canada, applicable to the relevant Person, applied in a consistent manner from period to period;
- 1.1.42 “**Governmental Authority**” means the government of Canada or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, including any supra-national bodies such as the European Union or the European Central Bank and including a Minister of the Crown, Superintendent of Financial Institutions or other comparable authority or agency.
- 1.1.43 “**Hazardous Substance**” means any substance, product, waste, pollutant, material, chemical, contaminant, dangerous good, ozone-depleting substance, or other material, including any constituent of any of them, which is or becomes listed, regulated, or addressed under any Requirements of Environmental Law, including, without limitation, asbestos, petroleum and polychlorinated biphenyls;
- 1.1.44 “**Information**” has the meaning ascribed to that term in Section 15.1(b);
- 1.1.45 “**Insolvency Legislation**” means the *Companies’ Creditors Arrangement Act* (Canada), the *Bankruptcy and Insolvency Act* (Canada), the United States Bankruptcy

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Code or the *Winding-Up and Restructuring Act* (Canada) or any other bankruptcy, insolvency or analogous laws.

- 1.1.46 “**Intellectual Property**” means, in whatever format, all registered and unregistered domestic and foreign patents, patent applications, inventions upon which patent applications have not yet been filed, service marks, trade names, trade marks, trade mark registrations and applications, logos, copyright works, copyright registrations and applications, trade secrets, formulae, technology, designs, processes, software, software applications, inventions, franchises, know-how, domain names, uniform resource locators (URLs) and other intellectual property rights;
- 1.1.47 “**Inter-Corporate Debt**” means all Debt owed by any Obligor to another Obligor;
- 1.1.48 “**Inter-Corporate Security**” means all security held from time to time by an Obligor securing or intended to secure directly or indirectly repayment of Inter-Corporate Debt owed to such Obligor;
- 1.1.49 “**Interest Payment Date**” means, with respect to each Advance, the 25th of each calendar month;
- 1.1.50 “**International Financial Reporting Standards**” means the rules and guidelines established by the International Accounting Standards Board for standardizing the preparation of financial statements.
- 1.1.51 “**Investment**” in any Person means any direct or indirect:
- (a) acquisition of any shares of capital stock or other equity securities of such Person; or
 - (b) acquisition, by purchase or otherwise, of all or substantially all of the business, assets or stock or other evidence of beneficial ownership of that Person;
- and the amount of any Investment shall be its original cost, plus the cost of all additions to that Investment, minus the amount of any portion of that Investment repaid to that Person in cash as a return of capital, but without any other adjustments for increases or decreases in value, or write-ups, write-downs or write-offs with respect to that Investment. In determining the amount of any Investment involving a transfer of any Property other than cash, that Property shall be valued at its fair market value at the time of its transfer. For greater certainty, an Acquisition shall not be treated as an Investment;
- 1.1.52 “**Issued Shares**” means those common shares of the Borrower issued to the Lender from time to time pursuant hereto or pursuant to the Stand-by Debenture or the Bridge Loan Debenture;
- 1.1.53 “**ITA**” means the *Income Tax Act* (Canada) and the regulations promulgated thereunder;

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- 1.1.54 **“Karst Agreement”** means the agreement between the Borrower and Karst Investments LLC pursuant to which the Borrower purchased the remaining 40% interest in Pine Point;
- 1.1.55 **“Karst NSR”** means the net smelter royalty as described in Schedule B of the Karst Agreement;
- 1.1.56 **“Law”** means all laws, (including the common law), by-laws, ordinances, rules, statutes, regulations, treaties, orders, rules, judgments and decrees, and all official directives, rules, guidelines, notices, approvals, orders, policies and other requirements of any Governmental Authority whether or not they have force of law;
- 1.1.57 **“Leases”** has the meaning ascribed to that term in Section 8.1.12;
- 1.1.58 **“Lender”** has the meaning ascribed to that term on the first page of this Agreement;
- 1.1.59 **“Lender’s Counsel”** means the firm of Cassels Brock & Blackwell LLP or any other firm of legal counsel that the Lender may from time to time designate;
- 1.1.60 **“Los Pinos”** means the mining property described in Schedule 8.1.12;
- 1.1.61 **“Los Pinos Issue”** means the issue with respect to the Borrower's direct and/or indirect interest in and with respect to Los Pinos, substantially as disclosed in the Borrower's interim consolidated financial statements and related management's discussion and analysis for the nine months ended September 30, 2010;
- 1.1.62 **“Material Adverse Effect”** means:
- (a) a material adverse effect on the business (including the Business), operations, properties, assets, condition (financial or otherwise) or prospects of the Obligors, taken as a whole;
 - (b) an adverse effect on the legality, validity or enforceability of any of the Credit Documents which could reasonably be considered material having regard to the Credit Documents considered as a whole, including the validity, enforceability, perfection or priority of any Encumbrance created or intended to be created under any of the Security which could reasonably be considered material having regard to the Security considered as a whole;
 - (c) an adverse effect on the right, entitlement or ability of any Obligor to pay or perform any of its Obligations under any of the Credit Documents which could reasonably be considered material having regard to the Obligors as a whole; or
 - (d) an adverse effect on the right, entitlement or ability of the Lender to enforce any of the Obligations of any Obligor which could reasonably be considered material having regard to the Obligors, or any one of them, or to exercise or enforce any of its rights, entitlements, benefits or remedies under any of the Credit Documents;

- 1.1.63 **“Material Contract”** means any agreement, arrangement or understanding, whether written or oral, which:
- (a) materially affects the business, operations, assets or prospects, financial or otherwise, of an Obligor, including without limitation, the Business;
 - (b) involves or may involve annual expenditures or annual receipts by that Obligor of an amount greater than Cdn\$75,000 and which has a term of more than one year or has a lesser term with rights of renewal that, if renewed, would result in a term of more than one year; or
 - (c) is from time to time designated by the Lender in its sole discretion, as a Material Contract, provided notice of such designation is delivered to the Borrower by the Lender (and, for greater certainty, the contracts listed in Schedule 1.1.63(c) are deemed to be so designated);
- 1.1.64 **“Material Licence”** means any licence, franchise, permit or approval issued by any Governmental Authority to an Obligor, and which is at any time on or after the date of this Agreement:
- (a) necessary or material to the business and operations of an Obligor, including without limitation, the Business or the breach, default or revocation of which would result in a Material Adverse Effect; or
 - (b) is from time to time designated by the Lender in its sole discretion, as a Material Licence, provided notice of such designation is delivered to the Borrower by the Lender;
- 1.1.65 **“Maturity Date”** means June 16, 2012;
- 1.1.66 **“Mill”** means the mill located at the Scotia Zinc Mine in New Brunswick;
- 1.1.67 **“Net Proceeds”** means, with respect to any Disposition, the aggregate fair market value of proceeds of that Disposition (whether such proceeds are in the form of cash or other Property or part cash and part other Property) net of reasonable, bona fide direct transaction costs and expenses incurred in connection with that Disposition;
- 1.1.68 **“Non-Arm’s Length”** and similar phrases have the meaning attributed thereto for the purposes of the ITA, and **“Arm’s Length”** shall have the opposite meaning;
- 1.1.69 **“Notice of Request for Advance”** means a notice substantially in the form of the notice attached at Schedule 1.1.69 to be given to the Lender by the Borrower in connection with an Advance pursuant to Section 2.4;
- 1.1.70 **“Obligations”** means, with respect to an Obligor, all of that Obligor’s present and future indebtedness, liabilities and obligations of any and every kind, nature or description whatsoever (whether direct or indirect, joint or several or joint and several, absolute or contingent, matured or unmatured, in any currency and whether as principal debtor, guarantor, surety or otherwise, including without limitation any

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interest that accrues thereon or would accrue thereon but for the commencement of any case, proceeding or other action, whether voluntary or involuntary, relating to the bankruptcy, insolvency or reorganization whether or not allowed or allowable as a claim in any such case, proceeding or other action) to the Lender under, in connection with, relating to or with respect to each of the Credit Documents, and any unpaid balance thereof;

- 1.1.71 **“Obligors”** means, collectively, the Borrower and its Subsidiaries, being Tamerlane Ventures USA Inc. Tamerlane Ventures Peru S.A.C. and Minera Los Pinos de Canete S.A.C. and their respective successors and assigns and **“Obligor”** means any one of them;
- 1.1.72 **“Organizational Documents”** means, with respect to any Person, that Person’s articles or other charter documents, by-laws, unanimous shareholder agreement, partnership agreement, joint venture agreement, operating agreement or trust agreement, as applicable, and any and all other similar agreements, documents and instruments relative to that Person;
- 1.1.73 **“Parties”** means the Borrower, the Lender and any other Person that may become a party to this Agreement;
- 1.1.74 **“Pending Event of Default”** means an event which, but for the requirement for the giving of notice, lapse of time, or both, or but for the satisfaction of any other condition subsequent to that event, would constitute an **“Event of Default”**;
- 1.1.75 **“Pension Plan”** means:
- (a) a **“pension plan”** or **“plan”** which is subject to the *Pension Benefits Act* (Ontario), the ITA, or applicable pension benefits legislation in any other Canadian jurisdiction which is applicable to an Obligor’s employees resident in Canada; or
 - (b) any foreign pension or employee benefit plan or similar arrangement applicable to an Obligor’s employees in countries other than Canada;
- 1.1.76 **“Permitted Capital Expenditures”** means the Capital Expenditures of the Obligors contemplated in Schedule 1.1.76;
- 1.1.77 **“Permitted Debt”** means:
- (a) Debt under this Agreement;
 - (b) Debt secured by PMSIs created, incurred or assumed after the date hereof to finance Permitted Capital Expenditures provided the Obligors have complied with their obligations in Section 10.3 at the time the Property to be acquired in connection with such expenditure is acquired;
 - (c) Environmental Bond Facility not to exceed CDN \$60,000 plus any related interest thereto;

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- (d) the Permitted Inter-Corporate Debt; and
- (e) Debt consented to in writing by the Lender from time to time;

1.1.78 **“Permitted Distributions”** means:

- (a) all cash amounts and dividends paid by an Obligor to another Obligor;
- (b) salaries, fees and bonuses for senior management Margaret Kent and Michael Willett as provided for in Schedule 1.1.78 and employee bonuses in the ordinary course of business which in the aggregate will not exceed U.S. \$150,000 without the prior written consent of the Lender;
- (c) routine employee benefits;
- (d) reasonable director fees consistent with comparable industry levels; and
- (e) fees, determined on an Arm’s Length basis, for services provided by one Obligor to another Obligor in the ordinary course of business where such services would otherwise have been performed by a third party;

1.1.79 **“Permitted Encumbrances”** means, with respect to any Person:

- (a) liens for taxes, rates, assessments or other governmental charges or levies not yet due, or for which instalments have been paid based on reasonable estimates pending final assessments, or if due, the validity of which is being contested diligently and in good faith by appropriate proceedings by that Person;
- (b) undetermined or inchoate liens, rights of distress, and charges incidental to current operations which have not at such time been filed or exercised and of which the Lender has not been given notice, or which relate to obligations not due or payable, or if due, the validity of which is being contested diligently and in good faith by appropriate proceedings by that Person;
- (c) reservations, limitations, provisos and conditions expressed in any original grants from the Crown or other grants of real or immovable property, or interests therein, which do not materially affect the use of the affected land for the purpose for which it is used by that Person;
- (d) licences, easements, rights-of-way and rights in the nature of easements (including, without limitation, licences, easements, rights-of-way and rights in the nature of easements for railways, sidewalks, public ways, sewers, drains, gas, steam and water mains or electric light and power, or telephone and telegraph conduits, poles, wires and cables) which do not materially impair the use of the affected land for the purpose for which it is used by that Person;
- (e) title defects, or irregularities or other matters relating to title which are of a minor nature and which in the aggregate do not materially impair the use of the affected property for the purpose for which it is used by that Person;

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- (f) the right reserved to, or vested in, any Governmental Authority under the terms of any lease, licence, franchise, grant or permit acquired by that Person, or under any statutory provision, to terminate any such lease, licence, franchise, grant or permit, or to require annual or other payments as a condition to the continuance of such right;
 - (g) Encumbrances resulting from the deposit of cash or securities in connection with contracts, tenders or expropriation proceedings, or to secure workmen's compensation, unemployment insurance, surety or appeal bonds, or costs of litigation when required by law, not to exceed \$100,000 in aggregate outstanding at any time;
 - (h) security given to a public utility or any Governmental Authority when required by that utility or Governmental Authority in connection with the operations of that Person in the ordinary course of its business;
 - (i) an Encumbrance created by a judgment of a court of competent jurisdiction, as long as that judgment is being contested diligently and in good faith by appropriate proceedings by that Person, and does not result in an Event of Default;
 - (j) the Security;
 - (k) the Karst NSR
 - (l) the Inter-Corporate Security provided the same has been assigned on a first priority basis to the Lender pursuant to the Security;
 - (m) PMSIs that secure Permitted Debt used to finance Permitted Capital Expenditures;
 - (n) the Encumbrances described in Schedule 1.1.79(n) to this Agreement; and
 - (o) any other Encumbrances as agreed to in writing by the Lender;
- 1.1.80 **"Permitted Financings"** means any equity financing of the Borrower involving the issuance of "flow-through shares";
- 1.1.81 **"Permitted Inter-Corporate Debt"** means the Inter-Corporate Debt owed between the Obligors as of the date of this Agreement, as set out in Schedule 1.1.80, together with any additional Inter-Corporate Debt as may be incurred from time to time on and after the Closing Date, provided that in all cases such Debt constitutes Subordinated Debt and has been assigned to the Lender as Security;
- 1.1.82 **"Person"** is to be broadly interpreted and includes an individual, a corporation, an incorporated association, an incorporated syndicate, any other incorporated organization; a partnership, a trust, an unincorporated association, an unincorporated syndicate, an unincorporated organization, a trustee, an executor, an administrator, any other legal representative, a joint venture, the government of a country or any

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political subdivision of a country, or an agency or department of any such government, and any other Governmental Authority;

- 1.1.83 **“Pine Point”** means the mining property described in Schedule 8.1.12;
- 1.1.84 **“Priority Encumbrances”** means the following:
- (a) Security provided in respect of the Karst NSR;
 - (b) PMSIs that secure Permitted Debt used to finance Permitted Capital Expenditures; and
 - (c) Cash collateral security over Cdn\$60,000 and any interest related thereto of cash in support of the Environmental Bond Facility.
- 1.1.85 **“Property”** means, with respect to any Person, all or any portion of that Person’s undertaking, property and assets, both real and personal, including, for greater certainty, any share in the capital of a corporation or ownership interest in any other Person, and any interest in mining leases or mineral rights;
- 1.1.86 **“PMSI”** means an Encumbrance created by the Borrower securing Debt incurred to finance the acquisition of fixed assets, provided that:
- (a) it is created substantially simultaneously with the acquisition of such fixed assets;
 - (b) it does not at any time encumber any Property other than the Property financed by such Debt and proceeds thereof;
 - (c) the amount of Debt secured by it is not increased subsequent to that acquisition; and
 - (d) the principal amount of Debt secured by it at no time exceeds 100% of the original purchase price of that Property at the time it was acquired, and for the purposes of this definition the term **“acquisition”** shall include a capital lease, and the term **“acquire”** shall have a corresponding meaning;
- 1.1.87 **“Relevant Jurisdiction”** means, from time to time, with respect to any Person that is granting Security under this Agreement, any province or territory of Canada, any state of the United States or any other country or political subdivision thereof, in which such Person is incorporated or formed, has its chief executive office or chief place of business, or has Property;
- 1.1.88 **“Repayment Notice”** means a notice substantially in the form attached as Schedule 1.1.88;
- 1.1.89 **“Requirements of Environmental Law”** means all Applicable Laws in any jurisdiction in which any Obligor has operations or assets, which relate to environmental or occupational health and safety matters relevant to the assets and undertaking of any Obligor and the intended uses thereof, including, without limitation, all Law relating to:

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- (a) the protection, preservation or remediation of the natural environment (the air, land, surface water or groundwater);
 - (b) solid, gaseous or liquid waste generation, handling, treatment, storage, disposal or transportation;
 - (c) consumer, occupational or public safety and health; and
 - (d) hazardous substances or conditions which are prohibited, controlled or otherwise regulated, such as contaminants, pollutants, toxic substances, dangerous goods, wastes, hazardous wastes, liquid industrial wastes, hazardous materials, petroleum and other materials such as urea formaldehyde and polyurethane foam insulation, asbestos or asbestos-containing materials, polychlorinated biphenyls (PCBs) or PCB contaminated fluids or equipment, lead based paint, explosives, radioactive substances, petroleum and associated products, ozone-depleting substances, above-ground and underground storage tanks or surface impoundments;
- 1.1.90 “**STA**” means the *Securities Transfer Act, 2006* (Ontario).
- 1.1.91 “**Security**” means all security held from time to time by or on behalf of the Lender, securing or intended to secure directly or indirectly repayment of the Obligations and includes all security described in Article 10;
- 1.1.92 “**Senior Officer**” means, in respect of any Person, the chairperson, the chief executive officer, the chief operating officer, the chief financial officer, the president, or any senior vice-president of such Person or any person holding a similar office;
- 1.1.93 “**Stand-by Debenture**” means a convertible debenture to be issued by the Borrower to the Lender in the form attached hereto as Schedule 1.1.93 evidencing up to \$1,250,000 of Advances under the Stand-by Facility;
- 1.1.94 “**Stand-by Facility**” has the meaning ascribed to that term in Section 2.1.2;
- 1.1.95 “**Stand-by Fee**” has the meaning ascribed to that term in Section 5.4;
- 1.1.96 “**Stand-by Fee Rate**” means 0.25% per month;
- 1.1.97 “**Subordinated Debt**” means indebtedness owing by any Obligor to any Person, which indebtedness (including the payment of principal and interest) and any security granted in respect of that indebtedness is fully and absolutely postponed and subordinated to the full, final and indefeasible repayment of the Obligations pursuant to a written agreement in form and substance satisfactory to the Lender in its sole discretion;
- 1.1.98 “**Subsidiary**” means, with respect to a corporation, a subsidiary body corporate as defined in the *Business Corporations Act* (Ontario) as in effect on the date hereof, and any partnership, joint venture or other organization which is Controlled by the corporation or any Subsidiary of the corporation;

- 1.1.99 **“Tax” or “Taxes”** means all taxes, charges, fees, levies, imposts and other assessments or reassessments, including all income, sales, use, goods and services, harmonized sales, value added, capital, capital gains, alternative, net worth, transfer, profits, withholding, payroll, employer health, excise, franchise, real property and personal property taxes, and any other taxes, customs duties, fees, assessments, royalties, duties, deductions, compulsory loans or similar charges in the nature of a tax, including Canada Pension Plan and provincial pension plan contributions, employment insurance payments and workers compensation premiums, together with any instalments, and any interest, fines and penalties, additions to tax or other additional amounts, imposed, assessed, reassessed or collected by any Governmental Authority, whether disputed or not;
- 1.1.100 **“Tax Returns”** means all returns, declarations, reports, elections, notices, filings, forms, statements, information and other documents (whether in tangible, electronic or other form) and including any amendments, schedules, attachments, supplements, appendices and exhibits thereto, made, prepared, filed or required to be made, prepared or filed with any Governmental Authority by Applicable Law in respect of Taxes;
- 1.1.101 **“Triggering Disposition”** means a singular disposition by an Obligor that exceeds Cdn\$100,000, or a disposition by an Obligor that, together with all other Dispositions by the Obligors taken as a whole in any 120 day period exceeds \$200,000;
- 1.1.102 **“TSXV”** means the TSX Venture Exchange;
- 1.1.103 **“U.S. Dollars”** and **“U.S. \$”** means the lawful money of the United States of America; and
- 1.1.104 **“Welfare Plan”** means any supplemental pension or retirement plan applicable to employees of an Obligor.

1.2 Headings

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The term **“this Agreement”**, refers to this Agreement in its entirety and not to any particular Article, Section or other portion of this Agreement and includes any agreement supplemental to this Agreement. Unless otherwise indicated, references in this Agreement to Articles, Sections or Schedules are to Articles, Sections and Schedules of this Agreement.

1.3 Number

Words importing the singular number only shall include the plural and vice versa, words importing the masculine gender shall include the feminine and neuter genders and vice versa.

1.4 Accounting Principles

Where the character or amount of any asset or liability, or item of revenue or expense, is required to be determined, or any consolidation or other accounting computation is required to be

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made for the purpose of any Credit Document, that determination or calculation shall, to the extent applicable and except as otherwise specified in this Agreement or as otherwise agreed in writing by the Parties, be made in accordance with Applicable Accounting Standards.

1.5 Best Knowledge

All provisions contained herein or under any other Credit Document requiring any Obligor to make a determination or assessment of any event or circumstance or other matter to the best of its knowledge shall be deemed to require such Obligor to make all due inquiries and investigations as may be reasonably necessary or prudent in the circumstances before making any such determination or assessment.

1.6 Permitted Encumbrances

The inclusion of reference to Permitted Encumbrances in any Credit Document is not intended to subordinate, and shall not subordinate, any Encumbrance created by any of the Security to any Permitted Encumbrance.

1.7 Currency

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

1.8 Conflicts

In the event of a conflict or inconsistency between the application of any of the provisions of this Agreement and the application of any of the provisions of any of the other Credit Documents, the provisions giving the Lender greater rights or remedies shall govern (to the maximum extent permitted by Applicable Law), it being understood that the purpose of this Agreement and any other Credit Document is to add to, and not detract from, the rights granted to the Lender under the Credit Documents.

1.9 Non-Business Days

Unless otherwise expressly provided for in this Agreement, if under this Agreement any payment or calculation is to be made, or any other action is to be taken, on or as of a day which is not a Business Day, that payment or calculation is to be made, and that other action is to be taken, as applicable, on or as of the immediately preceding Business Day without deduction or credit for early payment.

1.10 Statutory References

Any reference in this Agreement to any Law, or to any section of or any definition in any Law, shall be deemed to be a reference to such Law or section or definition as amended, supplemented, substituted, replaced or re-enacted from time to time.

1.11 Schedules

The following are the Schedules annexed hereto and incorporated by reference and deemed to be part hereof:

Credit Agreement

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Schedule 1.1.15	-	Bridge Loan Debenture
Schedule 1.1.63(c)	-	Material Contracts
Schedule 1.1.69	-	Notice of Request for Advance
Schedule 1.1.76	-	Permitted Capital Expenditures
Schedule 1.1.76	-	Permitted Distributions
Schedule 1.1.76	-	Encumbrances
Schedule 1.1.76	-	Permitted Inter-Corporate Debt
Schedule 1.1.88	-	Repayment Notice
Schedule 1.1.93	-	Stand-by Debenture
Schedule 3.1(j)	-	Undertaking
Schedule 7.1	-	Wire Instructions
Schedule 8.1.11	-	Debt and Non-Arm's Length Transactions
Schedule 8.1.12	-	Ownership
Schedule 8.1.13	-	Insurance
Schedule 8.1.14	-	Employee Disputes
Schedule 8.1.17	-	Corporate Structure
Schedule 8.1.18	-	Relevant Jurisdictions
Schedule 8.1.20	-	Intellectual Property
Schedule 8.1.21	-	Contracts and Licences
Schedule 9.3.20	-	Accounts

ARTICLE 2- THE CREDIT FACILITIES

2.1 Credit Facilities

Subject to the terms and conditions, and during the term, of this Agreement:

2.1.1 Bridge Loan

The Lender establishes in favour of the Borrower a non-revolving bridge loan facility (the "**Bridge Loan Facility**") in the principal amount of \$5,000,000, which Credit Facility will be made available on the Closing Date and at no other time. The maximum principal amount of the Bridge Loan Facility will be automatically and permanently reduced by an amount equal to any portion of the Bridge Loan Facility that is not utilized on the Closing Date.

2.1.2 Stand-By Facility

The Lender establishes in favour of the Borrower a non-revolving stand-by facility (the "**Stand By Facility**") in a maximum principal amount of up to \$5,000,000 which Credit Facility will be made available to the Borrower upon written confirmation from the Lender that it is satisfied in its sole discretion that the funding conditions set out Section 3.2 have all been satisfied. The Borrower's ability to draw under the Stand-by Facility will expire on the 183rd day following the Closing Date. The Borrower may cancel the Stand-by Facility at any time by providing ten (10) Business Days prior written notice to the Lender.

2.2 Purpose of Credit Facilities

Advances under the Stand-by Facility shall only be used to acquire the Mill. The Advance under the Bridge Loan Facility shall only be used for the following purposes:

- (a) To fund definitive engineering expenditures for Pine Point;
- (b) To fund cash deposits on long lead-time orders;
- (c) An amount not to exceed \$100,000 to secure permits for, to complete drilling at, and to attain clear title to, Los Pinos;
- (d) An amount not to exceed \$150,000 for drilling at Los Pinos; and
- (e) General corporate working capital.

2.3 Non-Revolving Nature of the Credit Facilities

The Credit Facilities are both non-revolving and, accordingly, no amounts repaid under either Credit Facility may be reborrowed and the limit of a Credit Facility will be automatically and permanently reduced by the amount of any repayment under that Credit Facility.

2.4 Drawdowns

- (a) Subject to the terms and conditions of this Agreement, the Borrower may make Drawdowns by giving the Lender a Notice of Request for Advance requesting a Drawdown.
- (b) Other than with respect to the Advance of the Bridge Loan Facility, which shall occur on the Closing Date, the Borrower shall give the Lender a Notice of Request for Advance in respect of a Drawdown five (5) Business Days prior to the proposed Drawdown Date.
- (c) Each Notice of Request for Advance in respect of a Drawdown shall be delivered by the Borrower to the Lender on a Business Day on or prior to 1:00 p.m. EST.
- (d) Each Drawdown under the Stand-by Facility shall be in a minimum principal amount of \$1,000,000.

2.5 Lender's Obligations with Respect to Advances

Subject to the terms and conditions of this Agreement, prior to 1:00 p.m. EST on the Drawdown Date specified by the Borrower in a Notice of Request for Advance, the Lender shall make available to the Borrower the full amount so specified in that notice.

2.6 Irrevocability

A Notice of Request for Advance given by the Borrower in respect of a Drawdown shall be irrevocable and shall oblige the Borrower to complete the Drawdown on the date specified in that Notice.

ARTICLE 3- DISBURSEMENT CONDITIONS**3.1 Conditions Precedent to the First Advance under the Bridge Loan Facility**

The obligations of the Lender under this Agreement (including without limitation, the obligation to make the first Advance under the Bridge Loan Facility) are subject to, and conditional upon, all of the following conditions precedent being satisfied as at the Closing Date:

- (a) receipt by the Lender of duly executed copies of this Agreement;
- (b) receipt by the Lender of timely Notice of Request for Advance as required under Section 2.4(b) and the statements made therein being true;
- (c) receipt by the Lender of certified true copies of the Organizational Documents of each Obligor, the resolutions authorizing the execution, delivery and performance of each Obligor's respective obligations under the Credit Documents and the transactions contemplated in this Agreement, as well as certificates of the incumbency of the officers of the Obligors, and any other documents to be provided under the terms and conditions of this Agreement;
- (d) receipt by the Lender of certificates of status or good standing, as applicable, for each Obligor in such Obligor's jurisdiction of incorporation or formation;
- (e) compliance by each Obligor in all material respects with all Material Contracts and Material Licenses to the satisfaction of the Lender in its sole discretion;
- (f) receipt by the Lender of copies, if any, of all required shareholder, regulatory, governmental, and other approvals, necessary or desirable in connection with the execution and delivery of the Credit Documents and the consummation of the transactions contemplated by the Credit Documents, and delivery to the Lender of copies of all such approvals, certified by a Senior Officer of each of the Obligors to be true and correct and in full force and effect;
- (g) receipt by the Lender of any releases, discharges, subordinations and postponements (in registerable form where appropriate) of all Encumbrances affecting the collateral encumbered by the Security which are not Permitted Encumbrances;
- (h) receipt by the Lender of subordination or non-sheltering agreements in form satisfactory to the Lender;
- (i) receipt by the Lender of landlord consents, warehouse and bailee waivers obtained from each landlord of the Borrower;
- (j) undertaking from the Borrower regarding matters relating to the Subsidiaries and Los Pinos in substantially the form as set out on Schedule 3.1(j);

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- (k) receipt by the Lender of duly executed copies of the Security (along with certificates representing all shares or other securities pledged, together with an endorsement on the certificates or separate stock powers duly executed in blank in accordance with the requirements of the STA), and the due registration, filing and recording of the Security in all applicable offices or places of registration in all Relevant Jurisdictions;
- (l) receipt by the Lender of currently-dated letters of opinion of applicable counsel to the Borrower that, collectively, encompass all Obligors, in form and substance satisfactory to the Lender and the Lender's Counsel;
- (m) receipt by the Lender of copies of certificates of insurance of the Obligors evidencing insurance, all in accordance with Section 9.1.4;
- (n) receipt by the Lender of the Bridge Loan Debenture duly issued, executed and delivered, and receipt of acceptance from TSXV in respect thereof;
- (o) payment in full of all amounts of fees and expenses required, under this Agreement, to be paid on or prior to the initial Advance;
- (p) receipt by the Lender of executed copies of all other Credit Documents not specifically referenced in this Section 3.1; and
- (q) receipt by the Lender of such additional evidence, documents or undertakings as the Lender shall reasonably request to establish the consummation of the transactions contemplated by this Agreement;

provided that all documents delivered pursuant to this Section 3.1 shall be in full force and effect, and in form and substance satisfactory to the Lender.

3.2 Conditions Precedent to the Advances under the Stand-by Facility

Advances under the Stand-by Facility are subject to approval by the Lender in its sole discretion. Prior to considering any such approval, the Lender will require:

- (a) receipt by the Lender of timely Notice of Request for Advance as required under Section 2.4;
- (b) the satisfaction of all conditions set out in section 3.1;
- (c) the Lender having consented to the acquisition by the Borrower of the Mill and being satisfied, in its sole discretion, that it has a first priority Encumbrance against the Mill; 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.

3.3 Waiver

The conditions set forth in Sections 3.1 and 3.2 are inserted for the sole benefit of the Lender and may be waived by the Lender, in whole or in part (with or without terms or conditions) in respect of any Drawdown, without prejudicing the right of the Lender at any time to assert such conditions in respect of any subsequent Drawdown.

ARTICLE 4 - EVIDENCE OF DRAWDOWNS

4.1 Account of Record

The Lender shall open and maintain books of account evidencing all Advances and all other amounts owing by the Borrower to the Lender under this Agreement. The Lender shall enter in those books details of all amounts from time to time owing, paid or repaid by the Borrower, and this information shall constitute prima facie evidence of the Obligations of the Borrower to the Lender under this Agreement with respect to all Advances and all other amounts owing by the Borrower to the Lender under this Agreement. After a request by the Borrower, the Lender shall promptly advise the Borrower of any entries made in the Lender's books of account.

ARTICLE 5- PAYMENTS OF INTEREST AND STAND-BY FEES

5.1 Interest on Advances

- (a) The Borrower shall pay interest in U.S. Dollars at a rate per annum equal to 12.5%
- (b) Interest shall be payable in arrears on each Interest Payment Date. All interest shall accrue from day to day for the actual number of days elapsed for the period from and including the Drawdown Date to and including the day preceding that Interest Payment Date, and shall be calculated on the principal amount of the Advances outstanding during that period. Interest shall be calculated monthly and on the basis of the actual number of days elapsed in a year of 365 days or 366 days, as the case may be.

5.2 General Interest Rules

All interest payments to be made under this Agreement shall be paid both before and after maturity and before and after default and/or judgment, if any, until payment, and interest shall accrue on overdue interest, if any, compounded on each Interest Payment Date.

5.3 Maximum Interest Rate

- (a) In the event that any provision of this Agreement or any other Credit Document would oblige an Obligor to make any payment of interest or any other payment which is construed by a court of competent jurisdiction to be interest in an amount or calculated at a rate which would be prohibited by Law or would result in a receipt by the Lender of interest at a criminal rate (as such terms are construed

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under the *Criminal Code* (Canada) or if Applicable Law), then notwithstanding such provision, such amount or rate shall be deemed to have been adjusted *nunc pro tunc* to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by Law or so result in a receipt by the Lender of interest at a criminal rate, such adjustment to be effected, to the extent necessary as follows:

- (i) firstly, by reducing the amount or rate of interest required to be paid under Section 5.1 of this Agreement; and
 - (ii) thereafter by reducing any fees, commissions, premiums and other amounts which would constitute interest for the purposes of Section 347 of the *Criminal Code* (Canada) or other Applicable Law in such order as the Lender may decide.
- (b) If, notwithstanding the provisions of clause (a) of this Section and after giving effect to all adjustments contemplated thereby, the Lender shall have received an amount in excess of the maximum permitted by such clause, then such excess shall be applied by the Lender to the reduction of the principal balance of the outstanding Advances and not to the payment of interest, or if such excessive interest exceeds such principal balance, such excess shall be refunded to the Borrower.

5.4 Stand-by Fees

From the Closing Date 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 this Agreement, and shall be payable by the Borrower monthly in arrears on the 25th of each calendar month beginning with the first of such dates to occur on the 25th day of the calendar month immediately following the month of the Closing. Payments in respect of partial months shall be prorated based on the actual number of days in the applicable monthly period.

5.5 Overdue Principal and Interest

If all or part of any of the Obligations is not paid when due and payable (whether at its stated maturity, by acceleration or otherwise), the overdue amount shall bear interest (before as well as after judgment), payable on demand, at a rate per annum equal to 18% calculated from the date of non-payment until it is paid in full.

5.6 Upfront Fees

- (a) On the Closing Date, the Borrower will pay to the Lender fees as follows:
 - (i) USD\$125,000 in immediately available funds, and

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- (ii) by issuing to the Lender 500,000 common shares in the capital of the Borrower.
- (b) On each Drawdown Date under the Stand-by Facility, the Borrower will pay to the Lender a fee as follows:
 - (i) an amount in U.S. Dollars equal to 2.5% of the Advance, and
 - (ii) by issuing to the Lender that number of Issued Shares equal to 500,000, multiplied by a fraction, the numerator of which is the amount of the Advance to be made, and the denominator of which is \$5,000,000.

ARTICLE 6- REPAYMENTS

6.1 Mandatory Repayment of Principal

Unless the Obligations are required to be repaid at an earlier date pursuant to the terms hereof, the Borrower agrees to repay all Obligations on the Maturity Date.

6.2 Voluntary Repayments

Upon the Lender receiving from the Borrower an irrevocable Repayment Notice not less than five (5) Business Days prior to the proposed repayment date, the Borrower may from time to time repay or prepay Advances other than the Debenture Obligations provided that each such repayment or prepayment shall be in a minimum aggregate amount of \$500,000 and if such repayment or prepayment is made prior to the 183rd day following the initial Drawdown Date, the Borrower shall pay as a genuine pre-estimate of damages and not as a penalty, in addition to all other Obligations, an amount equal to ninety (90) days of interest in respect of the principal amount to be prepaid.

6.3 Mandatory Repayments from Proceeds of Debt Issues

If any Obligor incurs any Subordinated Debt, which Subordinated Debt in each case shall not be incurred unless it also constitutes Permitted Debt, an amount equal to 25% of the proceeds of such Debt (net of reasonable, bona fide direct transaction costs and expenses incurred in connection with incurring such Debt, including reasonable legal fees and disbursements) shall be paid by or on behalf of the Borrower to the Lender, immediately upon the closing of the transaction under which such Debt is incurred, and shall be applied in permanent repayment of all outstanding Obligations other than the Debenture Obligations.

6.4 Mandatory Repayments on Additional Financings

If any Additional Financing other than a Permitted Financing occurs at any time, an amount equal to 25% of the proceeds of such Additional Financing (net of reasonable, bona fide direct transaction costs and expenses incurred in connection with effecting such Additional Financing including reasonable legal fees and disbursements and underwriting fees in connection with such Additional Financing) shall be paid forthwith upon receipt of those proceeds and shall be applied in permanent repayment of all outstanding Obligations other than the Debenture Obligations.

6.5 Mandatory Repayment on Dispositions

Subject to Section 9.3.1, on the closing date of any permitted Triggering Disposition by any Obligor an amount equal to the Net Proceeds of such Disposition shall be paid by or on behalf of the Borrower to the Lender and shall be applied in permanent repayment of all outstanding Obligations other than the Debenture Obligations.

ARTICLE 7- PLACE OF PAYMENTS

7.1 Place of Payment

All payments by the Borrower under any Credit Document, unless otherwise expressly provided, shall be made to the Lender by wire transfer to such account as set out in Schedule 7.1 not later than 12:00 noon EST for value on the date when due, and shall be made in immediately available funds without any right of the Borrower to set-off or counterclaim.

ARTICLE 8- REPRESENTATIONS AND WARRANTIES

8.1 Representations and Warranties

Subject to Section 8.3, the Borrower makes the following representations and warranties to the Lender, and acknowledges and confirms that the Lender is relying upon such representations and warranties:

8.1.1 Existence and Qualification

Each Obligor:

- (a) has been duly incorporated, amalgamated, merged or continued, as the case may be, and is validly subsisting under the laws of its jurisdiction of formation, amalgamation, merger or continuance, as the case may be (or in the case of the Obligor which is not a corporation, has been duly created or established as a partnership or other applicable entity and validly exists under and is governed by the laws of the jurisdiction in which it has been created or established); and
- (b) is duly qualified and has all required Material Licenses to carry on its business in each jurisdiction in which the nature of its business requires qualification.

8.1.2 Power and Authority

Each Obligor has the power and authority,

- (a) to enter into, and to exercise its rights and perform its obligations under, the Credit Documents to which it is a party and all other instruments and agreements delivered by it pursuant to any of the Credit Documents; and
- (b) to own its Property and carry on its business as currently conducted and as currently proposed to be conducted by it.

8.1.3 Execution, Delivery

The execution, delivery and performance of each of the Credit Documents to which each Obligor is a party, and every other instrument or agreement delivered by an Obligor pursuant to any Credit Document has been duly authorized, and each of such documents has been duly executed and delivered.

8.1.4 Credit Documents Comply with Applicable Law, Organizational Documents and Contractual Obligations

None of the execution or delivery of, the consummation of the transactions contemplated in, or compliance with the terms, conditions and provisions of any of, the Credit Documents, by any Obligor, conflicts with or will conflict with, or results or will result in any breach of, or constitutes a default under or contravention of, any Applicable Law, Organizational Documents or any Material Contract or Material License, or results or will result in the creation or imposition of any Encumbrance upon any of its Property.

8.1.5 Consent Respecting Credit Documents

Each Obligor has obtained, made, or taken all consents, approvals, authorizations, declarations, registrations, filings, notices and other actions whatsoever required in connection with the execution and delivery by it of each of the Credit Documents to which it is a party, and the consummation of the transactions contemplated in the Credit Documents.

8.1.6 Enforceable Obligations

The Credit Documents have been duly executed and delivered and constitute legal, valid and binding obligations of each Obligor (with regard to each agreement or instrument to which it is a party) enforceable in accordance with their respective terms, except as may be limited by bankruptcy, reorganization, moratorium or insolvency laws or similar laws affecting creditors' rights generally and by general equitable principles.

8.1.7 Taxes and Tax Returns

The Borrower has duly and timely filed, or caused to be duly and timely filed, all material Tax Returns in respect of Taxes required to be filed by it with the appropriate Governmental Authority. The Borrower has duly and timely paid all Taxes that are due and payable by it, except for Taxes which are not material in amount or which are being contested diligently and in good faith through appropriate proceedings, and has made adequate provision in its financial statements or its books and records, as applicable, for the payment of all material Taxes owing by it. There is no material inquiry, action, suit, dispute, objection, appeal, investigation, audit, claim or other proceeding either in progress, pending, or to the best of the knowledge of the Borrower threatened by any Governmental Authority regarding any Taxes or Tax Returns, nor have any of the Obligors requested, offered to enter into, or entered into, any agreement or arrangement, or executed any waiver providing for any extension of time within which an Obligor is required to pay, remit or collect any Taxes, file any Tax Returns or any Governmental Authority may assess, reassess or collect Taxes for which an Obligor is or may be liable.

8.1.8 Securities Accounts

Other than the securities account of the Borrower at Wolverton Securities (USA) Ltd. which amount shall not at any time hold assets greater than \$500, none of the Obligor have established or maintain any securities account or have any securities entitlement (as those terms are defined in the STA) and none of them have granted to any Person a security interest in any of their Collateral which has been perfected by control (as such term is defined in the STA).

8.1.9 Judgments, Etc.

No Obligor is subject to any judgment, order, writ, injunction, decree or award, or to any restriction, rule or regulation (other than customary or ordinary course restrictions, rules and regulations consistent or similar with those imposed on other Persons engaged in similar businesses) which has not been stayed, or of which enforcement has not been suspended, which has a Material Adverse Effect on the Obligor, their Property or their Business.

8.1.10 Absence of Litigation

There are no actions, suits or proceedings pending or, to the best of each Obligor's knowledge and belief, after due inquiry and all reasonable investigation, threatened against or affecting any Obligor or the Property of any Obligor.

8.1.11 Debt and Non Arm's Length Transactions

- (a) None of the Obligor has any Debt.
- (b) No agreement, arrangement or transactions between any Obligor, on the one hand, and any Associate of, Affiliate of or other Person not dealing at Arm's Length with the Borrower (other than Obligor), on the other hand, is in existence at the date hereof except as set forth in Schedule 8.1.11.

8.1.12 Ownership

- (a) Each Obligor has:
 - (i) good and marketable title to, or valid leasehold interests in, all of its real property, mining claims, mining leases, surface leases, and mineral rights (all such property and rights and the nature of such Obligor's interest therein is disclosed in Schedule 8.1.12); and
 - (ii) good and marketable title to all of its other material Property, in each case subject to no Encumbrances other than Permitted Encumbrances.
- (b) Each Obligor enjoys peaceful and undisturbed possession of all its real property and there is no pending or, to the knowledge of any of the Obligor, threatened condemnation or expropriation proceeding relating to any such real property. The leases (including mining leases) with respect to the leased property, together with any leases (including mining leases) of real property entered into by any Obligor after the Closing Date, are referred to collectively as the "Leases". All of the real

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property and the structures thereon and other tangible assets owned, leased or used by any Obligor in the conduct of its business (including without limitation the Business) are:

- (i) insured to the extent, and in a manner customary, in the industry in which the Obligors are engaged;
 - (ii) structurally sound with no known material defects;
 - (iii) in good operating condition and repair, subject to ordinary wear and tear and casualty;
 - (iv) not in need of maintenance or repair except for ordinary, routine maintenance and repair the cost of which would not be material or as a result of casualty;
 - (v) sufficient for the operation of the business of such Obligor as presently conducted thereon; and
 - (vi) in conformity with all Applicable Law and other requirements (including applicable zoning, environmental, motor vehicle safety, occupational safety and health laws and regulations) relating thereto, except where the failure to comply or conform with any of the foregoing could not reasonably be expected to have a Material Adverse Effect.
- (c) No Person has any agreement or right to acquire an interest in any Property of any Obligor other than in the ordinary course of business. Schedule 8.1.12 contains a description of:
- (i) all real property owned by each Obligor (including municipal addresses, legal description, the name of the Person which owns such property and a brief description of such property and its use);
 - (ii) all real property leased by each Obligor (including municipal addresses, legal description, the name of the Person which leases such property, the name of the landlord, the term and any renewal rights under the applicable lease and a brief description of such property and its use); and
 - (iii) all property not owned or leased by an Obligor but used by an Obligor in the course of its business.

8.1.13 Insurance

Each Obligor maintains insurance which is in full force and effect and which complies with all of the requirements of this Agreement. The details of all existing insurance policies maintained by the Obligors as of the date of this Agreement are outlined as to carrier, policy number, expiration date, type and amount in Schedule 8.1.13.

8.1.14 No Employee Disputes

Except as disclosed in Schedule 8.1.14, there are no claims or applications before any legislative body or administrative tribunal pending or, to the best of the knowledge of the Borrower, threatened, with respect to any breach of the Obligors' obligation to their respective employees.

8.1.15 Compliance with Law

None of the Obligors has violated or failed to comply with any Applicable Law, or any Applicable Order of any self regulatory organization, or any judgment, decree or order of any court, applicable to its business (including the Business) except where the aggregate of all such violations or failures to comply could not reasonably be expected to have a Material Adverse Effect. The conduct of the business of each of the Obligors is in conformity with all securities, commodities, energy, public utility, zoning, building code, health, occupational health and safety and environmental requirements and all other foreign, federal, state, provincial and local governmental and regulatory requirements and requirements of any self regulatory organizations. None of the Obligors has received any notice to the effect that, or otherwise been advised that, it is not in compliance with any Applicable Law, and none of the Obligors knows of any currently existing circumstances that are likely to result in the violation of any Applicable Law.

8.1.16 No Event of Default or Pending Event of Default

No Event of Default or Pending Event of Default has occurred and no event has occurred that (with the giving of notice, the lapse of time or both) would constitute an Event of Default or Pending Event of Default. No Obligor is in default under any agreement, guarantee, indenture or instrument to which it is a party or by which it is bound, the breach of which could reasonably be expected to cause a Material Adverse Effect or affect its ability to perform any of its obligations under any Credit Document to which it is a party.

8.1.17 Corporate Structure

- (a) The outstanding capital stock or other ownership interests, as applicable, of each of the Obligors is validly issued, fully paid and non-assessable and is owned (other than in the case of the Borrower) as set forth in Schedule 8.1.17, free and clear of all Encumbrances (other than those arising under or contemplated in connection with the Security). Except as disclosed in Schedule 8.1.17, no Obligor has outstanding any securities convertible into or exchangeable for its capital stock nor does any such Person have outstanding any rights to subscribe for or to purchase or any options for the purchase of, or any agreements providing for the issuance (contingent or otherwise) of, or any calls, commitments or claims of any character relating to its capital stock. The organizational structure of the Obligors is as set out in Schedule 8.1.17, which Schedule contains:
 - (i) a complete and accurate list of:
 - (A) each such Person's full and correct name (including any French and English forms of name) and the jurisdiction in which each such Person exists;

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- (B) the full address (including postal code or zip code) of each such Person's registered office, chief executive office and all places of business and, if different, the address at which the books and records of such Person are located, and
- (C) details of the authorized and issued share capital, partnership interests, membership interest or other similar interest of each of the Obligors and, except in the case of the Borrower, the name of the registered and beneficial owner of all of the issued and outstanding securities of each such Obligor.

8.1.18 Relevant Jurisdictions

- (a) The Relevant Jurisdictions for each Obligor are set out in Schedule 8.1.18
- (b) All other locations where the Obligors keep, store or maintain any Property are set out in Schedule 8.1.18. Also, set out in Schedule 8.1.18 is a true, correct and complete list in all material respects of the names and addresses of each warehouseman, processor, packer, or other place at which Property of the Obligors is stored;

8.1.19 Computer Software

Each Obligor owns or has licensed for use all of the material software necessary to conduct its businesses. All Computer Equipment owned or used by an Obligor has been properly maintained and is in good working order for the purposes of on-going operation, subject to ordinary wear and tear for Computer Equipment of comparable age.

8.1.20 Intellectual Property Rights

- (a) Each Obligor owns, or has the legal right to use, all Intellectual Property necessary for each of them to conduct its business as currently conducted (including without limitation the Business) except for those that the failure to own or have such legal right to use could not reasonably be expected to have a Material Adverse Effect. Set out on Schedule 8.1.20 is a list of all material Intellectual Property owned by each Obligor, or that any Obligor has the right to use.
- (b) Except as provided on Schedule 8.1.20, no claim has been asserted or is pending by any Person challenging or questioning the use of any such Intellectual Property, or the validity or effectiveness of any such Intellectual Property, nor does any Obligor know of any such claim, and to the best of the knowledge of the Borrower, the use of such Intellectual Property by any Obligor does not infringe on the rights of any Person, except for such claims and infringements that, in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

8.1.21 Contracts and Licences

- (a) Schedule 8.1.21 accurately sets out all Material Contracts and all licences, franchises, permits, or approval issued by any Governmental Authority issued to any Obligor.
- (b) A true and complete copy of each Material Contract and Material Licence has been delivered to the Lender and each Material Contract and Material Licence is in full force and effect, unamended except as disclosed in Schedule 8.1.21.
- (c) No event has occurred and is continuing which would constitute a breach of, or a default under, any Material Contract or Material Licence.
- (d) Each Material Contract to which an Obligor is a party is binding upon that Obligor and, to its knowledge, is a binding agreement of each other Person who is a party to the Material Contract.
- (e) Each of the Obligors has obtained all necessary consents, including consents of landlords, to the granting of a security interest in each Material Contract and Material Licence.

8.1.22 Fiscal Year

The Fiscal Year end of each Obligor is December 31.

8.1.23 Financial Information

All financial statements which have been furnished to the Lender in connection with this Agreement are complete in all material respects and such financial statements fairly present the financial position of the Obligors, as applicable as of the dates referred to therein and have been prepared in accordance with Applicable Accounting Standards. All other financial information (including, without limitation, budgets and projections) provided to the Lender is complete in all material respects and based on reasonable assumptions and expectations.

8.1.24 No Material Adverse Effect

Since the date of the most recent annual consolidated financial statements of the Borrower which have been furnished to the Lender in connection with this Agreement, there has been no development or event relating to or affecting any Obligor or the Business which has had or could reasonably be expected to have a Material Adverse Effect.

8.1.25 Environmental

- (a) No Obligor is subject to any civil or criminal proceeding or investigation relating to Requirements of Environmental Law and to the best of knowledge of the Borrower, there is no threatened proceeding or investigation.
- (b) Each Obligor has all approvals, permits, licenses, registrations and other authorizations required by the Requirements of Environmental Law.

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- (c) Each Obligor currently operates the Business and its Properties (whether owned, leased or otherwise occupied) in compliance with the Requirements of Environmental Law.
- (d) Each Obligor is actively and diligently using all commercially reasonable efforts to plan for future compliance with all Requirements of Environmental Law and all such steps are being completed in a manner consistent with a prudent and responsible operator engaged in a business of a similar nature.
- (e) No Hazardous Substances are or have been stored, disposed of or otherwise used by any Obligor in violation of any applicable Requirements of Environmental Law.
- (f) All aboveground and underground storage tanks now or previously located in, on or under any real property now or hereafter owned or leased by any Obligor have been or will be operated, maintained and decommissioned or closed, as applicable, in compliance with applicable Requirements of Environmental Law.
- (g) No real property or groundwater in, on or under any property now or previously owned or leased by any Obligor is or has been contaminated by any Hazardous Substance, or is named in any list of hazardous waste or contaminated sites maintained under any Requirements of Environmental Law.

8.1.26 Employee Welfare and Pension Plans

No Obligor has adopted any Pension Plans or Welfare Plans.

8.1.27 Full Disclosure

All information furnished by or on behalf of the Obligors to the Lender for purposes of, or in connection with any Credit Document, or any other transaction contemplated by this Agreement, including any information furnished in the future, is or will be true and accurate in all material respects on the date as of which such information is dated or certified, and not incomplete by omitting to state any material fact necessary to make such information not misleading at such time in light of then-current circumstances. There is no fact now known to any of the Obligors which has had, or could reasonably be expected to have, a Material Adverse Effect.

8.1.28 Issued Shares

With respect to the Issued Shares,

- (a) all consents, approvals, permits, authorizations or filings as may be required under applicable securities laws, including the acceptance of the TSXV, necessary for the issuance and sale of the Issued Shares have been made or obtained or will be obtained prior to the date any Issued Shares are to be issued to the Lender, as applicable;

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- (b) the currently issued and outstanding common shares of the Borrower are listed and posted for trading on the TSXV and no order ceasing or suspending trading in any securities of the Borrower or prohibiting the trading of any of the Borrower's issued securities has been issued and no proceedings for such purpose are pending or, to the knowledge of the Borrower, threatened;
- (c) the Borrower shall have received the acceptance of the TSXV for the listing of Issued Shares on the TSXV on or before the date any such shares are to be issued pursuant to the terms hereof;
- (d) the definitive form of certificate representing any Issued Shares will be in proper form under the *Canada Business Corporations Act* when delivered and will comply with the requirements of the TSXV and will not conflict with the constating documents of the Borrower;
- (e) to the knowledge of the Borrower, no agreement is in force or effect which in any manner affects the voting or control of the common shares of the Borrower;
- (f) prior to the Closing Date, all necessary corporate action will have been taken by the Borrower to allot, reserve and authorize the issuance of all Issued Shares that may be issued pursuant to the terms hereof as fully paid and non-assessable shares in the capital of the Borrower;
- (g) none of the Issued Shares shall be subject to a hold period in Canada of longer than four months and one day after the date of issuance; and
- (h) the Borrower shall take all steps necessary to comply with the applicable provisions of National Instrument 45-106, including the filing of a Form 45-106F1 within the prescribed time period in connection with the issuance of all Issued Shares, as applicable.

8.2 Survival and Repetition of Representations and Warranties

The representations and warranties set out in Section 8.1 will be deemed to be repeated by the Obligor as of the date of each request for new Advance by the Borrower except to the extent that on or prior to such date:

- (a) the Borrower has advised the Lender in writing of a variation in any such representation or warranty; and
- (b) if such variation in the opinion of the Lender, in its sole discretion, is material to the Property, liabilities, affairs, business, operations, prospects or condition (financial or otherwise) of the Obligors considered as a whole or could have, or be reasonably likely to result in, a Material Adverse Effect, the Lender has approved such variation.

8.3 Qualification of Representations and Warranties

The Parties acknowledge and agree that the Los Pinos Issue precludes the Borrower from making certain representations and warranties with respect to Subsidiaries and their respective rights title or interests in any assets or property affected by the Los Pinos Issue. Accordingly, the Parties further acknowledge and agree that the representations and warranties set-out in Section 8.1 or elsewhere in this Agreement relating to Subsidiaries or any of their respective property or assets affected by the Los Pinos Issue, shall have to the extent as they relate to such Subsidiaries no force or effect (collectively, the "**Excluded Representations**"), and the Lender specifically acknowledges that it is not relying upon the Excluded Representations in entering into this Agreement. The Borrower covenants and agrees that at such time as the Los Pinos Issue is resolved, the Excluded Representations shall have effect and be in force as at the time of such resolution.

8.4 Representations and Warranties of the Lender

The Lender represents and warrants to the Borrower, and acknowledges and confirms that the Borrower is relying upon such representations and warranties:

8.4.1 Accredited Investor

The Lender is purchasing both the Bridge Loan Debenture and the common shares of the Borrower issuable pursuant to Section 5.6(a)(ii) as principal, it is subject to the applicable securities laws of Ontario, it is an "accredited investor" as defined in National Instrument 45-106 entitled *Prospectus and Registration Exemptions* promulgated under the *Securities Act* (Ontario) and has concurrently executed and delivered to the Borrower an 'Accredited Investor Status Certificate' indicating that the Lender fits within one of the categories of "accredited investor" set forth in such certificate.

ARTICLE 9- COVENANTS

9.1 Positive Covenants

Until the Obligations have been paid in full, the Borrower makes and shall maintain, or cause the other Obligor to maintain, as applicable, the following covenants:

9.1.1 Conduct of Business, Maintenance of Existence, Compliance with Law

Each Obligor shall engage in business of the same general type as the Business; carry on and conduct its business and operations in a proper, efficient and businesslike manner, in accordance with good business practice; preserve, renew and keep in full force and effect its existence; and take all reasonable action to maintain all rights, privileges and franchises necessary or desirable in the normal conduct of its business and comply in all material respects with all Material Contracts, Material Licenses, Organizational Documents and Applicable Law. For greater certainty, each Obligor will take all reasonable action to maintain all rights and privileges necessary or desirable to keep all mining leases and mineral rights of such Obligor in full force and effect, including such actions as are required to cause all representation work to be performed and to file all statements and other filings with the appropriate Mining Recorder's office at such times as required by Applicable Law.

9.1.2 Access to Information

Each Obligor shall promptly provide the Lender with all information requested by the Lender from time to time concerning its financial condition and Property, and during normal business hours and from time to time upon reasonable notice, permit representatives of the Lender to inspect any of its Property and to examine and take extracts from its financial books, accounts and records including but not limited to accounts and records stored in computer data banks and computer software systems, and to discuss its financial condition with its Senior Officers and (in the presence of such of its representatives as it may designate) its auditors.

9.1.3 Obligations and Taxes

- (a) Each Obligor shall pay or discharge, or cause to be paid or discharged, before they become delinquent all Taxes that are due payable by it.
- (b) Each Obligor shall prepare and file, or cause to be prepared and filed, all Tax Returns that are required to be prepared and filed by it with the appropriate Governmental Authority on a timely basis all in accordance with Applicable Law.

9.1.4 Insurance

The Borrower shall maintain or cause to be maintained with reputable insurers satisfactory to the Lender insurance, in such amounts and otherwise covering such risks as are required by the Lender in its sole discretion and provide to the Lender, on an annual basis, evidence of such coverage. The Borrower shall, on an annual basis prior to the expiry or replacement of any insurance policy, send copies of all renewed or replacement policies to the Lender and shall permit an insurance consultant satisfactory to the Lender, to complete a review of, and comment on the adequacy of, such coverage, and the Borrower shall remedy any inadequacies that consultant may raise. Without limiting the generality of the foregoing, the Borrower shall maintain or cause to be maintained in good standing all insurance coverages reasonable and prudent for a business analogous to the business of the Obligors (including the Business). The Lender shall be indicated in all insurance policies as a loss payee or additional insured, as applicable, and all policies shall contain such clauses as the Lender requires for the Lender's protection.

9.1.5 Notices

The Borrower shall promptly give notice to the Lender of:

- (a) any violation of any Applicable Law;
- (b) any entering into, termination of, amendment of, or default under a Material Contract;
- (c) any damage to or destruction of any property, real or personal, of an Obligor having a replacement cost in excess of Cdn\$50,000;
- (d) any Encumbrance registered against any property or assets of an Obligor, other than a Permitted Encumbrance;

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- (e) details of any Permitted Inter-Corporate Debt incurred subsequent to the Closing Date;
- (f) any Event of Default or Pending Event of Default;
- (g) any Material Adverse Effect that would apply to it, or any other Obligor, or any event or circumstance that is likely to give rise to a Material Adverse Effect; or
- (h) the occurrence or threatened occurrence of any litigation, dispute, arbitration, proceeding or other circumstance the result of which, if determined adversely, would be a judgment or award against any Obligor:
 - (i) in excess of Cdn\$50,000 or with respect to the Los Pinos Issue in excess of Cdn\$200,000; or
 - (ii) would result in a Material Adverse Effect to any Obligor;

and from time to time provide the Lender with all information requested by the Lender concerning any such proceeding.

9.1.6 Environmental Compliance

Each Obligor shall operate its business in compliance with applicable Requirements of Environmental Law and operate all Property owned, leased or otherwise used by it such that no obligation, including a clean-up or remedial obligation, shall arise under any Requirements of Environmental Law, provided however, that if any such claim is made or any such obligation arises, the applicable Obligor shall immediately satisfy or contest such claim or obligation at its own cost and expense. The Borrower shall promptly notify the Lender of:

- (a) the existence of Hazardous Substance located on, above or below the surface of any land which any Obligor owns, leases, operates, occupies or controls (except those being stored, used or otherwise handled in substantial compliance with applicable Requirements of Environmental Law), or contained in the soil or water constituting such land; or
- (b) the occurrence of any reportable release, spill, leak, emission, discharge, leaching, dumping or disposal of Hazardous Substances that has occurred on or from such land.

9.1.7 Security

With respect to the Security, each Obligor shall:

- (a) provide and cause each of its Subsidiaries to provide, as applicable, to the Lender the Security required from time to time pursuant to Article 10 in accordance with the provisions of that Article, accompanied by supporting resolutions, certificates and opinions in form and substance satisfactory to the Lender and Lender's Counsel in their sole discretion; and

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- (b) do, execute and deliver all such things, documents, security, agreements and assurances as may from time to time be requested by the Lender to ensure that the Lender holds at all times valid, enforceable, perfected first priority Encumbrances (subject only to the Priority Encumbrances) from the Obligor meeting the requirements of Article 10.

9.1.8 Maintenance of Property

Each Obligor shall keep all Property useful and necessary in its business in good working order and condition, normal wear and tear excepted, and do and cause to be done all things necessary to preserve and keep in full force all Intellectual Property and registrations thereof necessary to carry on its business.

9.1.9 Landlord Consents and Non-Disturbance Agreements

In respect of such property as the Lender may request in writing, each Obligor shall:

- (a) obtain a consent agreement from each landlord of property (including the lessor under mining leases) or property that are leased by such landlord at any time and from time to time to any Obligor, in form and content satisfactory to the Lender acting reasonably;
- (b) obtain a non-disturbance agreement from each mortgagee of any such leased premises and an acknowledgement by each such mortgagee of any applicable landlord's consent in respect of such premises; and
- (c) register notice of each lease relating to leased premises or property and any applicable landlord's consent and non-disturbance agreement against title to the applicable real or leasehold property or in the applicable mining recorder's office.

9.1.10 Material Contracts

At the request of the Lender acting reasonably, each Obligor shall use reasonable commercial efforts to obtain the consent of each Person (other than another Obligor) which is party to a Material Contract to the assignment of any applicable Obligor's interest therein to the Lender pursuant to the Security, such form to be satisfactory in content to the Lender.

9.1.11 Expenses

The Borrower shall pay promptly all reasonable fees and disbursements (including Taxes related thereto) incurred or paid by the Lender in connection with the preparation, negotiation, execution, delivery, maintenance, amendment and enforcement (including any workouts in connection with or in lieu of any enforcement) of the Credit Documents, and in connection with the consummation of the transactions contemplated by the Credit Documents, and including, without limitation, all court costs and all reasonable fees and disbursements of lawyers, auditors, consultants and accountants.

9.1.12 Pension Plans and Welfare Plans

No Obligor will adopt, or become obligated to contribute to, maintain, or contribute to any Pension Plan or multiemployer Pension Plan subject to applicable pension and tax Law, without the prior written consent of the Lender.

9.1.13 Revision or Update of Schedules

The Borrower shall, if any of the information or disclosures provided in any of the Schedules attached to this Agreement becomes outdated or incorrect in any material respect, deliver to the Lender at such time (or upon the request of the Lender) any revisions or updates to such Schedule(s) as may be necessary or appropriate to update or correct the outdated Schedule(s), which revisions shall be effective from the date accepted in writing by the Lender, such acceptance not to be unreasonably withheld; provided, that no revisions or updates to any Schedule(s) shall be deemed to have cured any breach of warranty or misrepresentation occurring prior to the delivery of that revision or update by reason of the inaccuracy or incompleteness of the relevant Schedule(s) at the time that warranty or representation previously was made or deemed to have been made.

9.1.14 Quarterly Reports

The Borrower shall deliver to the Lender as soon as available, and in any event within 60 days of the end of each of its Fiscal Quarters (excluding the fourth quarter) (subject to any extension with respect to the filing deadline of the Borrower's financial statements as may be granted by applicable securities regulatory authorities), as at the end of such Fiscal Quarter, the interim unaudited financial statements of the Borrower prepared on a consolidated basis including, without limitation, balance sheet, statement of income and retained earnings, statement of changes in financial position and a comparison to the budget set forth in the Annual Business Plan, which shall be prepared in accordance with Applicable Accounting Standards.

9.1.15 Annual Reports

The Borrower shall deliver to the Lender as soon as available, and in any event within 120 days after the end of each Fiscal Year (subject to any extension with respect to the filing deadline of the Borrower's financial statements as may be granted by applicable securities regulatory authorities), the annual audited financial statements of the Borrower prepared on a consolidated basis including, without limitation, balance sheet, statement of income and retained earnings, statement of changes in financial position for such Fiscal Year and a comparison to the budget set forth in the Annual Business Plan, which financial statements (but not the Annual Business Plan) shall be audited by an internationally recognized accounting firm, and shall be prepared in accordance with Applicable Accounting Standards.

9.1.16 Annual Business Plan

The Borrower shall deliver to the Lender, as soon as available and in any event within 45 days prior to each Fiscal Year end, a final Annual Business Plan. The Parties acknowledge and agree that the Borrower has delivered to the Lender a "Sources and Use of Proceeds" with respect to the Bridge Loan Facility, and that such document constitutes the Annual Business Plan for 2011.

9.1.17 Shares to be Listed

The common shares in the capital of the Borrower shall at all times be listed and posted for trading on the TSXV or the Toronto Stock Exchange.

9.2 Other Information

The Borrower shall promptly provide the Lender with such other information as it may reasonably request respecting the Obligors.

9.3 Negative Covenants

So long as this Agreement is in effect, and until the Obligations have been paid in full, and except as otherwise permitted by the prior written consent of the Lender, the Borrower shall maintain, and cause each other Obligor to maintain, the following covenants:

9.3.1 Disposition of Property

No Obligor shall dispose of Property in any Fiscal Year except for:

- (a) Dispositions in the ordinary course of business of obsolete Property or of any inventory or other assets that are customarily sold by the Obligor on an on-going basis as part of the normal operation of its business;
- (b) Dispositions of Property between the Obligors, where in each case, the receiving Obligor has granted Security to the Lender over or in respect of such Property subject only to Permitted Encumbrances;
- (c) Dispositions of Property on Arm's Length terms and for fair market value if, after giving effect to all such Dispositions in any Fiscal Year, the aggregate Net Proceeds of Disposition realized in respect of such Dispositions would not exceed in the aggregate in such Fiscal Year, Cdn\$250,000; and
- (d) Dispositions of Property on Arm's Length terms and for fair market value which are not otherwise permitted under subparagraphs 9.3.1(a) to 9.3.1(c) above, provided that the Disposition does not relate to all or substantially all of the assets of any Obligor, and provided further that the Net Proceeds are used by the Borrower to repay Advances outstanding under the Credit Facilities in accordance with Section 6.5.

9.3.2 Capital Expenditures

No Obligor shall make any Capital Expenditures, or enter into any agreement which would require any Capital Expenditures, other than Permitted Capital Expenditures.

9.3.3 No Consolidation, Amalgamation, etc.

No Obligor shall consolidate, amalgamate or merge with any other Person, enter into any corporate reorganization or other transaction intended to effect or otherwise permit a change in

its existing corporate or capital structure, liquidate, wind-up or dissolve itself, or permit any liquidation, winding-up or dissolution.

9.3.4 No Change of Name

No Obligor shall change its name without providing the Lender with thirty (30) days prior written notice thereof.

9.3.5 No Debt

No Obligor shall create, incur, assume or permit any Debt to remain outstanding, other than Permitted Debt.

9.3.6 No Investments

No Obligor shall make, directly or indirectly, any Investment.

9.3.7 No Financial Assistance

No Obligor shall give any Financial Assistance other than guarantees made by the Obligors in favour of the Lender as contemplated hereunder.

9.3.8 No Distributions

No Obligor shall make any Distribution except Permitted Distributions.

9.3.9 No Encumbrances

No Obligor shall create, incur, assume or permit to exist any Encumbrance upon any of its Property, except Permitted Encumbrances.

9.3.10 Acquisitions

No Obligor shall make any Acquisition save and except for: (i) the staking of any mineral claims; (ii) acquiring an interest in additional mineral properties, including by way of option or joint venture, provided the amount expended in respect of all such Acquisitions does not exceed \$250,000 during the term of the Credit Facility, and (iii) any extension to the existing Pine Point mineral property, provided, in each case the Obligors have complied with their obligations in Section 10.3 at the time of the Acquisition.

9.3.11 No Change to Year End

No Obligor shall make any change to its Fiscal Year.

9.3.12 No Continuance

No Obligor shall continue into any other jurisdiction.

9.3.13 Location of Assets in Other Jurisdictions

No Obligor shall, except in the case of Property being delivered to a customer in the ordinary course of business as part of the performance of its obligations, or the provision of its services, under a contract entered into with that customer, (1) move any Property from a jurisdiction in which the Encumbrance of the Security over such Property is perfected to a jurisdiction where that Encumbrance is not perfected or where, after a temporary period allowing for registration in such other jurisdiction, that Encumbrance could become unperfected, or (2) suffer or permit in any other manner any of its Property to not be subject to that Encumbrance or to be or become located in a jurisdiction in which that Encumbrance is not perfected, unless:

- (a) the Obligor has first given thirty (30) days prior written notice thereof to the Lender; and
- (b) the applicable Obligor has first executed and delivered to the Lender all Security and all financing or registration statements deemed necessary or admissible by, and in form and substance satisfactory to the Lender or Lender's Counsel, to ensure that the Security at all times constitutes a perfected first priority Encumbrance (subject only to the Priority Encumbrances) over such Property in such jurisdiction, together with any supporting certificates, resolutions, opinions and other documents as the Lender or Lender's Counsel may deem necessary or desirable.

9.3.14 Restrictions on Business Activities

No Obligor shall carry on business other than the Business. No Obligor shall permit any drilling at or on Los Pinos without the prior consent of the Lender.

9.3.15 No Share Issuance

No Obligor other than the Borrower shall issue any securities, except to another Obligor, and then only if the issued securities are concurrently and validly pledged to the Lender under the Security.

9.3.16 Ownership of Subsidiaries

No Obligor shall sell, transfer or otherwise dispose of, any shares of capital stock of any other Obligor, or permit any Obligor (other than the Borrower) to issue securities.

9.3.17 Amendments to Organizational Documents

No Obligor shall amend any of its Organizational Documents in a manner that would be prejudicial to the interests of the Lender under the Credit Documents.

9.3.18 Amendments to other Material Contracts and Material Licences

No Obligor shall amend, vary or alter in any material way, consent to any assignment or transfer of, or waive or surrender any of its rights or entitlements which could be considered material under, any Material Contracts or Material Licences.

9.3.19 No New Subsidiaries

No Obligor shall create any Subsidiary after the date of this Agreement without Lender's prior written consent.

9.3.20 Accounts

- (a) No Obligor shall open, maintain or otherwise have any accounts at any bank, or any other account where money is or may be deposited or maintained with any Person, other than the accounts set out in Schedule 9.3.20 on the Closing Date.
- (b) Other than as disclosed herein, no Obligor shall open, maintain or otherwise have a securities account or have any securities entitlement (as those terms are defined in the STA) without the prior written consent of the Lender.

9.3.21 Non-Arm's Length Transactions

No Obligor shall enter into any transaction or series of transactions, whether or not in the ordinary course of business, with any officer, director, shareholder or Affiliate of any member of the Obligor other than upon terms and conditions that are not worse for the Borrower than would be obtainable in a comparable Arm's Length transaction and which are approved by the board of directors (or managers, as applicable) of the applicable Obligor and fully disclosed in writing to the Lender and approved by Lender if outside the ordinary course of the business of the Obligor.

ARTICLE 10- SECURITY**10.1 Form of Security**

- (a) As general and continuing security for the due payment and performance of the Obligations of the Obligors to the Lender under the Credit Documents, the following Security shall be granted to the Lender:
 - (i) a general security agreement from the Borrower in favour of the Lender, constituting a first priority Encumbrance (subject only to the Priority Encumbrances) on all of the present and future Property of the Borrower;
 - (ii) a securities pledge agreement from the Borrower in favour of the Lender constituting a first priority Encumbrance (subject only to the Priority Encumbrances) over all shares in the capital stock of all its present and future direct Subsidiaries;
 - (iii) an unlimited guarantee and a postponement of claim from each of the Subsidiaries, guaranteeing the due payment and performance to the Lender of the all present and future Obligations of the Borrower;
 - (iv) a general security agreement from each of the Subsidiaries of the Borrower in favour of the Lender, as security for its Obligations, constituting a first priority Encumbrance (subject only to the Priority

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Encumbrances) on all of the present and future Property of each such Subsidiary;

- (v) securities pledge agreements from each Subsidiary of the Borrower in favour of the Lender constituting a first priority Encumbrance (subject only to the Priority Encumbrances) over all of the shares in the capital stock of each of its present and future direct Subsidiaries;
 - (vi) a general and specific assignment to the Lender of the rights, entitlements and benefits of any Obligor under any Material Contract, duly acknowledged by each counterparty thereto;
 - (vii) assignments by each Obligor to the Lender, with appropriate mortgagee clauses, of all insurance held by such Obligor;
 - (viii) an assignment by each Obligor in favour of the Lender of the Inter-Corporate Debt and the Inter-Corporate Security;
 - (ix) such further security agreements, deeds or other instruments of conveyance, assignment, transfer, mortgage, pledge or charge as the Lender may reasonably request to effectively secure the undertaking, property and assets of the Obligors in the manner contemplated by the security referred to in (i) through (viii) above.
- (b) The documents referred to above shall be in form satisfactory to the Lender and Lender's Counsel.

10.2 Insurance Assignment

Each Obligor, or the appropriate Obligor if blanket insurance policies are held, will cause the Lender to be shown as a loss payee, as its interest may appear, with respect to all insurance on the Property of each Obligor. All the proceeds of such insurance shall be paid directly to the Lender and held as further security.

10.3 After Acquired Property and Further Assurances

The Borrower shall from time to time execute and deliver, and shall cause each of the other Obligors from time to time execute and deliver, all such deeds or other instruments of conveyance, assignment, transfer, mortgage, pledge or charge in connection with all assets acquired by any Obligor after the date hereof and intended to be subject to the Security, including any insurance on those assets as may be requested by the Lender from time to time.

The Borrower shall take, and cause each of the other Obligors to take, such actions as are necessary or as the Lender may reasonably request from time to time to ensure that the Obligations of each Obligor under the Credit Documents are secured by a first priority Encumbrance (subject only to Priority Encumbrances) in favour of the Lender over all of the Property of the Obligors, in each case as the Lender may determine, including (a) the execution and delivery of guarantees, security agreements, pledge agreements, mortgages, deeds of trust, financing statements and other documents, and the filing or recording of any of the foregoing and

(b) the delivery of certificated securities and other collateral with respect to which perfection is obtained by possession and (c) entering into such agreements and taking such actions as are necessary so that the Lender has control (for purposes of the STA) of any collateral over which a security interest may be perfected by control.

10.4 Registration

The Borrower shall, at its expense, cause to be registered, filed or recorded the Security in all offices in each Relevant Jurisdiction where such registration, filing or recording is necessary or of advantage to the creation, perfection and preserving of the Security applicable to it and/or any other Obligor. Upon the written request of the Lender, the Borrower shall renew such registrations, filings and recordings from time to time as and when required to keep them in full force and effect and shall, from time to time as reasonably required, provide to the Lender an opinion of counsel acceptable to the Lender that all such registrations, filings and recordings have been made and perfect the security interests created by the Security.

10.5 Release of Security

At such time as the Borrower has satisfied all of its respective indebtedness, liabilities and obligations in relation to the Agreement in full and shall have terminated the same, the Lender shall, at the expense and request of the Borrower, without any representations, warranties or recourse of any kind whatsoever, enter into such agreements and other instruments as may be necessary to release, reassign, reconvey and discharge the Security; provided that any asset which is disposed of by any other Obligor in accordance with the terms of this Agreement shall be released from the Security by the Lender following a written request by, and at the expense of, the Borrower.

ARTICLE 11 - DEFAULT

11.1 Events of Default

The occurrence of any one or more of the following events (each an “Event of Default”) shall constitute a default under this Agreement:

- (a) the failure of an Obligor to pay any amount of principal of any Advance, or to pay interest, fees or other Obligations when due and payable;
- (b) the failure of an Obligor to observe or perform any covenant or obligation applicable to it under any Credit Document (other than a covenant or condition whose breach or default in performance is specifically dealt with elsewhere in this Section 11.1), or the occurrence of a Material Adverse Effect, if that Obligor fails to remedy such default within the earlier of five (5) days from the date:
 - (i) it becomes aware of the default; and
 - (ii) the Lender delivers written notice of the default to the Borrower;
- (c) any representation or warranty made by any Obligor in any Credit Document or in any certificate or other document at any time delivered hereunder to the Lender

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was incorrect or misleading or becomes incorrect or misleading in any material respect and the Obligor shall have failed to cure that breach or alleged breach within ten (10) Business Days after the Obligor's receipt of that specific written notice from the Lender;

- (d) the cessation or threatened cessation by an Obligor of its business generally or the admission by an Obligor of its inability to, or, its actual failure to, pay its debts generally;
- (e) the failure of an Obligor to observe or perform any agreement or condition in relation to any Debt to any Person which in the aggregate principal amount then outstanding is in excess of Cdn\$25,000, or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other condition is to cause, or to permit the holder of such Debt to cause such Debt to become due prior to its stated maturity date and the Obligor shall have failed to cure that breach or alleged breach within ten (10) Business Days after the Obligor's receipt of that specific written notice from the Lender;;
- (f) the denial by any Obligor of its obligations under any Credit Document, or the claim by any Obligor that any of the Credit Documents is invalid or has been withdrawn in whole or in part;
- (g) a decree or order has been entered by a court of competent jurisdiction adjudging an Obligor bankrupt or insolvent or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of any of them under any Insolvency Legislation or insolvency or appointing a receiver and/or a receiver and manager or decreeing or ordering a winding-up or liquidation of the affairs of any of them; or
- (h) an Obligor files a proposal pursuant to Insolvency Legislation or shall institute proceedings to be adjudicated a bankrupt or insolvent or shall consent to the institution of bankruptcy, or insolvency proceedings against it or shall file a petition or answer or consent seeking reorganization or relief under any applicable laws relating to bankruptcy or insolvency, or shall consent to the filing of any such petition or shall consent to the appointment of a receiver and/or a receiver and manager or shall have made an assignment for the benefit of creditors or shall admit in writing its inability to pay its debts generally as they become due;
- (i) the taking of possession by an Encumbrancer, by appointment of a receiver, receiver and manager, or otherwise, of any material portion of the Property of any Obligor;
- (j) the entering or obtaining of a final judgment or decree for the payment of money due against an Obligor in an amount in excess of Cdn\$100,000 if that judgment or decree is not vacated, discharged or stayed pending appeal within the applicable appeal period;

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- (k) the occurrence of an event of default under any Material Contract or Material Licence of an Obligor (other than an event of default specifically dealt with in this section), if that event of default is not remedied within fifteen (15) days after an Obligor becomes aware of it; or
- (l) a Person who is not, on the date hereof, a Control Person in respect of the Borrower, becomes a Control Person in respect of the Borrower.

11.2 Acceleration and Termination of Rights

If any Event of Default occurs, all Obligations shall, at the option of the Lender, become immediately due and payable with interest, at the rate or rates determined as provided in this Agreement, to the date of their actual payment, all without notice, presentment, protest, demand, notice of dishonour or any other demand or notice whatsoever, all of which are hereby expressly waived by each Obligor. In that event, the Security shall become immediately enforceable and the Lender may, in its sole discretion, exercise any right or recourse and/or proceed by any action, suit, remedy or proceeding against any Obligor authorized or permitted by law for the recovery of all the Obligations of the Obligors to the Lender, and proceed to exercise any and all rights hereunder and under the Security, and no such remedy for the enforcement of the rights of the Lender shall be exclusive of, or dependent on, any other remedy, but any one or more of such remedies may from time to time be exercised independently or in combination. Upon acceleration pursuant hereto prior to the 183rd day following the Closing Date, the Borrower shall pay as a genuine pre-estimate of damages and not as a penalty in addition to all other Obligations, an amount equal to ninety (90) days of interest in respect of the amount so accelerated.

11.3 Remedies Cumulative

For greater certainty, the rights and remedies of the Lender under any Credit Document are cumulative and are in addition to, and not in substitution for, any rights or remedies provided by Law or by equity; and any single or partial exercise by the Lender of any right or remedy for a default or breach of any term, covenant, condition or agreement contained in any Credit Document shall not be deemed to be a waiver of or to alter, affect or prejudice any other right or remedy or other rights or remedies to which the Lender may be lawfully entitled for such default or breach.

11.4 Termination of Lender's Obligations

The occurrence of an Event of Default shall relieve the Lender of all obligations to provide any further Advances.

11.5 Saving

The Lender shall have no obligation to the Obligors or any other Person to realize any collateral or enforce the Security or any part thereof or to allow any of the collateral to be sold, dealt with or otherwise disposed of. The Lender shall not be responsible or liable to the Obligors or any other Person for any loss or damage upon the realization or enforcement of, the failure to realize or enforce the collateral or any part thereof or the failure to allow any of the collateral to be sold, dealt with or otherwise disposed of or for any act or omission on their respective parts or

on the part of any director, officer, agent, servant or adviser in connection with any of the foregoing, except that the Lender may be responsible or liable for any loss or damage arising from the wilful misconduct or gross negligence of the Lender.

11.6 Perform Obligations

If an Event of Default has occurred and is continuing, and if any Obligor has failed to perform any of its covenants or agreements in the Credit Documents, the Lender may, but shall be under no obligation to, perform any such covenants or agreements in any manner deemed fit by the Lender without thereby waiving any rights to enforce the Credit Documents. The reasonable expenses (including any legal costs on a full indemnity basis) incurred by the Lender in respect of the foregoing shall be an Obligation and shall be secured by the Security.

11.7 Third Parties

No Person dealing with the Lender or any agent of the Lender shall be concerned to inquire whether the Security has become enforceable, or whether the powers which the Lender is or purporting to exercise have been exercisable, or whether any Obligations remain outstanding upon the Security thereof, or as to the necessity or expediency of the stipulations and conditions subject to which sale shall be made, or otherwise as to the propriety or regularity of any sale or other Disposition or any other dealing with the collateral charged by such Security or any part thereof.

11.8 Set-Off or Compensation

In addition to, and not in limitation of, any rights now or hereafter granted under Applicable Law, if repayment is accelerated pursuant to Section 11.2, the Lender may, at any time without notice to any Obligor or any other Person, the right to receive any notice being expressly waived by each Obligor, set-off and compensate and apply any and all indebtedness or obligation of any kind at any time owing by the Lender to or for the credit of or the account of an Obligor, against and on account of the Obligations, notwithstanding that any of them are contingent or unmatured.

11.9 Application of Payments

Notwithstanding any other provisions of this Agreement, after the occurrence and during the continuance of an Event of Default, all payments made by an Obligor under this Agreement, or from the proceeds of realization of any Security, or otherwise collected or received by the Lender on account of amounts outstanding with respect to any of the Obligations, shall be paid over or delivered to make the following payments (as the same become due at maturity, by acceleration or otherwise):

- (a) first, to payment of any fees owed to the Lender hereunder or under any other Credit Document;
- (b) second, to the payment of all reasonable out-of-pocket costs and expenses (including without limitation reasonable legal fees) of the Lender in connection with enforcing the rights of the Lender under the Credit Documents;

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- (c) third, to the payment of all Obligations consisting of interest payable to the Lender hereunder;
- (d) fourth, to all other Obligations other than the Debenture Obligations;
- (e) fifth, to all Debenture Obligations; and
- (f) sixth, to the payment of the surplus, if any, to whoever may be lawfully entitled to receive such surplus.

ARTICLE 12 - COSTS, EXPENSES AND INDEMNIFICATION

12.1 Costs and Expenses

The Borrower shall pay promptly upon receipt of written notice from the Lender all reasonable costs and expenses in connection with the preparation, execution and delivery of the Credit Documents, including, without limitation, all expenses relating to the preparation, execution and delivery of Credit Documents required for the Stand-by Facility, and the other instruments, certificates and documents to be delivered thereunder, whether or not a closing has occurred or any Drawdown has been made under this Agreement, including, without limitation, the reasonable fees and out-of-pocket expenses of Lender's Counsel with respect thereto and with respect to advising the Lender as to its rights and responsibilities under this Agreement and the other Credit Documents to be delivered under this Agreement. The Borrower further agrees to pay all reasonable costs and expenses in connection with the preparation or review of waivers, consents and amendments requested by the Borrower, questions of interpretation of this Agreement, and in connection with the establishment of the validity and enforceability of this Agreement and the preservation or enforcement of rights of the Lender under this Agreement, and other documents to be delivered under this Agreement, including, without limitation, all reasonable costs and expenses sustained by the Lender as a result of any failure by any of the Obligors to perform or observe any of their respective obligations under this Agreement, together with interest at 12.5% per annum from and after the 10th Business Day of having been given notice from the Lender, if payment is not made by that time. Such costs and expenses shall be payable whether or not an Advance is made under this Agreement.

12.2 Specific Environmental Indemnification

In addition to any liability of the Borrower to the Lender under any other provision of this Agreement, the Borrower covenants to defend and indemnify and hold harmless the Lender and its directors, officers, employees and representatives (collectively the "**Indemnified Parties**" and individually an "**Indemnified Party**") at all times from and against any and all losses, damages and costs (including reasonable legal fees and expenses) resulting from any legal action commenced or claim made by a third party, or administrative order issued by a Governmental Authority against the Lender, related to or as a result of actions on the part of any Obligor related to, or as a consequence of, environmental matters or a failure to comply with Requirements of Environmental Law. The Borrower shall have the sole right, at its expense, to control any such legal action or claim and to settle on terms and conditions approved by the Borrower and approved by the party named in such legal action or claim acting reasonably provided that if, in the opinion of the Lender the interests of the Lender are different from those of the Borrower in

connection with such legal action or claim, the Lender shall have the right, at the Borrower's expense, to defend its own interests provided that any settlement of such legal action or claim shall be on terms and conditions approved by the Borrower, acting reasonably. If the Borrower does not defend the legal action or claim, the Lender shall have the right to do so on its own behalf and on behalf of the Borrower, as the case may be, at the expense of the Borrower. The defence and indemnity obligations contained throughout this Agreement shall survive the termination of this Agreement and repayment of the Obligations.

12.3 Specific Third Party Claim Indemnification

In addition to any liability of the Borrower to the Lender under any other provision of this Agreement, the Borrower covenants to indemnify and hold harmless the Indemnified Parties from and against any and all actions, proceedings, claims, assessments in respect of required withholding losses, damages, liabilities, expenses and obligations of any kind that may be incurred by, or asserted against, any of them by any third party, including any Governmental Authority, as a result of, or in connection with, the entering into of the Credit Documents or the transactions therein contemplated, other than any claim arising from the gross negligence or wilful misconduct of an Indemnified Party. Whenever any such claim arises, an Indemnified Party (if not the Lender) shall promptly notify the Lender, and the Lender shall in turn promptly notify the Borrower, of the claim and, when known, the facts constituting the basis for the claim, and if known, the amount or an estimate of the amount of the claim. The failure of an Indemnified Party to promptly give notice of a claim shall not adversely affect the Indemnified Party's rights to indemnity, except to the extent such failure adversely affects the right of the Borrower to assert any reasonable defence to the claim. An Indemnified Party shall not settle or compromise any claim by a third party for which it is entitled to indemnification under this Section 12.3 without the prior written consent of the Borrower (which consent shall not be unreasonably withheld). The Borrower, at its sole cost and expense, may, upon written notice to the applicable Indemnified Parties, assume the defence of any such claim or any legal proceeding resulting therefrom, with counsel satisfactory to the applicable Indemnified Parties in their sole discretion but shall not settle or compromise any such claim or any legal proceeding resulting therefrom without the prior written consent of the applicable Indemnified Parties (which consent shall not be unreasonably withheld). The applicable Indemnified Parties shall be entitled to participate in (but not control) the defence of any action, with their own counsel and at their own expense. If the Borrower does not assume the defence of any claim or litigation resulting therefrom, the applicable Indemnified Parties may defend against that claim or litigation using one set of counsel for those Indemnified Parties, in the manner as it deems appropriate and at the expense of Borrower, including, but not limited to, settling the claim or litigation, after giving notice of the proposed settlement to, and receiving the consent of, the Borrower (which consent shall not be unreasonably withheld). In that case the Borrower shall be entitled to participate in (but not control) the defence of the action, with its own counsel and at its own expense. The defense and indemnity obligations contained throughout this Agreement shall survive the termination of this Agreement and repayment of the Obligations.

ARTICLE 13- TAXES, CHANGE OF CIRCUMSTANCES**13.1 Change in Law**

- (a) In the event of any change after the date of this Agreement in any Applicable Law or in the interpretation or application thereof by any court or by any Governmental Authority which now or hereafter:
- (i) subjects the Lender to any Tax or changes the basis of taxation, or increases any existing Tax, on payments of principal, interest, fees or other amounts payable by any Obligor to the Lender under any Credit Document (except for Taxes on the overall net income of the Lender);
 - (ii) imposes, modifies or deems applicable any reserve, special deposit or similar requirements against assets held by, or deposits in or for the account of or loans by or any other acquisition of funds by, an office of the Lender; or
 - (iii) imposes on the Lender or requires there to be maintained by the Lender any capital adequacy or additional capital requirements in respect of any Advances hereunder or any other condition with respect to any Credit Document;

with the result of an increase in the cost to, or a reduction in the amount of principal, interest or other amount received or receivable by, or the effective return of, the Lender under this Agreement in respect of making, maintaining or funding such Advance under the Credit Facilities, the Lender shall determine that amount of money which shall compensate the Lender for such increase in cost or reduction in income (in this Agreement referred to as “**Additional Compensation**”).

- (b) Upon the Lender having determined that it is entitled to Additional Compensation the Lender shall promptly notify the Borrower. The Lender shall provide to the Borrower a photocopy of the relevant Applicable Law, and a certificate of a duly authorized officer of the Lender setting forth the Additional Compensation and the basis of calculation therefor, which shall be conclusive evidence of such Additional Compensation in the absence of manifest error. The Borrower shall pay or shall cause the applicable Obligor to pay to the Lender within ten (10) Business Days of the giving of such notice the Lender’s Additional Compensation calculated to the date of such notification. The Lender shall be entitled to be paid such Additional Compensation from time to time to the extent that the provisions of this Section 13.1 are then applicable, notwithstanding that the Lender has previously been paid Additional Compensation. The Lender shall endeavour to limit the incidence of any Additional Compensation, including seeking recovery for the account of the applicable Obligor, by appealing any assessment at the expense of the applicable Obligor upon the request of the Borrower and will not seek Additional Compensation from the applicable Obligor except to the extent it seeks Additional Compensation from other obligors, if any, similarly affected.

13.2 Illegality

If, after the date of this Agreement, the adoption of or change to any Applicable Law, or any change in the interpretation or application thereof by any court or by any Governmental Authority, now or hereafter makes it unlawful or impossible for the Lender to make, fund or maintain an Advance under the Credit Facilities or to give effect to obligations it may have, if any, in respect of such an Advance, the Lender may, by written notice to the Borrower, declare obligations it may have, if any, under this Agreement to be terminated, whereupon the same shall forthwith terminate, and the Borrower shall repay within the time required by such Law (or at the end of such longer period as the Lender at its discretion has agreed) the principal of such Advance together with accrued interest, any Additional Compensation that may be applicable to the date of such payment and all costs, losses and expenses incurred by the Lender by reason of the liquidation or re-employment of deposits or other funds or for any other reason whatsoever resulting from the repayment of such Advance or any part thereof on other than the day it would otherwise be due. If any such change shall only affect a portion of the Lender's obligations, if any, under this Agreement which is, in the opinion of the Lender and the Lender's Counsel, acting reasonably, severable from the remainder of this Agreement, so that the remainder of this Agreement may be continued in full force and effect without otherwise affecting any of the obligations of the Lender, if any, or the Obligors under this Agreement, the Lender shall only declare its obligations, if any, under that portion so terminated.

13.3 Taxes

All payments required to be made to the Lender pursuant to the Credit Documents shall be made free and clear of, and without deduction or withholding for, or on account of, any present or future Taxes unless such deduction or withholding is required by Applicable Law. If any Taxes are required to be deducted or withheld by Applicable Law from any amounts payable under the Credit Documents, the Obligor shall promptly pay an additional amount ("**Additional Amount**") to the Lender as may be necessary so that after making all required Tax deductions or withholdings (including deductions or withholdings applicable to all Taxes on, or arising by reason of, the payment of Additional Amounts), the Lender receives an amount equal to the amount that it would have received had no such deductions or withholdings been required. The Obligor shall pay the full amount of all Taxes deducted or withheld under this Section 13.3 to the relevant Governmental Authority on a timely basis all in accordance with Applicable Law. Each Obligor shall be fully liable and responsible for and shall, promptly following receipt of a request from the Lender, pay to the Lender on its behalf or on behalf of the other Obligors, any and all Taxes in the nature of sales, use, and goods and services, and harmonized sales Taxes payable under the laws of Canada or any Province of Canada, or payable under the laws of any other country or jurisdiction, with respect to any and all goods and services made available under the Credit Documents to any Obligor by the Lender. Whenever any Taxes are required to be paid by an Obligor to a Governmental Authority under this Section 13.3, the Obligor shall send or cause to be sent to the Lender, as promptly as possible thereafter, a certified copy of an original official receipt showing payment of such Taxes. If an Obligor fails to pay any Taxes deducted or withheld as required under this Section 13.3 when due or if an Obligor fails to remit to the Lender the required documentary evidence of such payment, the Borrower shall indemnify and save harmless the Lender from any Taxes or other liabilities that may become payable by the Lender or to which the Lender may be subjected as a result of any such failure. A certificate of the Lender as to the amount of any such Taxes and containing reasonable details of the

calculation of such Taxes shall be, absent manifest error, prima facie evidence of the amount of such Taxes.

ARTICLE 14- SUCCESSORS AND ASSIGNS AND ADDITIONAL LENDERS

14.1 Successors and Assigns

- (a) The Credit Documents shall be binding upon and enure to the benefit of the Lender, the Obligors and their successors and assigns, except that no Obligor may assign any rights or obligations with respect to this Agreement or any of the other Credit Documents without the prior written consent of the Lender.
- (b) The rights and obligations of the Lender under this Agreement are assignable and/or saleable and the Lender shall be entitled to assign or sell its rights and obligations hereunder or to permit any other Person to participate in the Credit Facilities. The Borrower hereby consents to the disclosure of any Information to any potential lender or participant provided that the potential lender or participant agrees in writing to keep the Information confidential.

14.2 Participations

The Lender may sell participation to one or more Persons in or to all or a portion of its rights and obligations under this Agreement but the participant shall not become a Lender and:

- (a) the Obligors shall continue to deal solely and directly with the Lender in connection with the Lender's rights and obligations under this Agreement;
- (b) no participant shall have any right to approve any amendment or waiver of any provision of this Agreement, or any consent to any departure by any Person therefrom; and
- (c) a participation by the Lender of its interest (or a part thereof) hereunder or a payment by a participant to the Lender as a result of the participation will not constitute a payment under this Agreement to the Lender or an Advance to the Borrower.

ARTICLE 15- GENERAL

15.1 Exchange and Confidentiality of Information

- (a) The Borrower agrees that the Lender may provide any assignee or participant pursuant to Article 14 with any information concerning the financial condition of the Obligors.
- (b) Subject to Section 15.1(a), the Lender acknowledges the confidential nature of the financial, operational and other information and data provided and to be provided to it by the Obligors, or any one of them pursuant to this Agreement (the "**Information**") and agrees to use all reasonable efforts to prevent its disclosure provided, however, that:

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- (i) it may disclose all or any part of the Information if, in its opinion, such disclosure is required in connection with any actual or threatened judicial, administrative or governmental proceeding; and
- (ii) it shall incur no liability in respect of any disclosure of Information to any, or pursuant to the requirements of any, judicial authority, law enforcement agency or taxation authority.

15.2 Notices

- (a) All notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier or email to the addresses or telecopier numbers specified below:

- (i) if to the Lender

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

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

- (ii) if to the Borrower:

Tamerlane Ventures Inc.
1609 Broadway St., Suite 203
Bellingham, WA 98225

Attention: Margaret Kent
Fax No.: 360-752-9463
Email: mkent@tamerlaneventures.com

with a courtesy copy, which does not constitute notice, to:

Lang Michener LLP
Brookfield Place
181 Bay Street Suite 2500
P.O. Box 747
Toronto, Ontario M5J 2T7

Attention: William J.V. Sheridan
Fax No.: 416-304-3766
Email: wsheridan@langmichener.ca

- (b) Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent

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by telecopier or e-mail shall be deemed to have been given when sent (except that, if not given on a Business Day between 9:00 a.m. and 5:00 p.m. local time where the recipient is located, shall be deemed to have been given at 9:00 a.m. on the next Business Day for the recipient).

- (c) Any party may change its address or telecopier number for notices and other communications hereunder by notice to the other parties hereto.

15.3 Governing Law

This 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 any of the Obligors may be found.

15.4 Judgment Currency

- (a) If, for the purpose of obtaining or enforcing judgment against any party in any court in any jurisdiction, it becomes necessary to convert into a particular currency (the "**Judgment Currency**") an amount due in another currency (the "**Indebtedness Currency**") under any Credit Document, the conversion will be made at the Rate of Exchange (in this clause, "**Rate of Exchange**" means the noon spot rate of exchange for Canadian interbank transactions applied in converting the Indebtedness Currency into the Judgment Currency published by the Bank of Canada for the relevant date) prevailing on the Business Day immediately preceding the date on which judgment is given.
- (b) If, as a result of a change in the rate of exchange between the date of judgment and the date of actual payment, the conversion of the Judgment Currency into the Indebtedness Currency results in the Lender receiving less than the full amount of Indebtedness Currency dollars payable to the Lender, the Borrower agrees to pay the Lender any additional amount (and in any event not a lesser amount) as may be necessary to ensure that the amount received is not less than the full amount of Indebtedness Currency dollars payable by the Borrower on the date of judgment. Any additional amount due under this section will be due as a separate debt, gives rise to a separate cause of action, and will not be affected by judgment obtained for any other sums due under any Credit Document.

15.5 Severability

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions hereof and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

15.6 Entire Agreement

This Agreement, including all its attached Schedules, together with the Credit Documents, constitutes the entire agreement between the Parties with respect to the subject

matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether written or oral, including the term sheet executed by the Parties on November 8, 2010.

15.7 Further Assurances

Each of the Obligors and the Lender shall promptly cure any default by it in the execution and delivery of any of the Credit Documents or any other agreements provided for in this Agreement to which it is a party. The Borrower, at its own expense, shall or shall cause the other Obligors, as applicable, to promptly execute and deliver to the Lender, upon request by the Lender, all further documents, agreements, opinions, certificates and instruments in compliance with, or accomplishment of the covenants and agreements of the Obligors under any of the other Credit Documents, or more fully to state the obligations of such Obligor as set forth in this Agreement or any of the Credit Documents or to make any recording, file any notice or obtain any consent, all as may be reasonably necessary or appropriate in connection with this Agreement or any of the Credit Documents from time to time.

15.8 Consent to Jurisdiction

- (a) The parties hereto irrevocably submit to the non-exclusive jurisdiction of the courts of the Province of Ontario and hereby irrevocably agree that all claims in respect of such action or proceeding may be heard and determined in such court. The Obligors hereby irrevocably waive, to the fullest extent it may effectively do so, the defence of an inconvenient forum to the maintenance of such action or proceeding.
- (b) The parties hereto hereby irrevocably consent to the service of any and all process in such action or proceeding by the delivery of such process to either Obligor at the Borrower's address provided in accordance with Section 15.2.

15.9 Non-Merger

The representations, warranties and covenants contained in any Credit Document shall not merge on closing or at the time of the first Advance hereunder and shall, subject to Section 8.2 hereto, continue in full force and effect.

15.10 Time of the Essence

Time shall be of the essence of this Agreement.

15.11 Counterparts

This 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 constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.

15.12 Delivery by Facsimile or Email Transmission

This Agreement may be executed and delivered by facsimile or email transmission and each of the Parties may rely on such facsimile or email signature as though that facsimile or email signature were an original hand-written signature.

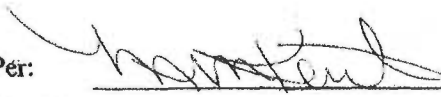
15.13 Amendments and Waivers

No amendment or modification of any provision of any Credit Document, or consent by the Lender to any departure from any provision of any Credit Document, is in any way effective unless it is in writing and signed by the Lender and the Borrower. Any waiver by the Lender of the strict observance, performance or compliance with any term, covenant, condition or other matter contained in any Credit Document, and any indulgence granted by the Lender, shall be effective only if in writing and in the specific instance and for the purpose for which it was given and shall be deemed not to be a waiver of any rights and remedies of the Lender under any Credit Document or instrument executed pursuant to this Agreement as a result of any other default or breach under any Credit Document.

[Remainder of page has been intentionally left blank.]

IN WITNESS WHEREOF the Parties hereto have executed this Agreement.

TAMERLANE VENTURES INC.

Per: 
Name: _____
Title: _____

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

Per: _____
Name: _____
Title: _____


Per: _____
Name: _____
Title: _____

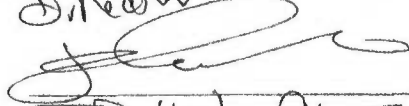
IN WITNESS WHEREOF the Parties hereto have executed this Agreement.

TAMERLANE VENTURES INC.

Per: _____
Name:
Title:

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

Per: 
Name: David Lewis
Title: Director

Per: 
Name: JOHN CALENDO
Title: DIRECTOR

SCHEDULE 1.1.15
BRIDGE LOAN 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].

CONVERTIBLE DEBENTURE

USD \$1,250,000.00

December __, 2010

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

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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 183rd 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 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 Obligor, 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
I. 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

- 4 -

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 183rd 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")

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: HSBC Bank Canada North Vancouver Branch

Account Number: 10500 is transit/016 is institution/093679-070 is a/c #

Swift Code: HKBC CATT

Address: 1577 Lonsdale Avenue North Vancouver, BC V7M2J2

Contact Number: 604-903-7776

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

1. 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:

Claim Name **Claim No.**

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 29th 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 29th 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 Cañete

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.

- 2 -

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.
17TH FLOOR, 777 DUNSMUIR ST.
VANCOUVER, B.C.
V7Y 1J5

EXHIBIT “B”

This is Exhibit "B" referred to in the Affidavit of David Lewis
sworn January 24....., 2014



Commissioner for Taking Affidavits (or as may be)

**JEREMY DAVID BORNSTEIN,
A COMMISSIONER, ETC.,
PROVINCE OF ONTARIO,
WHILE A STUDENT-AT-LAW
EXPIRES APRIL 12, 2015.**

FIRST AMENDING AGREEMENT

This Amending Agreement made as of the 30th 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:

- 2 -

- (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

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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]

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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 OALIESO

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

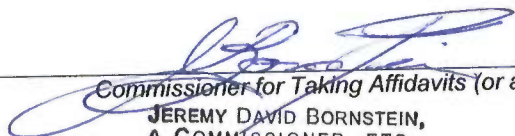
Schedule 8.1.21: On June 7, 2011, Pine Point Holding Corp. submitted a proposal to Alvarez & Marsal Inc., the Court Appointed Receiver (the "Receiver") of Redcorp Ventures Ltd. and Redfern Resources Ltd. (collectively "Redfern") to purchase certain equipment in the possession of the Receiver (the "Equipment") 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.

EXHIBIT “C”

This is Exhibit "C" referred to in the Affidavit of David Lewis
sworn January 24..., 2014



Commissioner for Taking Affidavits (or as may be)

**JEREMY DAVID BORNSTEIN,
A COMMISSIONER, ETC.,
PROVINCE OF ONTARIO,
WHILE A STUDENT-AT-LAW
EXPIRES APRIL 12, 2015.**

SECOND AMENDING AGREEMENT

This Second Amending Agreement is made as of the 29th 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 183rd 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 25th of each calendar month beginning with the first of such dates to occur on the 25th 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.

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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.

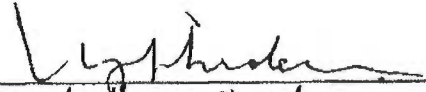
[rest of page intentionally left blank; signatures on the next page]

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 Sheridan
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 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.

EXHIBIT “D”

This is Exhibit "D" referred to in the Affidavit of David Lewis
sworn January ...24..., 2014



Commissioner for Taking Affidavits (or as may be)

**JEREMY DAVID BORNSTEIN,
A COMMISSIONER, ETC.,
PROVINCE OF ONTARIO,
WHILE A STUDENT-AT-LAW
EXPIRES APRIL 12, 2015.**

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.

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

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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.

- (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, 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

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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

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: [Signature]
Name:
Title:

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

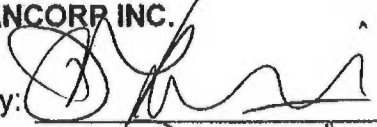
By: _____
Name:
Title:
By: _____
Name:
Title:


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

"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	818.68	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	085B14			2007-05-09	2028-05-09	2635.00	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	1706.00	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

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	464.85	188.12			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	085B15	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	585.26			NWT
F73131	M 9	TAMERLANE VENTURES	100.00	085B15				2001-09-06	2011-09-06	1446.20	585.26			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	2324.25	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	585.80	237.06			NWT
F73147	N 5	TAMERLANE VENTURES	100.00	085B15				2001-09-06	2011-09-06	619.80	250.82			NWT
F73157	M 2	TAMERLANE VENTURES	100.00	085B16				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	108.30	41.80			NWT

EXHIBIT “E”

This is Exhibit "E" referred to in the Affidavit of David Lewis
sworn January ..24..., 2014



Commissioner for Taking Affidavits (or as may be)

**JEREMY DAVID BORNSTEIN,
A COMMISSIONER, ETC.,
PROVINCE OF ONTARIO,
WHILE A STUDENT-AT-LAW
EXPIRES APRIL 12, 2015.**

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.

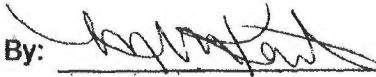
Enurement

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.

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

TAMERLANE VENTURES INC.

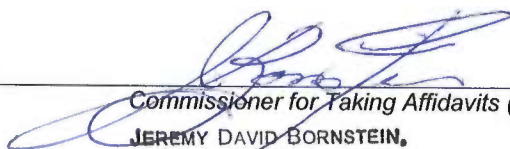
By: 

Name:

Title:

EXHIBIT “F”

This is Exhibit "F" referred to in the Affidavit of David Lewis
sworn January ~~2014~~²⁴, 2014



Commissioner for Taking Affidavits (or as may be)

**JEREMY DAVID BORNSTEIN,
A COMMISSIONER, ETC.,
PROVINCE OF ONTARIO,
WHILE A STUDENT-AT-LAW
EXPIRES APRIL 12, 2015.**

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

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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;

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- (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

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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

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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.

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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:

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- (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

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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

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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

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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 day of December, 2010.

TAMERLANE VENTURES USA, INC.

By: 

Name:

Title:

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

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**" excludes advances

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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;

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- (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

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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

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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:

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- (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 pay 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 has 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

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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 29 day of July, 2011.

PINE POINT HOLDING CORP.

By: 

Name: Margaret Kent

Title: Director

Fax No:

Address:

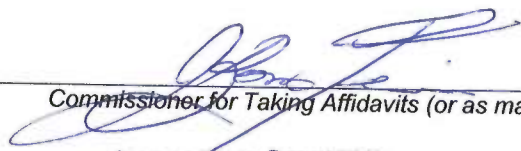
Lender's Address for Service:

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

EXHIBIT “G”

This is Exhibit "G" referred to in the Affidavit of David Lewis
sworn January ...²⁴., 2014



Commissioner for Taking Affidavits (or as may be)

**JEREMY DAVID BORNSTEIN,
A COMMISSIONER, ETC.,
PROVINCE OF ONTARIO,
WHILE A STUDENT-AT-LAW
EXPIRES APRIL 12, 2015.**

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

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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,

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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.

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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.

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

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

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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 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;

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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