
**Second Report of Duff & Phelps
Canada Restructuring Inc.
as Receiver of Tamerlane Ventures
Inc. and Pine Point Holding Corp.**

October 28, 2014

Contents

	Page
1.0 Introduction.....	1
1.1 Purposes of this Report.....	2
1.2 Currency	3
2.0 Background	3
3.0 Carolin Mines.....	4
3.1 Confidentiality	5
3.2 Transaction	5
3.3 Recommendation	6
4.0 Proceeds from the Transaction.....	7
5.0 Overview of the Receiver's Activities	7
6.0 Conclusion and Recommendation	8
Appendix	Tab
Kent Affidavit	A
CCAA Termination Order	B
Receivership Order.....	C
Property Option Agreement	D
Confidential Appendix	Tab
Letter Agreement	A
Asset Purchase Agreement	B

COURT FILE NO.: CV-14-10417-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

GLOBAL RESOURCE FUND

APPLICANT

- AND -

TAMERLANE VENTURES INC. AND PINE POINT HOLDING CORP.

RESPONDENTS

SECOND REPORT OF
DUFF & PHELPS CANADA RESTRUCTURING INC.
AS RECEIVER OF TAMERLANE VENTURES INC. AND PINE POINT HOLDING CORP.

OCTOBER 28, 2014

1.0 Introduction

1. Pursuant to an Order (“Initial Order”) of the Ontario Superior Court of Justice (Commercial List) (“Court”) made on August 23, 2013, Tamerlane Ventures Inc. (“Tamerlane”) and Pine Point Holding Corp. (“Tamerlane Pine Point”) were granted protection under the *Companies’ Creditors Arrangement Act* (the “CCAA”) and Duff & Phelps Canada Restructuring Inc. (“D&P”) was appointed the monitor (“Monitor”) in the CCAA proceedings (Tamerlane and Tamerlane Pine Point are jointly referred to as the “Company”).
2. The Affidavit of Margaret M. Kent, sworn August 22, 2013 (the “Kent Affidavit”) and filed in support of the Company’s application for CCAA protection, provides, *inter alia*, the Company’s background, including the reasons the Company believed it was necessary to file for CCAA protection. A copy of the Kent Affidavit is attached as Appendix “A”. Ms. Kent was Tamerlane’s Executive Chair, Chief Financial Officer and a director of Tamerlane Pine Point at the date that the CCAA proceedings commenced.
3. Pursuant to Court Orders made in the CCAA proceedings, the Company could not seek an extension of the CCAA stay of proceedings beyond January 31, 2014, unless (i) it repaid its principal secured creditor, Global Resource Fund (“GRF”), in full, by that date; or (ii) received written consent from GRF and the Monitor to seek an extension of the stay.

-
4. Prior to January 31, 2014, GRF advised the Company and the Monitor that it was not prepared to consent to a further extension of the CCAA stay of proceedings and that it intended to seek an Order (the "Receivership Order") appointing D&P as receiver ("Tamerlane Receiver") of all of the Company's assets, property and undertaking.
 5. Pursuant to Court Orders made on January 30, 2014, the CCAA proceedings were terminated ("Termination Order") and D&P was appointed as Receiver of the Company. Copies of the Termination Order and the Receivership Order are attached as Appendices "B" and "C", respectively.
 6. The principal purpose of the receivership proceedings is to continue the sale and investment solicitation process ("SISP") for the Company's business and assets which commenced during the CCAA process.

1.1 Purposes of this Report

1. The purposes of this report ("Report") are to:
 - a) Provide background information about the Company and these proceedings;
 - b) Summarize a transaction (the "Transaction") between the Tamerlane Receiver and Samson Belair / Deloitte & Touche Inc., in its capacity as court-appointed receiver (the "Century Receiver") of Century Mining Corporation ("Century"), which contemplates the Century Receiver exercising Century's option under a Property Option Agreement dated February 13, 2004 ("Property Option Agreement") to acquire Tamerlane's 30% interest in certain mineral claims and surface rights to mineral claims situated in British Columbia (such mineral claims and rights being the "Carolin Mines" and Tamerlane's 30% interest therein being the "Additional Option Property");
 - c) Provide an overview of the Tamerlane Receiver's activities since August 7, 2014, the date of its first report to Court (the "First Report"); and
 - d) Recommend that this Honourable Court issue an order:
 - Approving the Transaction and vesting the Tamerlane Receiver's and Tamerlane's right, title and interest in and to the Additional Option Property in the Century Receiver, or to any party the Century Receiver may direct, upon filing the Receiver's Certificate with this Honourable Court confirming that the Century Receiver has exercised its rights and funded its obligations to the Tamerlane Receiver under the Property Option Agreement;

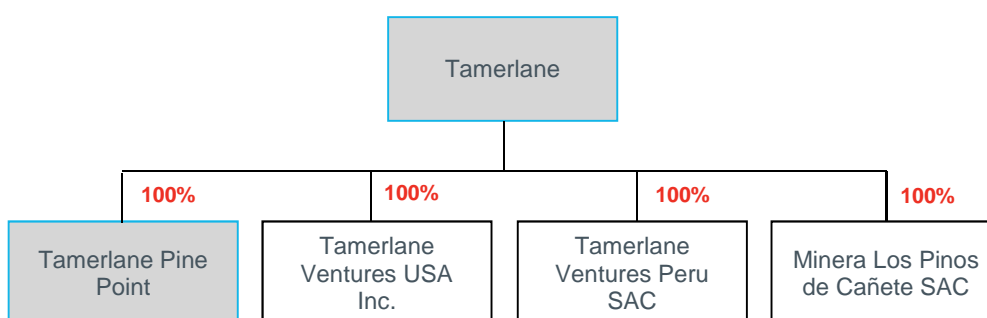
- Sealing the confidential appendices to this Report until further order of this Honourable Court; and
- Approving the Tamerlane Receiver's activities, as described in this Report.

1.2 Currency

1. Unless otherwise noted, all currency references in this Report are to Canadian dollars.

2.0 Background

1. The shares of Tamerlane were listed on Tier 2 of the TSX Venture Exchange. On January 30, 2014, trading in the shares was suspended indefinitely as a result of the receivership.
2. Tamerlane's corporate chart is provided below ¹. Tamerlane and its subsidiaries are collectively referred to as the "Tamerlane Group".



3. The Tamerlane Group is engaged in the acquisition, exploration and development of base metal projects in Canada and Peru. The Tamerlane Group's flagship property is Pine Point (the "Pine Point Property"), a project located near Hay River in the South Slave Lake area of the Northwest Territories of Canada. The Pine Point Property is owned by Tamerlane Pine Point. The Tamerlane Group's other significant assets are the Los Pinos mining concessions in the Lima Department, Peru.
4. The Tamerlane Group does not presently generate any revenue.

¹ The shaded entities are subject to the receivership proceedings.

-
5. The Tamerlane Group does not have any employees. At the commencement of the receivership proceedings, the Tamerlane Receiver engaged two consultants to assist it with these proceedings; these individuals were formerly employees of Tamerlane Ventures USA Inc.
 6. Additional information concerning the Company and these proceedings can be found in the reports and court materials on the Tamerlane Receiver's website at: www.duffandphelps.com/restructuringcases.

3.0 Carolin Mines

1. The Carolin Mines are located in southern British Columbia and are not presently operating. The Additional Option Property is comprised of Tamerlane's remaining interest in and to the Carolin Mines.² The claims and rights to the Carolin Mines are owned by Century (60%), Tamerlane (30%) and New Carolin Gold Corp. (10%).
2. Pursuant to the Property Option Agreement, Century has the right to pay \$6,667 for each of Tamerlane's 1% interest in the Carolin Mines (i.e. \$200,010 for Tamerlane's 30% interest). A copy of the Property Option Agreement is attached as Appendix "D".
3. The Tamerlane Receiver considered its options regarding Tamerlane's interest in the Carolin Mines. After considering the marketing process undertaken by the Century Receiver with respect to the Carolin Mines and the estimation of value implied by the results of such process, as well as the estimated time and cost entailed in other options, and after consulting with and receiving the consent of GRF, the Tamerlane Receiver executed a letter agreement with the Century Receiver and the Carolin Mines Purchaser (defined below) regarding the exercise of the additional option (the "Letter Agreement").
4. The Century Receiver was appointed receiver over the assets, properties and undertaking of Century pursuant to an order of the Quebec Superior Court of Justice dated May 29, 2012. Pursuant to an Asset Purchase Agreement ("Carolin Mines Transaction") between the Century Receiver and a third party dated July 10, 2014 ("APA"), Century intends to: (i) exercise its rights under the Property Option Agreement to acquire the Additional Option Property by paying Tamerlane \$200,010; and (ii) sell its then 90% interest in the Carolin Mines to a third party purchaser (the "Carolin Mines Purchaser"³).
5. It is contemplated that, prior to closing, the Century Receiver will direct that Tamerlane's and the Tamerlane Receiver's right, title and interest in and to the Additional Option Property be vested in the Carolin Mines Purchaser.

² The mineral claims and surface rights are more particularly described in Schedule "B" of the proposed Approval and Vesting Order.

³ The name of which is confidential at this point in time but has been disclosed to the Tamerlane Receiver.

-
6. The proposed Approval and Vesting Order:
- a) vests Tamerlane's and the Tamerlane Receiver's interest in the Additional Option Property, free and clear of any and all liabilities, other than permitted encumbrances, easements and restrictive covenants listed on Schedule C of the proposed Approval and Vesting Order ("Permitted Encumbrances"), in the Century Receiver, or in another party as directed by the Century Receiver;
 - b) directs the British Columbia Registrar of Land Titles to enter the Century Receiver, or such party as the Century Receiver may direct, as the owner of the real property rights ("Real Property Rights") free and clear of any and all liabilities, other than the Permitted Encumbrances. The Real Property Rights are set out in Part III of Schedule B of the proposed Approval and Vesting Order; and
 - c) directs the Chief Gold Commissioner of the British Columbia Gold Commissioner's Office to transfer and register in the name of the Century Receiver, or as the Century Receiver may direct, all of Tamerlane's and the Tamerlane Receiver's right, title and interest in and to the mineral tenures ("Mineral Tenures") free and clear of any and all liabilities. The Mineral Tenures are set out in Part I of Schedule B of the proposed Approval and Vesting Order.

3.1 Confidentiality

1. The Tamerlane Receiver respectfully requests that the Letter Agreement and the APA be filed with the Court on a confidential basis and be sealed ("Sealing Order") as the Letter Agreement contains confidential information and the details of the Carolin Mines Transaction were provided to the Tamerlane Receiver on a confidential basis and remain confidential. The Century Receiver has requested that the Tamerlane Receiver seek this relief. For example, if the terms of the APA are not sealed, future bidders would have access to, among other things, the amount that was accepted by the Century Receiver, which could be prejudicial to a subsequent sale process. The Tamerlane Receiver is not aware of any party that will be prejudiced by it if the information is sealed. Accordingly, the Tamerlane Receiver believes the proposed Sealing Order is appropriate in the circumstances.

3.2 Transaction

1. A summary of the Transaction is as follows:
 - Additional Option Property: Tamerlane's 30% interest in the Carolin Mines to be acquired through the exercise of the additional option by the Century Receiver under and in accordance with the Property Option Agreement;
 - Consideration: \$200,010;

-
- Conditions: (i) the closing of the Carolin Mines Transaction; and (ii) the approval of the Transaction by this Honourable Court; and
 - Representations and Warranties: Tamerlane's interest in the Carolin Mines is to be sold on terms consistent with a standard insolvency transaction, i.e. completed on an "as is, where is" basis, without significant representations or warranties.
2. The Transaction is conditional on the closing of the Carolin Mines Transaction, the significant conditions of which include:
 - Carolin Mines Purchaser completing a financing;
 - Settlement of certain accounts payable and accrued liabilities; and
 - The Quebec Superior Court issuing an approval and vesting order ("Quebec Order"). The Century Receiver expects to file a motion shortly to seek the Quebec Order.
 3. Provided the conditions are met or waived, the Transaction will close at the latest within 5 business days of the Completion Date under the APA (which completion date must be within 120 days after the granting of the Quebec Order).

3.3 Recommendation

1. The Tamerlane Receiver recommends that this Honourable Court issue an order approving the Transaction for the following reasons:
 - Century is exercising its existing rights under the Property Option Agreement. The Tamerlane Receiver contacted Ms. Kent who advised that Century has fulfilled all of its obligations and is eligible to exercise its rights under the Property Option Agreement;⁴
 - GRF, as the only party which appears to have an economic interest in the Company and its assets, consents to the Transaction; and
 - The Transaction does not affect the marketability of the remaining assets of the Tamerlane Group, and does not impact other options being considered by the Tamerlane Receiver and GRF for the Tamerlane Group, including a sale or refinancing of the business.
2. For the reasons noted above, the Tamerlane Receiver respectfully recommends that this Honourable Court approve the Transaction.

⁴ The Tamerlane Receiver understands that at the time the Property Option Agreement was signed, Ms. Kent was an officer and director of Tamerlane and Century. Ms. Kent has advised that she sold her interest in Century in December, 2009 and is no longer a related party of Century.

4.0 Proceeds from the Transaction

1. GRF was the Company's debtor-in-possession financing lender in the CCAA proceedings. During the CCAA proceedings, GRF advanced approximately US\$1.1 million to the Company to fund operating expenses under the DIP Term Sheet (as defined in the Initial Order), secured by a Court-ordered charge over all the Company's assets, properties and undertakings. The Tamerlane Receiver intends to use the proceeds from the Transaction to repay a portion of the amounts owing under the DIP Term Sheet. Since the commencement of the receivership proceedings, the Tamerlane Receiver has repaid approximately US\$400,000 of the amount outstanding under the DIP Term Sheet. Accordingly, approximately US\$700,000 is outstanding under the DIP Term Sheet, plus interest.

5.0 Overview of the Receiver's Activities

1. The Tamerlane Receiver's activities up to the date of the First Report were approved by the Court on August 13, 2014. Since then, the Tamerlane Receiver's activities have included the following:
 - Corresponding extensively with key stakeholders in these proceedings, including GRF and its legal counsel;
 - Corresponding with Goodmans LLP ("Goodmans"), the Tamerlane Receiver's legal counsel, concerning all matters in the receivership proceedings, including: the SISP, the Transaction, the sale of the Company's flotation equipment, matters in Peru related to Los Pinos, including the potential sale of the Los Pinos concessions and litigation matters, and matters regarding Tamerlane Pine Point's land leases located in the Northwest Territories;
 - Corresponding with a representative of the Government of the Northwest Territories regarding Tamerlane Pine Point's property leases and mining claims;
 - Reviewing and commenting on the Letter Agreement;
 - Dealing routinely with cash management issues, including paying post-filing expenses;
 - Dealing with the sale of various flotation equipment and issues related to the remaining flotation cells;
 - Corresponding with prospective purchasers in connection with the SISP;

-
- Providing access to an electronic data room to prospective purchasers that executed the Tamerlane Receiver's non-disclosure agreement;
 - Preparing funding requests for GRF;
 - Corresponding with the Alberta Securities Commission regarding a cease trade order issued in connection with Tamerlane;
 - Preparing a letter to Ms. Kent to request background information on the Property Option Agreement;
 - Corresponding extensively with Estudio Manini & Asociados ("Manini"), the Tamerlane Receiver's Peruvian legal counsel, in order to, among other things, receive an update on criminal and civil cases in connection with Tamerlane's interest in Los Pinos and discussing same with GRF;
 - Dealing with matters related to a Power of Attorney required in connection with the Company's Peruvian legal proceedings and discussing same with Goodmans, representatives of GRF and its counsel;
 - Dealing with matters related to Los Pinos, including the sale thereof;
 - Dealing with litigation matters concerning Los Pinos;
 - Drafting this Report; and
 - Addressing all other matters pertaining to the administration of these receivership proceedings.

6.0 Conclusion and Recommendation

1. Based on the foregoing, the Tamerlane Receiver respectfully recommends that this Honourable Court make an Order granting the relief detailed in Section 1.1 of this Report.

* * *

All of which is respectfully submitted,

Duff & Phelps Canada Restructuring Inc.

**DUFF & PHELPS CANADA RESTRUCTURING INC.
IN ITS CAPACITY AS COURT-APPOINTED RECEIVER OF
TAMERLANE VENTURES INC. AND PINE POINT HOLDING CORP.
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “A”

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF TAMERLANE VENTURES INC. and
PINE POINT HOLDING CORP.

AFFIDAVIT OF MARGARET M. KENT
(Sworn August 22, 2013)

I, Margaret M. Kent, of the City of Kailua-Kona, in the State of Hawaii, United States of America, **MAKE OATH AND SAY:**

1. I am (i) the Executive Chair and Chief Financial Officer of Tamerlane Ventures Inc. ("**Tamerlane**"), (ii) a Director of Pine Point Holding Corp. ("**Tamerlane Pine Point**", and together with Tamerlane, the "**Applicants**"), and (iii) the Chair and Treasurer of Tamerlane Ventures USA, Inc. ("**Tamerlane USA**", and together with the Applicants, the "**Company**"). As such, I have personal knowledge of the matters set out below, except where otherwise stated. Where I do not possess personal knowledge, I have stated the source of my information and I believe such information to be true.
2. All references to dollar amounts contained in this affidavit are to United States Dollars unless otherwise stated.

I. RELIEF SOUGHT

3. This affidavit is sworn in support of an application for an initial order (the "**Initial Order**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") in respect of the Applicants, among other things:

- a) abridging and validating the time for service of the Notice of Application and the Application Record, and dispensing with further service thereof;
- b) declaring that the Applicants are companies to which the CCAA applies;
- c) appointing Duff & Phelps Canada Restructuring Inc. ("**Duff & Phelps**") as Monitor of the Applicants;
- d) staying all proceedings and remedies taken or that might be taken in respect of the Applicants or any of their property, except as otherwise set forth in the Initial Order;
- e) staying all proceedings and remedies taken or that might be taken in respect of Tamerlane USA or Tamerlane Ventures Peru SAC ("**Tamerlane Peru**"), or any of their property with respect to any claim involving the Applicants, except as otherwise set forth in the Initial Order;
- f) authorizing the Applicants to carry on business in a manner consistent with the preservation of their property and to make certain payments in connection with their business and the proceedings;
- g) authorizing the Applicants to borrow funds under a credit facility (the "**DIP Financing**"), with such DIP Financing to be on the terms set out in

the term sheet dated August 22, 2013 (the "**Term Sheet**") between the Applicants and Global Resource Fund (in such capacity, the "**DIP Lender**");

- h) granting the Administration Charge (defined below), the Financial Advisor Charge (as defined below), the Directors' Charge (as defined below), the DIP Lender's Charge (defined below), and the Subordinated Administration Charge (defined below);
- i) approving the SISP (defined below), and authorizing PricewaterhouseCoopers Corporate Finance Inc. (the "**Financial Advisor**"), the Monitor and the Applicants to perform their obligations thereunder;
- j) providing that the Applicants may not seek or obtain any extension of the stay of proceedings beyond 11:59 p.m. (Toronto time) on January 7, 2014 unless certain conditions (such as the prior written consent of the Applicants' secured lender) are met (such date beyond which the Applicants may not seek or obtain any extension of the stay period, if any, being the "**Outside Date**"), and that if those conditions are not met by the Outside Date, this proceeding will automatically terminate and a receiver will be appointed in respect of the Applicants; and
- k) permitting the Applicants to file with this Honourable Court a plan of compromise or arrangement.

4. The Secured Lender consents to the relief sought in this proceeding.

II. CORPORATE STRUCTURE

Tamerlane

5. Tamerlane is a publicly held company whose shares are listed on Tier 2 of the TSX Venture Exchange under the symbol "TAM". It was incorporated in the Province of British Columbia on May 16, 2000, and was continued as a federal corporation under the *Canada Business Corporations Act*, R.S.C., 1985, c. C-44 (the "**CBCA**") on July 26, 2010. A copy of Tamerlane's articles of continuance is attached as Exhibit "A".

6. Tamerlane's registered office is located at 181 Bay Street, Suite 4400, Toronto, Ontario, M5J 2T3 and its executive office is located at 441 Peace Portal Drive, Blaine, Washington State, USA, 98230.

7. Tamerlane's share capital consists of an unlimited number of common shares without par value. As of August 20, 2013, Tamerlane had 137,828,529 common shares issued and outstanding as well as 5,630,000 stock options and 13,750,000 warrants outstanding. Additionally, a convertible debenture issued to Global Resource Fund, a fund managed by Renvest Mercantile Bancorp Inc. (the "**Secured Lender**"), would result in another 6,250,000 shares being issued and outstanding if converted.

8. To the best of my knowledge, no person beneficially owns, or exercises control or direction over, directly or indirectly, shares carrying more than 10% of the voting rights attached to all shares of Tamerlane except for (i) R. Christopher Charlwood, who beneficially owns 27,500,000 shares (19.95% of voting rights), and (ii) the Secured Lender, which beneficially owns 21,268,827 shares (15.4% of voting rights). Mr. Charlwood, who I believe to be a

sophisticated investor, purchased his shares in January 2013 for CAD \$1,698,842 (or CAD \$0.0618 per share). I understand that he continues to believe in the long-term value of the Company and its assets.

9. Mr. Charlwood, Tamerlane's largest shareholder, has been kept up-to-date by the Applicants with respect to this proposed CCAA proceeding, and does not object to any of the relief being sought.

The Tamerlane Group

10. Tamerlane Pine Point and Tamerlane USA are both direct subsidiaries of Tamerlane. An organization chart of the Company and other related subsidiaries (collectively, the "**Tamerlane Group**") is attached as Exhibit "B".

11. Tamerlane owns 100% of the shares of Tamerlane Pine Point, which is incorporated under the CBCA. The articles of incorporation of Tamerlane Pine Point are attached as Exhibit "C".

12. Tamerlane Pine Point's registered office is located at 181 Bay Street, Suite 4400, Toronto, Ontario, M5J 2T3.

13. Tamerlane also owns 100% of the shares of (i) Tamerlane USA, a company incorporated under the laws of the State of Washington, USA, (ii) Tamerlane Peru, a company incorporated under the laws of Peru, and (iii) Minera Los Pinos de Cañete SAC ("**Tamerlane Minera**"), a company incorporated under the laws of Peru.

14. None of Tamerlane USA, Tamerlane Peru or Tamerlane Minera is an applicant in these proceedings.

15. The Tamerlane Group's business is fully integrated among the Canadian, United States and Peruvian companies.

Management of the Applicants

16. As set out above, I am a director of each of the Applicants. In addition to me, the directors of each of the Applicants are as follows:

- a) Tamerlane: William J.V. Sheridan, J. Cowan McKinney, Timothy J. Chapman, and Ross F. Burns; and
- b) Tamerlane Pine Point: William J.V. Sheridan and Ross F. Burns.

17. The Tamerlane management team consists of the following individuals, all of which are employed by Tamerlane USA, which provides management services to the Applicants:

- a) Margaret Kent, Executive Chair and Chief Financial Officer of Tamerlane;
- b) John L. Key, Chief Executive Officer of Tamerlane;
- c) Judy Dudley, Vice President of Tamerlane; and
- d) Richard Meschke, Director, Corporate Development and Legal of Tamerlane.

18. The Applicants do not have any employees of their own.

III. THE BUSINESS

19. The Tamerlane Group is engaged in the acquisition, exploration and development of base metal projects in Canada and Peru. The Applicants' flagship property is the Pine Point Property,

a project located near Hay River in the South Slave Lake area of the Northwest Territories, Canada. The Tamerlane Group's other significant asset is the Los Pinos mining concessions in the Lima Department, Peru, that hosts a historic copper resource.

Pine Point

20. The Pine Point Property is owned by Tamerlane Pine Point. The mine at Pine Point was the largest and most profitable zinc-lead mine in Canadian history. From 1964 to 1987 more than 64 million tonnes of ore were extracted.

21. The Pine Point Property was ultimately shut down in 1987 due to high costs of maintaining a townsite, and exhaustion of near-plant resources. However, Tamerlane has learned from the problems encountered by previous operators, and is now proposing to mine the Pine Point Properties' ore bodies using a variety of open cut and underground mining methods. No townsite will be needed, and the mill site will be centrally located to all current and future ore deposits at the Pine Point Property.

22. In 2004, the Applicants acquired an option and exclusive right to earn an undivided 60% interest in the Pine Point Property. The Applicants commenced exploration in the fourth quarter of 2004 and in 2006 fulfilled all exploration requirements to earn the 60% interest in the property. In the second quarter of 2006, the Applicants increased their interest in the Pine Point Property to 100% in exchange for \$1,000,000 and the granting of a 3% net smelter return royalty to an entity controlled by the family trusts of two insiders of Tamerlane.

23. In 2007, the Applicants completed an NI 43-101 Technical Report on the Pine Point Property. The report defined 10.9 million tonnes of measured and indicated resources in

conjunction with a positive feasibility study of 1.0 million tonnes of proven and probable reserves for the R-190 zinc-lead deposit at the Pine Point Property, one of the major deposits at the Pine Point Property.

24. Between 2005 and 2008, the Applicants completed a full environmental assessment and received all necessary land and water permits to commence construction of the mill and mine infrastructure and operate the R-190 deposit. The 5-year permits were issued in 2008, but in late 2008 the Pine Point project was put on hold because of low metal prices.

25. On March 16, 2012, the Mackenzie Valley Land and Water Board approved a Type "A" Land Use Permit for the completion and construction of the main mine site at the R-190 deposit location. In addition to obtaining the Land Use Permit, the Applicants also obtained approval for an amended Water License for the R-190 deposit location. The Minister of Aboriginal Affairs and Northern Development Canada signed the Water License in April 2012. Both the Water License and the Land Use Permit are available for the full maximum term of 5 years. The Applicants have begun work on the necessary management plans associated with the Water License and Land Use Permit to allow for commencement of construction, which can begin once financing is obtained. All permits remain in good standing.

26. On April 2, 2012, an updated NI 43-101 Technical Report (the "**2012 R-190 Report**") of the six initial underground deposits at Pine Point comprising the R-190 project was completed. The 2012 R-190 Report reflects new cost assumptions based on updated quoted prices in late 2011 as well as the effect of changing the mine access from a shaft to a decline. No update was completed for the estimates of reserves and resources. The 2012 R-190 Report confirms that the R-190 project is feasible based on the assumptions used.

27. In addition, on March 23, 2012, a NI 43-101 Technical Report was published in respect of another type of deposit - the N-204 surface deposit at Pine Point (the "**2012 N-204 Report**"). The 2012 N-204 Report confirms that the N-204 project is feasible based on the assumptions used.

28. Beginning in early 2013, the Applicants commenced work on the preparation of an additional NI 43-101 Technical Report for several other deposits at the Pine Point property, all of which are expected to be mineable by open pit methods. The Applicants are now expecting to mine a substantial amount of ore at Pine Point by open pit methods as a result of input received from potential partners and investors that were considering the Pine Point project in 2012. This report is expected to be completed by the end of August, 2013.

29. The Applicants believe based on, among other things, the foregoing, that there is very substantial value in the Pine Point Property. The project has been determined to be feasible and environmental permits and licenses have already been obtained to put the first deposit into production. All of the expensive infrastructure, such as roads, powerlines and railheads, are already in place, minimizing the capital cost necessary to commence operations. The Applicants simply need to raise the financing necessary to be able to exploit the value of the project, a task made more difficult by, among other things, the problems experienced generally in the mining sector thus far during 2013.

Los Pinos

30. In 2007, Tamerlane acquired the Los Pinos assets through one of its subsidiaries, Tamerlane Peru, and it currently holds the mining concessions through another of its subsidiaries, Tamerlane Minera.

31. The Los Pinos porphyry copper deposit is located at an elevation of 700 meters, 100 km south of Lima, Peru. The deposit is contained within the Los Pinos No. 1 & 6 and the El Pino concessions, which total 790 hectares.

32. The deposit is contained in a deeply weathered granodiorite, which is part of the coastal batholithic complex, and occurs in a northwest trending zone that parallels the northern portion of the Rio de Canete. Los Pinos has several sister deposits, such as the Lucuma deposit on the opposite side of the Rio de Canete. The deposit was shown to have an extensive cap of oxide copper, changing to mixed oxides and sulfides, and eventually by sulfides to depth. The Los Pinos deposit was investigated in the early 1990s assuming a copper price of \$.90 per pound, less than 30% of the current price of approximately \$3.30 per pound.

33. The Los Pinos property became significantly more valuable in 2011 as a result of rising copper prices.

34. However, the Los Pinos assets have been the subject of an ownership dispute since 2008 when Alexander Vidaurre Otayza, who was the General Manager of Tamerlane Peru and Century Mining Peru SAC ("**Century Peru**"), a company that managed the affairs of Tamerlane Peru and shared offices with it, became disgruntled and, prior to resigning, directed Century Peru's in-house lawyer and an outside law firm, both of which were holding Tamerlane Peru's

shares in trust for Tamerlane, to transfer the shares to Mr. Vidaurre and his secretary. Once the share transfer was completed, Mr. Vidaurre and his secretary both resigned from Tamerlane Peru and Century Peru and took Tamerlane Peru's share registries, corporate records and minute books with them.

35. Mr. Vidaurre then attempted to blackmail Tamerlane, demanding cash for the return of the Tamerlane Peru shares. Tamerlane, however, refused to be extorted and was successful in obtaining an injunction that froze the title to the property so that Mr. Vidaurre could not sell or otherwise dispose of the concessions. Tamerlane has also been successful in regaining administrative control of Tamerlane Minera. With administrative control, Tamerlane can now move the Los Pinos project forward and apply for the permits necessary to commence work on the project. To date Tamerlane has been successful in all of its legal proceedings in respect of this ownership dispute.

36. Mr. Vidaurre has also been charged criminally with respect to these actions and the prosecutor has filed an official report charging Mr. Vidaurre and his accomplice/co-conspirator Jaime León Gerardo Sztrancman Waisblack with crimes of forgery and giving a false statement. The prosecutor has requested five-year prison sentences for each of Mr. Vidaurre and Mr. Sztrancman.

37. In addition, the Company has been actively engaged in discussions with Mr. Vidaurre and Mr. Sztrancman regarding a possible resolution to the title dispute in the interest of increasing the marketability of the Los Pinos property. Some progress has been made in that regard to date.

38. The Applicants believe that, especially in light of current copper prices and the current status of the proceedings against Mr. Vidaurre and Mr. Sztrancman, material value can be realized from the Los Pinos property.

Employees

39. As discussed above, the Applicants do not have any employees. The four individuals (including me) who constitute the Applicants' management team are employed by Tamerlane USA, which provides management services to the Applicants.

40. The Company formerly employed additional individuals, but has proactively reduced its workforce to the greatest extent possible in order to minimize expenses. The Applicants engage advisors, agents and consultants in respect of additional work that cannot be done by management.

Bank Accounts and Cash Management

41. Tamerlane's main bank is National Bank of Canada, at which it maintains Canadian dollar and US dollar accounts.

42. The Tamerlane Group manages a centralized cash management system. Tamerlane lends cash on an inter-company basis to other entities as needed. It is anticipated that the Tamerlane Group will continue to use the existing cash management system and will continue to maintain the bank accounts and arrangements already in place during the CCAA proceedings. This approach will minimize any disruption to business operations as the Applicants seek to restructure. The cash management system includes the necessary accounting controls to enable

the Applicants, as well as their creditors and this Honourable Court, to trace funds through the system and ensure that all transactions are adequately documented and readily ascertainable.

IV. CURRENT STATUS OF THE COMPANY

43. The Company's financial reporting is done on a consolidated basis in accordance with Canadian securities laws and includes all of the entities that comprise the Tamerlane Group. The Tamerlane Group's audited consolidated financial statements for the year ending December 31, 2012 are attached as Exhibit "D", and the Tamerlane Group's interim condensed consolidated financial statements for the three months ended March 31, 2013 are attached as Exhibit "E".

Assets

44. As at March 31, 2013 the Tamerlane Group had total consolidated assets with a net book value of \$24,814,433. The assets included consolidated current assets of \$2,007,406, and consolidated non-current assets with a net book value of \$22,807,027. Non-current assets included primarily the investment in the Pine Point property of \$20,729,551 and the Los Pinos property of \$1,314,936. As discussed above, the Applicants believe that the Los Pinos property is worth more than its net book value as a result of, among other things, recent increases in copper prices.

Secured Debt

45. Pursuant to a Credit Agreement between Tamerlane and the Secured Lender made as of December 16, 2010, as amended by a First Amending Agreement dated June 30, 2011 and a Second Amending Agreement dated July 29, 2011 (the "**Credit Agreement**"), Tamerlane

became indebted to the Secured Lender for \$10,000,000. A copy of the Credit Agreement (including the two Amending Agreements) is attached as Exhibit "F".

46. The secured indebtedness under the Credit Agreement (the "**Secured Debt**") is guaranteed by both Tamerlane Pine Point and Tamerlane USA, and each of Tamerlane, Tamerlane Pine Point and Tamerlane USA has executed a general security agreement in favour of the Secured Lender in respect of the Secured Debt. Copies of the relevant guarantees and security agreements are attached as Exhibit "G".

47. I believe that the Secured Lender is, and has always been, fully secured by the Company's Pine Point assets, and all valuations received to date, as discussed below, fully support that belief. If anything, its security cushion has increased due to the increase of value at Los Pinos.

48. As a result of liquidity constraints facing Tamerlane (and many other junior mining companies) in the fall of 2012, it failed to make four regularly scheduled monthly interest payments in respect of the Secured Debt beginning on September 25, 2012 and failed to repay the principal balance of the Secured Debt on the maturity date of October 16, 2012, each of which was an "Event of Default" under the Credit Agreement.

49. The Company and the Secured Lender then negotiated and entered into a Forbearance Agreement made as of December 31, 2012 (the "**Forbearance Agreement**") wherein, among other things, Tamerlane agreed to make certain payments to the Secured Lender, including a \$1,500,000 principal repayment on March 31, 2013 (the "**March 31 Payment**"). A copy of the Forbearance Agreement is attached as Exhibit "H".

50. Once again, as a result of liquidity constraints, Tamerlane was unable to, and did not, make the March 31 Payment, which failure resulted in an "Event of Default" under the Credit Agreement and the Forbearance Agreement.

51. Shortly after Tamerlane failed to make the March 31 Payment, Tamerlane and the Secured Lender entered into negotiations with respect to a further forbearance arrangement.

52. On May 24, 2013, Tamerlane also failed to make the May interest payment, and on May 29, 2013, I received by email a letter from the Secured Lender's counsel (the "**May 29 Letter**") enclosing: (i) a Notice of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act* ("**BIA**"); and (ii) a Notice of Intention to Dispose of Collateral pursuant to section 63 of the *Personal Property Security Act* (Ontario) (the "**PPSA**"). The May 29 Letter (including enclosures) is attached as Exhibit "**I**".

53. According to the May 29 Letter, the total amount of the Secured Debt as at May 29, 2013 was \$11,631,948.90.

54. Negotiations continued between Tamerlane and the Secured Lender in respect of a further forbearance, and on June 10, 2013, the Secured Lender and Tamerlane entered into an amendment to the Forbearance Agreement (the "**Forbearance Agreement Amendment**"). Pursuant to the Forbearance Agreement Amendment, among other things, the Secured Lender withdrew the May 29 Letter (including the statutory notices) and agreed to capitalize the May interest payment in exchange for Tamerlane agreeing to pay certain fees to the Secured Lender (which fees were capitalized) and resuming making cash interest payments to the Secured Lender with the June 25, 2013 interest payment. A copy of the Forbearance Agreement Amendment is attached as Exhibit "**J**".

55. Tamerlane was then unable to, and therefore did not, make the July 25 payment, which failure resulted in an "Event of Default" under the Credit Agreement and the Forbearance Agreement Amendment.

56. On July 26, 2013, the Applicants' counsel received by email a letter from the Secured Lender's counsel (the "**July 26 Letter**") enclosing (i) a Notice of Intention to Enforce Security pursuant to section 244 of the BIA and (ii) a Notice of Intention to Dispose of Collateral pursuant to section 63 of the PPSA. The July 26 Letter (including enclosures) is attached as Exhibit "**K**".

57. According to the July 26 Letter, the total amount of the Secured Debt as at July 26, 2013 was \$12,100,254.26.

58. Both before and after the delivery of the July 26 Letter, the Secured Lender (through its counsel) advised the Applicants (through their counsel) that, immediately after the expiry of the prescribed ten day period under section 244(2) of the BIA (the "**NITES Period**"), it intended to bring an application to seek the appointment of a receiver in respect of the Applicants.

59. At that time, the Applicants informed the Secured Lender that they were considering commencing a CCAA proceeding prior to the expiry of the NITES Period, and proposed that the Applicants and Secured Lender agree to a consensual CCAA proceeding, which the Applicants believed (and continue to believe) to be in the best interests of all stakeholders, including the Secured Lender.

60. The Secured Lender expressed a willingness to negotiate with the Applicants with a view to determining whether a CCAA proceeding could proceed on consent based upon consensual

terms that protect the interests of the Secured Lender. The Secured Lender firmly stated, however, that as a key term of consenting to any CCAA initial order, it required a fixed “sunset date” for the CCAA proceeding beyond which stay extensions could not be sought without the Secured Lender's consent unless the Secured Lender had been repaid in full by that date, as well as a provision in the initial order directing that a receivership order would issue after that date in the event that the Secured Debt was not paid in full by that date, unless the Secured Lender consented otherwise. The Secured Lender also required the Company to undertake a thorough marketing process run by a qualified financial advisor to sell assets or obtain financing so that, among other things, the Secured Debt could be repaid in full.

61. The NITES Period was set to expire at 11:59 p.m. EDT on August 6, 2013. However, leading up to August 6, 2013, the Company and the Secured Lender were in discussions regarding this consensual proceeding. Accordingly, the Company and the Secured Lender agreed to extend the expiry of the Notice of Intention to Enforce Security on multiple occasions. The current Notice of Intention to Enforce Security is set to expire at 11:59 p.m. EDT on August 23, 2013.

62. On August 22, 2013, the Secured Lender and Tamerlane entered into a second amendment to the Forbearance Agreement (the "**Second Forbearance Agreement Amendment**"). Pursuant to the Second Forbearance Agreement Amendment, among other things, (i) the Secured Lender agreed, subject to certain conditions, to forbear from exercising its rights against the Applicants until January 7, 2014, and to consent to the relief sought in this proceeding, and (ii) Tamerlane agreed to pay an additional fee to the Secured Lender. A copy of the Second Forbearance Agreement Amendment is attached as Exhibit "L".

63. As at August 20, 2013, the only parties that have registrations against the Applicants pursuant to the PPSA are: (i) the Secured Lender and (ii) the Applicants' counsel, the Monitor and the Monitor's counsel in respect of the fees and disbursements owing to each. The search results as at August 20, 2013 are attached as Exhibit "M".

64. The Applicants are not aware of any other party claiming to be a secured creditor of one or both of the Applicants.

Unsecured Creditors

65. The Applicants' unsecured creditors are principally trade creditors. Collectively, the Applicants' accounts payable were approximately CAD \$875,000 as at August 13, 2013, in addition to accrued professional fees in connection with issues related to the Secured Debt and this proceeding. The CAD \$875,000 includes loans owing to me and Ross Burns for \$25,000 each, as well as approximately \$110,000 that has been owing since 2008 to a company that was formerly related to Tamerlane.

V. REFINANCING EFFORTS TO DATE

66. Given that the Company is in the exploration stage with its assets, it does not yet generate cash flow from operations. Accordingly, its only potential source of cash is from financing activities, which have been problematic in light of the current market for "junior" mining companies.

67. It was always contemplated by the Company when the Credit Agreement was entered into that the take-out financing would be in the form of construction financing for Pine Point.

The Company's primary focus until the early part of the summer of 2012 was on obtaining that construction financing.

68. In that regard, in or about January, 2011, advisors retained by the Company to assist in sourcing a debt deal for the financing of the Pine Point Project were successful in obtaining a term sheet for a \$60 million debt financing, and the Company also received a term sheet from an offtaker for \$40 million of offtake. However, the Company still needed to raise approximately \$30-40 million of equity, and was ultimately unsuccessful in doing so. Therefore, that deal could not proceed.

69. There was also a negotiation with an interested strategic purchaser in mid-2012 that ultimately did not proceed because of an unrelated financial setback suffered by the purchaser.

70. Following that, in or about September 2012, the Company's focus shifted from finding project financing to finding financing to simply repay the Secured Lender. There was interest from at least one Toronto-based mezzanine fund, but no deal was ultimately reached.

71. Throughout the latter half of 2012, Tamerlane tried to raise equity through private placements, and/or to sell an interest in the Pine Point project to a partner that would be able to arrange financing for mine development. During December 2012, Tamerlane completed a CAD \$160,000 equity private placement on a "flow-through" basis, meaning that the funds were required to be used for qualified Canadian exploration expenditures. This investment came from a Tamerlane director and his family.

72. Also in December, 2012, as discussed above, Tamerlane agreed to a share issuance to Mr. Charlwood, which was completed in January, 2013. The share issuance was originally going to

be in exchange for a CAD \$2,000,000 equity investment, but only approximately CAD \$1,700,000 could be subscribed for in January 2013 because of certain agreed ownership limitations.

73. In or about December, 2012, Tamerlane was negotiating with an arm's length potential purchaser which was interested in the Los Pinos property. The negotiations were at a relatively advanced stage, and the gross purchase price being discussed was approximately \$13 million to \$15 million. However, no agreement was entered into.

74. The Company has continued to search for financing for the construction of the Pine Point Property, a purchase for Los Pinos, and/or to repay the Secured Lender, but has been unsuccessful to date. There continues to be significant interest from potential purchasers/investors in respect of the Applicants and their assets.

75. For instance, the Applicants have been in discussions with a foreign state-owned entity that has a successful track record of executing M&A, strategic investments and offtake agreements in multiple countries, to produce a transaction that raises the funds needed to repay the Secured Lender in full.

76. In addition, a number of other interested parties have come forward very recently and are each in early stage discussions with the Applicants and the Secured Lender with respect to transactions involving Pine Point.

VI. THE FINANCIAL ADVISOR AND THE SISF

77. In order to consummate a transaction to, among other things, repay the Secured Debt in full as soon as possible, the Applicants, in consultation with the Secured Lender, have engaged the

Financial Advisor. The role of the Financial Advisor will be to, under the oversight of the Monitor, implement the sale investment solicitation process (the "**SISP**") attached as Exhibit "N".

78. The SISP has been agreed among the Financial Advisor, the Monitor, the Applicants and the Secured Lender.

79. Pursuant to the SISP, the Financial Advisor will seek to identify one or more financiers or purchasers of, and/or investors in, the key assets / entities that comprise the Tamerlane Group. The SISP will include broad marketing to all potential financiers, purchasers and investors, and will consider offers for proposed financing (that will, among other things, repay the Secured Debt), an investment in the Applicants' business and/or a purchase of some or all of the Applicants' assets.

80. I believe it is critically important that the SISP be approved at this time for a variety of reasons. First and most importantly, the negotiated deal between the Applicants and the Secured Lender only provides the Applicants until January 7, 2014 to close one or more transactions to pay out the Second Lender in full. Accordingly, time is of the essence, and the process must begin immediately.

81. In addition, the Applicants' business and assets are complex, and I expect that interested parties will want to undertake substantial due diligence. Lastly, the Applicants' financing under the Term Sheet is conditional on the SISP being approved at this time.

82. Accordingly, given that one or more transactions must be completed by January 7, 2014, the complexity of the assets, and the fact that the Applicants' financing is conditional on the SISP

being approved, I believe it is necessary that the SISP be granted at this time, and that the SISP provides the best potential for recovery for the Applicants' stakeholders in the circumstances.

83. The SISP will be a fair and transparent process run by the Financial Advisor, under the oversight of the Monitor. It is intended to maximize value for the Applicants and all of their stakeholders, including the Secured Lender.

84. Tamerlane previously requested that a reputable institution with significant mining experience perform valuations of both Los Pinos and the Pine Point Property. The Los Pinos valuation was completed in May 2013 and indicates a preliminary valuation of \$12 to \$15 million using a 0.3% copper cut-off grade, or \$17 to \$21 million using a 0.2% copper cut-off grade. The Pine Point valuation was completed in July 2013 and indicates a valuation of \$30 to \$56 million based on market comparables, with a value as high as \$229 million considering precedent transactions. The preliminary valuations of Los Pinos and Pine Point contain sensitive and competitive information, and, accordingly, have not been attached to my affidavit. However, counsel to the Applicants have copies of both valuations and will make them available to the Court if requested.

VII. THE APPLICANTS MEET THE CCAA STATUTORY REQUIREMENTS

85. I am advised by Sean Zweig of Bennett Jones LLP, counsel to the Applicants, that the CCAA applies in respect of a "debtor company" if the claims against the debtor company or affiliated debtor companies total more than CAD \$5 million. I am further advised by Sean Zweig that a "debtor company" is a company incorporated under an Act of Parliament or the legislature of a Province which has, among other things, become bankrupt or insolvent.

A. The Applicants are "Companies" Under the CCAA

86. Tamerlane is a company continued under the CBCA, and Tamerlane Pine Point is a company incorporated under the CBCA. Accordingly, both are "companies" to which the CCAA applies. Copies of Tamerlane's articles of continuance and Tamerlane Pine Point's articles of incorporation were previously attached.

B. The Applicants have Claims Against them in Excess of \$5 Million

87. As discussed above, each of the Applicants has debts against it in excess of the CAD \$5 million statutory requirement as a result of the Secured Debt alone, which is now due and owing, and is in excess of CAD \$5 million.

C. The Applicants are Insolvent

88. I am advised by Sean Zweig that under section 2 of the BIA (and a similar definition exists under sections 192(2) and 208 of the CBCA), an insolvent person is one whose liabilities to creditors exceeds CAD \$1,000 and (i) is for any reason unable to meet his obligations as they generally become due, (ii) has ceased paying his current obligations in the ordinary course of business as they generally become due, or (iii) the aggregate of whose property is not, at a fair valuation, sufficient, or, if disposed of at a fairly conducted sale under legal process, would not be sufficient to enable payment of all his obligations, due and accruing due.

89. As a result of the Secured Debt becoming due and owing, the Applicants are unable to meet their obligation as they come due.

VIII. RELIEF SOUGHT

90. As discussed above, the Applicants cannot currently repay the amount owing to the Secured Lender, which is now due and payable. Accordingly, a stay of proceedings is essential

to avoid a distressed liquidation of the Applicants' assets at fire-sale prices. Such a stay would provide the Financial Advisor with the necessary time to implement the SISP with the oversight of the proposed Monitor, and the Applicants with the opportunity to engage in discussions with its stakeholders with respect to a potential plan of compromise or arrangement. The Applicants believe it is necessary to file for CCAA protection and that the Initial Order is appropriate in the circumstances.

91. On or about August 21, 2013, the Board of Directors of each of the Applicants passed a resolution approving the commencement of proceedings under the CCAA.

A. Overview of Proposed CCAA Proceedings

92. The paramount goal of the Applicants is to preserve, maximize and realize upon value for the benefit of all of their stakeholders, including the Secured Lender. I believe that there is considerable value for stakeholders ranking subordinate to the Secured Lender. The immediate objective of the proceeding is to secure sufficient funds to repay the Secured Lender in full.

B. Stay of Proceedings

93. The Applicants need a stay of proceedings to allow the Financial Advisor (with the oversight of the Monitor) to pursue and implement the SISP in an attempt to avoid a distressed liquidation of their assets.

94. Because of the integration of the Company, it would be detrimental to the Applicants' ability to successfully restructure if any person were to commence proceedings, or rights and remedies were exercised against, Tamerlane USA or Tamerlane Peru. Accordingly, the Initial Order contains provisions enjoining the exercise of rights and remedies against Tamerlane USA

or Tamerlane Peru in order to preserve the value of the Applicants while they undertake to restructure under the CCAA.

C. Appointment of Monitor

95. Duff & Phelps has consented to act as the Monitor of the Applicants in the CCAA proceedings, and I believe that Duff & Phelps is qualified and competent to so act.

96. I understand that Duff & Phelps will be filing its Pre-Filing Report with this Honourable Court as proposed Monitor in conjunction with the Applicants' request for relief under the CCAA.

D. Payments During CCAA Proceeding

97. During the course of this CCAA proceeding, the Applicants intend to make payments for goods and services supplied post-filing as set out in the cash flow projections referred to below and as permitted by the Initial Order.

E. Charges for Professionals

98. It is contemplated that the Monitor, counsel to the Monitor, and counsel to the Applicants would be granted a first priority Court-ordered charge on the assets, property and undertakings of the Applicants in priority to all other charges (the "**Administration Charge**") up to the maximum amount of CAD \$300,000 in respect of their respective fees and disbursements in connection with these proceedings. The Applicants believe the Administration Charge is fair and reasonable in the circumstances.

99. It is also contemplated that the Financial Advisor would be granted a second priority Court-ordered charge on the assets, property and undertakings of the Applicants in priority to all other charges other than the Administration Charge (the "**Financial Advisor Charge**") up to a

maximum amount of CAD \$300,000 in respect of the Financial Advisor's fees and disbursements in connection with these proceedings. The Applicants believe the Financial Advisor Charge is fair and reasonable in the circumstances.

100. It is further contemplated that the Monitor, counsel to the Monitor, counsel to the Applicants and the Financial Advisor would be granted an additional Court-ordered charge on the assets, property and undertakings of the Applicants in priority to all other charges other than the Administration Charge, the Financial Advisor Charge, the DIP Lender's Charge, the Directors' Charge and the security interest of the Secured Lender (the "**Subordinated Administration Charge**", and together with the Administration Charge and the Financial Advisor Charge, the "**Professional Charges**") in respect of their respective additional fees and disbursements in connection with these proceedings not covered by the Administration Charge or the Financial Advisor Charge.

101. As is customary, a significant component of the Financial Advisor's fee is a success fee which is only payable in certain circumstances. Similarly, in order to assist the Applicants with their liquidity constraints, counsel to the Applicants has agreed to discount its billing rates provided that it too be provided with a success fee to compensate it for the risk taken. Those success fees, as well as any additional ordinary fees and disbursements of the Monitor, its counsel, and the Applicants' counsel, are the subject of the Subordinated Administration Charge. The Applicants believe the Subordinated Administration Charge is fair and reasonable in the circumstances and is further evidence that there is value beyond the Secured Debt.

102. The Applicants require the expertise, knowledge and continuing participation of the proposed beneficiaries of the Professional Charges in order to complete a successful

restructuring. I believe the Professional Charges are necessary to ensure their continued participation, particularly in light of the Applicant's current liquidity position.

103. The Applicants have sought to ensure that there is no unwarranted duplication of roles so as to minimize the professional fees associated with these proceedings.

104. The Secured Lender consents to the quantum and ranking of the Professional Charges.

F. DIP Financing & DIP Lender's Charge

105. As set out in the cash flow forecast attached as Exhibit "O", the Applicants' principal use of cash during these proceedings will consist of the payment of ongoing day-to-day operational expenses, such as management fees for those individuals providing services to the Applicants, office related expenses, and a portion of the professional fees and disbursements in connection with these CCAA proceedings. As indicated in the cash flow forecast, it is projected that the Applicants will require additional borrowings during these proceedings, notwithstanding that the Applicants are seeking to complete these proceedings as quickly as reasonably possible in order to minimize professional costs and the impact on Tamerlane's business.

106. The DIP Loan is to be governed by a debtors-in-possession term sheet substantially in the form attached as Exhibit "P", the material terms of which include, among other things:

- i. The DIP Lender will lend an aggregate principal amount of USD \$978,571 to the Applicant.
- ii. The DIP Lender will receive a setup fee of USD \$30,000, resulting in net proceeds of USD \$948,571 to the Applicants.

- iii. The Applicants will use the proceeds for general working capital purposes and to pay fees and expenses relating to the CCAA proceeding.
- iv. Advances will be made once every two weeks based on the cash needs of the Applicants.
- v. Interest will accrue on the principal outstanding amount of the DIP Loan outstanding at the rate of 12% per annum calculated monthly and payable on the maturity date. Interest will not compound.
- vi. The Applicants may prepay the advances under the DIP Loan, in full or in part, at any time and from time to time without bonus or penalty.
- vii. The DIP Loan will mature on January 7, 2014.

107. It is contemplated that the DIP Lender would be granted a third priority Court-ordered charge on the assets, property and undertakings of the Applicants in priority to all other charges other than the Administration Charge and the Financial Advisor Charge (the "**DIP Lender's Charge**"). I have been advised by the DIP Lender that it will not provide the DIP Loan if the DIP Lender's Charge is not granted.

108. The financing provided by the DIP Lender is essential to a successful restructuring of the Applicants. Given the current financial situation of the Applicants (including its dire cash situation and the lack of availability of alternate financing), the Applicants believe the DIP Loan is the best alternative for the Applicants and its stakeholders in the circumstances. Accordingly, the directors of the Applicants exercised their business judgment to enter into the Term Sheet.

The Applicants believe the Term Sheet and the DIP Lender's Charge is fair and reasonable in the circumstances.

G. Directors' Charge

109. It is contemplated that the Applicants' directors and officers would be granted a fourth priority Court-ordered charge on the assets, property and undertakings of the Applicants in priority to all other charges other than the Administration Charge, the Financial Advisor Charge and the DIP Lender's Charge (the "**Directors' Charge**") up to the maximum amount of CAD \$45,000. The amount of the Directors' Charge has been calculated based on the estimated exposure of the directors and officers of the Applicants in the event of a sudden shut-down of the Tamerlane Group. The Applicants believe the Directors' Charge is fair and reasonable in the circumstances.

110. A successful restructuring of the Applicants will only be possible with the continued participation of the Applicants' directors and officers. The individuals have specialized expertise and relationships with the Company's stakeholders and potential third party financiers, investors and purchasers. In addition, the directors and officers have gained significant knowledge that cannot be easily replicated or replaced.

111. It is my understanding that in certain circumstances, directors and officers can be held personally liable for certain of a company's obligations

112. Tamerlane maintains an insurance policy in respect of the potential liability of its directors and officers (the "**D&O Insurance Policy**"). The D&O Insurance Policy insures the directors and officers of Tamerlane for certain claims that may arise against them in their capacity as

directors and/or officers of Tamerlane. But the D&O Insurance Policy contains several exclusions and limitations to the coverage provided, and there is a potential for there to be insufficient coverage in respect of the potential director and officer liabilities. The directors and officers of Tamerlane have expressed their desire for certainty with respect to potential personal liability if they continue in their current capacities in the context of a CCAA proceeding. In addition, I am advised by Tamerlane's insurers that if Tamerlane was to file for CCAA protection, and if the insurers agreed to renew the D&O Insurance Policy, there would be a significant increase in the premium for that insurance.

113. Based on the books and records of the Applicants and the PPSA searches conducted by counsel to the Applicants, the only secured creditors which are likely to be affected by the Administration Charge, the Financial Advisor Charge, the Directors' Charge and the DIP Lender's Charge are the Secured Lender and certain professionals retained in respect of this proceeding, who all consent to the charges being sought.

H. SISP

114. As discussed above, the Secured Lender has insisted that the Company undertake a thorough marketing process run by a qualified financial advisor to sell assets or obtain financing so that, among other things, the Secured Debt could be repaid in full.

115. Accordingly, Tamerlane, in consultation with the Secured Lender and the Monitor, solicited interest from qualified financial advisors, and ultimately selected the Financial Advisor as a result of, among other things, its significant experience in restructurings, its strong presence and reputation in the global markets, and its experience in the mining sector.

116. A brief summary of the SISP, as well as the reasons I believe the SISP should be granted at this time, are detailed above.

I. Restrictions on Extensions of CCAA Proceedings

117. As a condition to the Secured Lender's consent to the relief sought herein, the Applicants have agreed that the Applicants may not seek or obtain any extension of the stay of proceedings beyond the Outside Date unless they have repaid the Secured Lender in full or received the prior written consent of the Secured Lender and the Monitor prior to such date. Immediately following the Outside Date: (i) these proceedings will terminate, (ii) the Monitor will be released and discharged, and (iii) the Initial Order (except for certain paragraphs thereof) will be of no further force or effect.

118. The Applicants have further agreed that pursuant to the Initial Order, immediately following the Outside Date, a receiver will be appointed, without security, over all assets and undertakings of the Applicants pursuant to section 243 of the BIA and section 101 of the *Courts of Justice Act*, and a receivership order will issue immediately upon the Secured Lender filing with the Court a written consent of a licensed bankruptcy trustee to act as receiver.

119. As discussed above, the Secured Lender has advised the Applicants that it insists on these terms relating to the termination of the CCAA proceedings and the appointment of a receiver immediately after the Outside Date being included in the Initial Order.

120. Given the financial circumstances of the Applicants, there were significant cost-savings and other benefits to the Applicants and all of the stakeholders for this proceeding to be

consensual rather than contentious. Accordingly, the directors of the Applicants exercised their business judgment to agree to the provisions in the Initial Order in respect of the Outside Date.

IX. 13 WEEK CASH FLOW FORECAST

121. As set out in the cash flow forecast previously attached, the Applicants' principal uses of cash during the next 13 weeks will consist of the payment of ongoing day-to-day operational expenses, such as payroll and office related expenses, and a portion of the professional fees and disbursements in connection with these CCAA proceedings.

122. As at August 19, 2013, the Applicants' had approximately \$3,500 available cash on hand. The Applicants' cash flow forecast projects that, subject to obtaining the relief outlined herein, it will have sufficient cash to fund its projected operating costs until the end of the stay period.

X. CONCLUSION


123. The Company is currently in a very challenged financial position. The Applicants believe that an orderly and expedited CCAA process that gives effect to the SISF is in the best interests of all of its stakeholders.

124. It is important to understand that the Company has no ability to generate revenue at this point in time, until it can develop its properties. It can only repay the Secured Lender by raising new financing or selling off part of its assets. The Applicants do not envisage that a complete sale of all of their assets will be necessary in this process. Rather, they expect to be able to satisfy the Secured Debt through some combination of sale and refinancing and then to complete their restructuring for the benefit of the other remaining stakeholders through this process.

125. These CCAA proceedings are necessary to preserve the value of the Applicants. The valuations discussed above indicate that the value of the Company's business is greater than the amount owed to the Secured Lender.

126. The SISP will result in the Financial Advisor exploring all options available. I am confident that the granting of the Initial Order is in the best interests of the Applicants and its stakeholders as it provides the stability the Applicants require to see the SISP through to completion.

SWORN BEFORE ME at the City of)
Kailua-Kona, in the State of Hawaii, United)
States of America, this 22nd day of August,)
2013)
_____)



Margaret M. Kent

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced in Toronto

**AFFIDAVIT OF MARGARET M. KENT
(Sworn August 22, 2013)**

BENNETT JONES LLP
One First Canadian Place
Suite 3400, P.O. Box 130
Toronto, Ontario
M5X 1A4

S. Richard Orzy (LSUC #23181D)
Sean H. Zweig (LSUC #57307D)
Tel: 416-863-1200
Fax: 416-863-1716

Lawyers for the Applicants

Tab A


Certificate of Continuance
Canada Business Corporations Act
Certificat de prorogation
Loi canadienne sur les sociétés par actions

 Tamerlane Ventures Inc.

Corporate name / Dénomination sociale

 759385-6

Corporation number / Numéro de société

I HEREBY CERTIFY that the above-named corporation, the articles of continuance of which are attached, is continued under section 187 of the *Canada Business Corporations Act*.

JE CERTIFIE que la société susmentionnée, dont les clauses de prorogation sont jointes, est prorogée en vertu de l'article 187 de la *Loi canadienne sur les sociétés par actions*.

 Aïssa Aomari

Deputy Director / Directeur adjoint

 2010-07-26

Date of Continuance (YYYY-MM-DD)

Date de prorogation (AAAA-MM-JJ)

 THIS IS EXHIBIT A ATTACHED

TO THE AFFIDAVIT OF

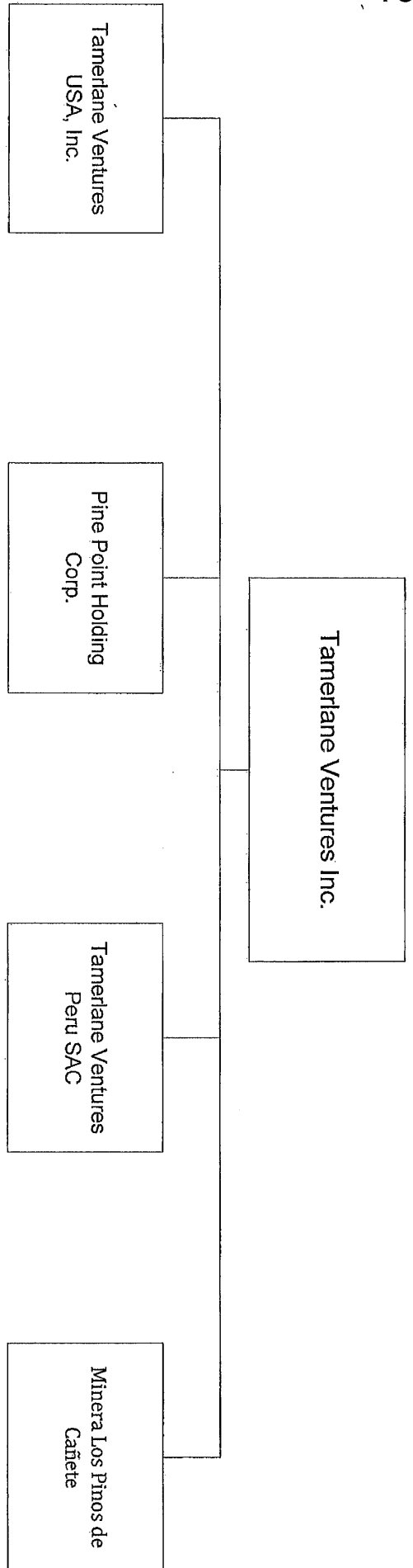
Margaret M. Kent

 SWORN August 22, 2013

 A COMMISSIONER

Tab B

The Tamerlane Group
Organization Chart



THIS IS EXHIBIT 6 ATTACHED
 TO THE AFFIDAVIT OF
Margaret M. Kent
 SWORN August 22, 2013

 A COMMISSIONER

Tab C


Certificate of Incorporation
Canada Business Corporations Act
Certificat de constitution
Loi canadienne sur les sociétés par actions

 PINE POINT HOLDING CORP.

Corporate name / Dénomination sociale

 779726-5

Corporation number / Numéro de société

I HEREBY CERTIFY that the above-named corporation, the articles of incorporation of which are attached, is incorporated under the *Canada Business Corporations Act*.

JE CERTIFIE que la société susmentionnée, dont les statuts constitutifs sont joints, est constituée en vertu de la *Loi canadienne sur les sociétés par actions*.

 Marcie Girouard

Director / Directeur

 2011-03-04

Date of Incorporation (YYYY-MM-DD)

Date de constitution (AAAA-MM-JJ)

 THIS IS EXHIBIT C ATTACHED

TO THE AFFIDAVIT OF

Margaret M. Kent

 SWORN August 22, 2013

A COMMISSIONER

Tab D

TAMERLANE VENTURES INC.

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2012 AND 2011**

(Expressed in Canadian dollars)

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

A COMMISSIONER

KPMG LLP
Chartered Accountants
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada

Telephone (604) 691-3000
Fax (604) 691-3031
Internet www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Tamerlane Ventures Inc.

We have audited the accompanying consolidated financial statements of Tamerlane Ventures Inc., which comprise the consolidated balance sheets as at December 31, 2012 and 2011, the consolidated statements of comprehensive loss, changes in equity and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Tamerlane Ventures Inc. as at December 31, 2012 and 2011, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2 in the financial statements which indicates that Tamerlane Ventures Inc. requires additional financing to meet its obligations and to carry out its planned exploration and development plans. This condition, along with other matters as set forth in Note 2 in the financial statements, indicate the existence of a material uncertainty that may cause significant doubt about Tamerlane Venture Inc.'s ability to continue as a going concern.

KPMG LLP (signed)

Chartered Accountants

April 29, 2013

Vancouver, Canada

TAMERLANE VENTURES INC.

Consolidated Balance Sheets
(Expressed in Canadian dollars)

Years ended December 31, 2012 and 2011

	2012	2011
Assets		
Current assets:		
Cash and cash equivalents	\$ 135,564	\$ 4,596,221
Amounts receivable	64,889	79,545
Prepaid expenses and deposits	367	202,050
Equipment held-for-sale (note 6)	918,100	-
	<u>1,118,920</u>	<u>4,877,816</u>
Intangible assets (note 4)	23,402	23,897
Equipment and furniture (note 5)	35,741	958,446
Property reclamation bond (note 3(m))	60,000	60,000
Exploration and evaluation assets (note 7)	22,625,446	20,450,870
	<u>\$ 23,863,509</u>	<u>\$ 26,371,029</u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 758,460	\$ 928,677
Flow-through shares premium (note 9)	32,000	221,800
Due to related parties (note 12)	345,566	58,568
Bridge loans and convertible debenture (note 8)	9,724,283	9,324,680
Convertible debenture – embedded derivative (note 8)	18,664	19,323
	<u>10,878,973</u>	<u>10,553,048</u>
Shareholders' equity:		
Share capital (note 9)	25,938,760	25,761,558
Shares to be issued (notes 8 and 17(a))	646,907	-
Other equity reserve	3,429,818	3,183,078
Deficit	(17,030,949)	(13,126,655)
	<u>12,984,536</u>	<u>15,817,981</u>
Going concern (note 2)		
Contingency (note 7 (b))		
Commitments (notes 7 and 16)		
Subsequent events (notes 7(d), 8 and 17)		
	<u>\$ 23,863,509</u>	<u>\$ 26,371,029</u>

See accompanying notes to consolidated financial statements.

Approved on April 29, 2013:

"Cowan McKinney"
(Signed) Director

"Margaret Kent"
(Signed) Director

TAMERLANE VENTURES INC.

Consolidated Statements of Comprehensive Loss
(Expressed in Canadian dollars)

Years ended December 31, 2012 and 2011

	2012	2011
Expenses:		
Amortization	\$ 18,509	\$ 16,893
Foreign exchange (gain) loss	(160,629)	54,007
General and administrative	1,959,757	2,488,032
Share-based compensation	222,984	313,997
	<u>2,040,621</u>	<u>2,872,929</u>
Other (income) expenses:		
Interest expense and accretion charges	2,094,216	1,442,415
Fair value gain on embedded derivative (note 8)	(659)	(503,746)
Other income	(8,084)	-
	<u>2,085,473</u>	<u>938,669</u>
Loss before taxes	4,126,094	3,811,598
Deferred income tax recovery (notes 9 and 15)	(221,800)	-
Net loss and comprehensive loss for the year	\$ 3,904,294	\$ 3,811,598
Net loss per share – basic and diluted	\$ (0.04)	\$ (0.05)
Weighted average number of shares outstanding		
- basic and diluted	90,675,582	74,545,115

See accompanying notes to consolidated financial statements.

TAMERLANE VENTURES INC.

Consolidated Statements of Changes in Equity
(Expressed in Canadian dollars)

Years ended December 31, 2012 and 2011

	Number of common shares	Share capital	Shares to be issued	Other equity reserve	Deficit	Total
Balance, January 1, 2011	66,342,873	\$ 20,230,240	\$ -	\$ 3,740,417	\$ (9,315,057)	\$ 14,655,600
Share-based compensation	-	-	-	428,927	-	428,927
Exercise of warrants and stock options	8,241,029	2,253,749	-	-	-	2,253,749
Issued for finder's fee – debt (note 8)	835,800	178,750	-	-	-	178,750
Issued pursuant to flow- through shares private placement (note 9)	11,090,000	1,219,900	-	-	-	1,219,900
Fair value attributed to warrants and stock options exercised	-	1,007,624	-	(1,007,624)	-	-
Issued for finder's fee flow- through private placement (note 9)	-	(28,696)	-	28,696	-	-
Issued pursuant to private placement	3,846,154	1,000,000	-	-	-	1,000,000
Share issuance cost flow- through (note 9)	-	(100,009)	-	-	-	(100,009)
Revaluation of warrants for contractors	-	-	-	(7,338)	-	(7,338)
Loss for the year	-	-	-	-	(3,811,598)	(3,811,598)
Balance, December 31, 2011	90,355,856	25,761,558	-	3,183,078	(13,126,655)	15,817,981
Share-based compensation	-	-	-	246,740	-	246,740
Issued pursuant to Indian Mountain Lake option agreement (note 7 (d))	350,000	52,500	-	-	-	52,500
Share issuance cost – cash	-	(3,298)	-	-	-	(3,298)
Issued pursuant to flow- through shares private placement (note 9)	3,200,000	128,000	-	-	-	128,000
Shares to be issued (notes 8 and 17(a))	-	-	646,907	-	-	646,907
Loss for the year	-	-	-	-	(3,904,294)	(3,904,294)
Balance, December 31, 2012	93,905,856	\$ 25,938,760	\$ 646,907	\$ 3,429,818	\$ (17,030,949)	\$ 12,984,536

TAMERLANE VENTURES INC.

Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

Years ended December 31, 2012 and 2011

	2012	2011
Cash provided by (used in):		
Operations:		
Net loss for the year	\$ (3,904,294)	\$ (3,811,598)
Items not involving cash:		
Share-based compensation	222,984	313,997
Amortization	18,509	16,893
Accretion expense	832,464	572,309
Interest expense	838,528	865,957
Accrued interest reclassified to debt principal	422,190	-
Interest income	(8,084)	(6,486)
Unrealized foreign exchange (gain) loss on cash	(54)	47,723
Unrealized foreign exchange (gain) loss on debt	(211,443)	206,064
Gain/loss on embedded derivatives	(659)	(503,746)
Common shares issued as a derivative cost	-	15,600
Deferred income tax recovery	(221,800)	-
	(2,011,659)	(2,283,287)
Changes in non-cash working capital and other:		
Amounts receivable	14,656	(55,714)
Prepaid expenses and deposits	201,683	(201,783)
Amounts payable and accrued liabilities	(170,474)	440,214
Amounts (payable to) receivable from related and former related parties	286,998	(91,653)
Interest paid	(838,528)	(865,957)
Interest received	8,084	6,486
	(497,581)	(768,407)
Cash used in operating activities	(2,509,240)	(3,051,694)
Investments:		
Expenditures on exploration and evaluation assets	(2,069,820)	(5,249,826)
Purchase of intangible assets	(8,879)	(17,030)
Purchase of furniture and equipment	(4,474)	(960,528)
Cash used in investing activities	(2,083,173)	(6,227,384)
Financing:		
Convertible and bridge loans	-	4,933,750
Debt financing charges	-	(287,115)
Proceeds from shares issued	135,000	4,695,449
Share issuance costs	(3,298)	(100,009)
Cash provided by financing activities	131,702	9,242,075
Effect of exchange rates on cash and cash equivalents	54	(47,723)
Decrease in cash and cash equivalents	(4,460,657)	(84,726)
Cash and cash equivalents, beginning of the year	4,596,221	4,680,947
Cash and cash equivalents, end of the year	\$ 135,564	\$ 4,596,221
Supplementary information:		
Capitalization of share-based compensation in exploration and evaluation assets	\$ 23,756	\$ 107,592
Shares issued and capitalized in exploration and evaluation assets	52,500	-
Fair value - broker's warrants	-	28,696
Common shares issued or to be issued – debt (note 8)	646,907	166,900
Accrued interest reclassified to debt principal	422,190	-
Finance fees capitalized to debt principal	1,074,496	-

See accompanying notes to consolidated financial statements.

TAMERLANE VENTURES INC.

Notes to Consolidated Financial Statements
(Expressed in Canadian dollars)

Years ended December 31, 2012 and 2011

1. Nature of operations:

Tamerlane Ventures Inc. (the "Company" or "Tamerlane") was incorporated under the Corporations Act of the province of British Columbia on May 16, 2000. The Company was continued as a federal corporation under the Canada Business Corporations Act (CBCA) on July 26, 2010. The Company is a natural resource company engaged in the exploration and development of base metals projects in Canada and Peru.

The Company has not generated any revenue since its inception and is considered to be a development stage company. The Company is devoting its major efforts to the exploration and development of its Pine Point lead-zinc project in the Northwest Territories in Canada.

2. Going Concern:

These consolidated financial statements have been prepared on the going concern basis, which assumes that the Company will continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments as they are due. The Company has current liabilities of \$10,878,973 and current assets of \$1,118,920 as of December 31, 2012. The Company has senior secured loans with a face value of US\$11,504,358 including capitalized interest and fees that are repayable through interim payments of at least US\$1,500,000 on each of March 31, 2013 and June 30, 2013 and the remaining balance on October 16, 2013.

The Company failed to make a scheduled US\$1,500,000 principal repayment due to its secured loan lender on March 31, 2013 (notes 8 and 17) and the Company is still in negotiations with the lender to address this event of default. The continuing operations of the Company are dependent on the Company's ability to successfully negotiate a resolution to its current default with its lender, obtain additional financing to pay interest and principal installments on its debt obligations and to fund operating and development costs of its mineral properties. All feasible methods of raising funds, including debt and/or equity issuances, sale of the Los Pinos property, and sale of an interest in the Pine Point Project are being considered.

As of December 31, 2012, the Company's working capital deficiency and the uncertainty regarding Tamerlane's ability to negotiate a settlement to its debt default, to obtain additional financing to repay its debt and other obligations when due and to fund ongoing operations casts significant doubt on the Company's ability to continue as a going concern. Management, however, is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. The Company is currently seeking up to \$15 million to repay its existing lender and provide immediate working capital, and additional project financing for its Pine Point project of \$125 million. The financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

3. Significant accounting policies:

(a) Basis of presentation:

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

TAMERLANE VENTURES INC.

Notes to Consolidated Financial Statements
(Expressed in Canadian dollars)

Years ended December 31, 2012 and 2011

3. Significant accounting policies (continued):

(b) Basis of consolidation:

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Details of the Company's subsidiaries at December 31, 2012 are as follows:

Name	Place of incorporation	Interest %	Principal activity
Tamerlane Ventures USA Inc.	United States	100%	Management company and head office location
Tamerlane Ventures Peru SAC	Peru	100%	Inactive Peruvian company
Minera Los Pinos de Cañete SAC	Peru	100%	Holds all Peruvian mining concessions
Pine Point Holding Corp.	Canada	100%	Holds the Pine Point assets including equipment and studies and mining leases

Subsidiaries are entities controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the group.

(c) Critical accounting judgments and estimates: *Critical accounting judgments:*

The critical judgments that the Company's management has made in the process of applying the Company's accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognized in the Company's consolidated financial statements relates to going concern as follows:

Going concern:

Determining if the Company has the ability to continue as a going concern is dependent on the Company's ability to negotiate a settlement to its debt default, to obtain additional financing to repay its debt and other obligations due. These judgments are further disclosed in note 2.

TAMERLANE VENTURES INC.

Notes to Consolidated Financial Statements
(Expressed in Canadian dollars)

Years ended December 31, 2012 and 2011

3. Significant accounting policies (continued):

(c) Critical accounting judgments and estimates (continued):

Critical accounting estimates:

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Significant financial statement items which involve the use of estimates include the valuation of exploration and evaluation assets for the purpose of impairment testing, valuation of held-for-sale assets, assumptions used in valuing the derivative related to the conversion feature of convertible debt instruments and prepayment terms of debt instruments, and valuing options and warrants in stock-based compensation calculations and deferred income tax amounts. Actual results may differ from those estimates.

The most significant areas of estimates made by management that have a significant risk of resulting in a material adjustment within the next fiscal year are as follows:

Estimated reserves, resources and exploration potential:

Reserves are estimates of the amount of product that can be extracted from the Company's properties, considering both economic and legal factors. Calculating reserves, resources and exploration potential estimates requires decisions on assumptions about geological, technical and economic factors, including quantities, grades, production techniques, recovery rates, production costs, transport costs, commodity demand, prices and exchange rates.

Estimating the quantity and/or grade of reserves, resources and exploration potential require the analysis of drilling samples and other geological data. Estimates may change from period to period as the economic assumptions used to estimate reserves, resources and exploration potential change from period to period and because additional geological data is generated during the course of operations. Changes in reported reserves may affect the Company's financial position.

Impairment of property, plant and equipment and valuation of assets held for sale:

Assets or cash generating units are evaluated at each reporting date to determine whether there are any indications of impairment. If any such indication exists, a formal estimate of recoverable amount is performed and an impairment loss recognized to the extent that carrying amount exceeds recoverable amount. The recoverable amount of an asset or cash generating group of assets is measured at the higher of fair value less costs to sell and value in use.

Estimating the sales proceeds and costs to sell assets held for sale considers historical, proposed or similar asset transaction sale transaction amounts.

Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties, and is generally determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset, including any expansion prospects, and its eventual disposal.

TAMERLANE VENTURES INC.

Notes to Consolidated Financial Statements
(Expressed in Canadian dollars)

Years ended December 31, 2012 and 2011

3. Significant accounting policies (continued):

(c) Critical accounting judgments and estimates (continued):

Impairment of property, plant and equipment and valuation of assets held for sale (continued):

Present values are determined using a risk-adjusted pre-tax discount rate appropriate for the risks inherent to the asset. Future cash flow estimates are based on expected production and sales volumes, commodity prices (considering current and historical prices, price trends and related factors), reserves, operating costs, restoration and rehabilitation costs and future capital expenditure. The Company's management is required to make these estimates and assumptions which are subject to risk and uncertainty; hence, there is a possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets. In such circumstances, some or all of the carrying value of the asset may be impaired and the impairment would be charged against the consolidated statement of comprehensive loss.

Taxation:

The provision for income taxes and composition of income tax assets and liabilities requires management's judgment as to the types of arrangements considered to be a tax on income in contrast to an operating cost. Judgment is also required in assessing whether deferred tax assets and certain deferred tax liabilities are recognized in the balance sheet.

Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows and profitability. These depend on estimates of future production and sales volumes, commodity prices, reserves, operating costs, and other capital management transactions. The application of income tax legislation also requires judgments. These judgments and assumptions are subject to risk and uncertainty, therefore there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognized on the balance sheet and the amount of other tax losses and temporary differences not yet recognized.

Fair value of share-based compensation:

The Company grants share-based awards to certain officers, employees, directors and other eligible persons. For equity settled awards, the fair value is charged to the consolidated statement of comprehensive income as well as capitalized mineral interests and credited to the related reserve account, on a straight-line basis over the vesting period, after adjusting for the estimated number of awards that are expected to vest.

The fair value of the equity-settled awards to employees is determined at the date of the grant using the Black-Scholes option pricing model. Option pricing models used to value options, warrants and derivatives associated with conversion features require the input of highly subjective assumptions, including the expected term to exercise and future price volatility. Changes in these assumptions can materially affect the fair value estimate.

TAMERLANE VENTURES INC.

Notes to Consolidated Financial Statements
(Expressed in Canadian dollars)

Years ended December 31, 2012 and 2011

3. Significant accounting policies (continued):

(d) Cash and cash equivalents:

The Company considers all highly liquid instruments with a maturity of three months or less when acquired to be cash equivalents.

(e) Marketable securities:

Marketable securities include publicly traded common shares received as proceeds of mineral property option transactions. Marketable securities are carried at market value based upon quoted market prices.

(f) Equipment and furniture and Intangible assets:

Furniture and equipment and Intangible assets are stated at cost and are being amortized on commencement of use on a straight line basis over their estimated useful life of three years.

(g) Equipment held-for-sale:

Equipment held-for-sale is stated at the lower of cost and estimated sales value, less cost to sell. Assets held-for-sale are not depreciated.

(h) Exploration and evaluation assets:

The Company follows the method of accounting for its exploration and evaluation assets whereby all costs related to acquisition, exploration and evaluation are capitalized by project, net of recoveries which are recognized when received. The amounts shown as exploration and evaluation assets represent costs incurred to date less recoveries received and amounts written off, and do not necessarily represent present or future values. Exploration and evaluation assets are written off if the project is abandoned or sold. Exploration and evaluation costs incurred prior to the Company obtaining rights to explore a mineral property are expensed. Once economic feasibility of an exploration and evaluation project is established and management has approved the development decision, the capitalized costs are first tested for impairment and then reclassified to mineral properties and amortized on a units-of-production basis.

The ultimate recoverability of the amounts capitalized is dependent upon the identification of economically recoverable ore reserves and resources, and the Company's ability to obtain the necessary financing to complete their exploration and development and to realize profitable production or proceeds from the disposition thereof.

From time to time, the Company may acquire or dispose of properties pursuant to the terms of option agreements. Due to the fact that options are exercisable entirely at the discretion of the optionees, option payments are recorded as resource property costs or recoveries only when the payments are made or received, respectively.

TAMERLANE VENTURES INC.

Notes to Consolidated Financial Statements
(Expressed in Canadian dollars)

Years ended December 31, 2012 and 2011

3. Significant accounting policies (continued):

(i) Foreign currency translation:

The reporting and functional currency of the Company is the Canadian dollar. The functional currency of its subsidiaries is also the Canadian dollar. Foreign currency monetary assets and liabilities are translated to Canadian dollars at the prevailing period-end exchange rate. Foreign currency non-monetary assets and liabilities are translated at historical exchange rates. Revenue and expense items are translated at the average rate of exchange for the period. Translation gains and losses are included in the statement of operations.

(j) Financial instruments:

Financial assets:

Financial assets are classified as available-for-sale, loans and receivables or at fair value through profit or loss ("FVTPL").

Financial assets classified as available-for-sale are measured at fair value on initial recognition plus transaction costs and subsequently at fair value with unrealized gains and losses recognized in other comprehensive income (loss), except for financial assets that are considered to be impaired in which case the loss is recognized in net income or loss. The Company has classified marketable securities as available-for-sale financial assets.

Financial assets classified as loans and receivables are measured initially at fair value plus transaction costs and subsequently at amortized cost using the effective interest rate method. The Company's cash and cash equivalents, amounts receivable and property reclamation bond are classified as loans and receivables.

Financial assets classified as FVTPL are measured on initial recognition and subsequently at fair value with unrealized gains and losses recognized in income or loss. Transaction costs are expensed for assets classified as FVTPL.

Financial liabilities:

Financial liabilities are initially recognized at fair value less directly attributable transaction costs. Subsequently, financial liabilities are measured at amortized cost using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial liability and allocating the interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's trade and other payables, amounts due to related parties and convertible debentures and bridge loans are measured at amortized cost.

Financial liabilities classified as FVTPL include financial liabilities held-for-trading and financial liabilities designated upon recognition as FVTPL. Fair value changes on these liabilities are recognized in net income or loss. The Company has not designated any financial liabilities as FVTPL.

TAMERLANE VENTURES INC.

Notes to Consolidated Financial Statements
(Expressed in Canadian dollars)

Years ended December 31, 2012 and 2011

3. Significant accounting policies (continued):

(j) Financial instruments (continued):

Embedded derivatives:

The conversion feature of the convertible debenture and the prepayment features on both the convertible debenture and bridge loans are embedded derivatives. The derivatives are accounted for as separate instruments and are measured at fair value at each reporting date. Changes in fair value are recognized in earnings. Fair values are determined using pricing models that include credit spread and price volatility.

(k) Impairment:

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss. Interest on the impaired asset is recognized through the unwinding of the discount. When a subsequent event causes the amount of the impairment loss to decrease, the decrease is reversed through profit or loss.

(l) Comprehensive income:

Comprehensive income is the change in shareholders' equity during a period from transactions and other events and circumstances from non-owner sources. The Company reports a consolidated statement of comprehensive loss as a category, accumulated other comprehensive income (loss), which is included in the shareholders' equity section of the consolidated balance sheet.

(m) Reclamation:

The present value of the asset retirement obligations and the associated retirement costs related to site reclamation are recorded when that liability is incurred with a corresponding increase in the related asset. The liability is increased over time to reflect an accretion to the amount ultimately payable on the date it is paid. As at December 31, 2012 and 2011, the Company has not incurred any asset retirement obligations related to the exploration and development of its mineral properties. The Company has issued a \$60,000 reclamation bond in favour of the Minister of Aboriginal Affairs and Northern Development Canada for the purposes of obtaining an exploration Land Use permit connected to the Pine Point project.

(n) Income taxes:

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to taxes payable or receivable.

TAMERLANE VENTURES INC.

Notes to Consolidated Financial Statements
(Expressed in Canadian dollars)

Years ended December 31, 2012 and 2011

3. Significant accounting policies (continued):

(n) Income taxes (continued):

The Company utilizes the asset and liability method of accounting for deferred income taxes. Under this method, deferred income taxes are recognized to reflect the expected deferred tax consequences arising from tax losses carried forward and temporary differences between the carrying value and the tax bases of the Company's assets and liabilities. Deferred income tax assets are not recognized until realization is more likely than not. Deferred tax assets and liabilities are measured using substantively enacted tax rates in effect in the periods that the temporary differences are expected to be settled or realized. The effect of a change in income tax rates is recognized in income in the period the change occurs.

(o) Flow-through shares:

Under the Canadian Income Tax Act, an enterprise may issue securities referred to as flow-through shares. These instruments permit the enterprise to renounce, or transfer to the investor, the tax deductions associated with an equal value of qualifying resource expenditures. The increase to share capital when flow-through shares are issued is measured based on the current market price of common shares. The incremental proceeds or "premium" is recorded as an obligation to provide future tax deductions. When expenditures are incurred and future renunciation of these expenditures is probable, a deferred tax liability and corresponding deferred tax expense is recognized and the related premium is reversed as a credit to deferred tax expense.

(p) Share-based payments:

Certain employees (including directors and senior executives) of the Company receive a portion of their remuneration in the form of stock options. The cost of these stock options is measured using the estimated fair value at the date of grant determined using the Black-Scholes option pricing model. The Black-Scholes option pricing model requires the input of subjective assumptions, including the expected term of the option and stock price volatility. The expected term of options granted is determined based on historical data on the average hold period before exercise. Expected volatility is estimated with reference to the historical volatility of the share price of the Company. These estimates involve inherent uncertainties and the application of management judgment. The costs are recognized over the vesting period of the option. The total amount recognized as an expense is adjusted to reflect the number of options expected to vest at each reporting date. The corresponding credit for these costs is recognized in the share-based payment reserve in shareholders' equity.

Awards issued that are directly related to the development of mineral interests are capitalized to the mineral interests as opposed to being expensed.

(q) Earnings per share:

Basic earnings (loss) per share amounts are computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share. Stock options and warrants are dilutive when the average market price of the common shares during the period exceeds the exercise price of the options and warrants. However, outstanding options and warrants would be anti-dilutive for any loss period.

TAMERLANE VENTURES INC.

Notes to Consolidated Financial Statements
(Expressed in Canadian dollars)

Years ended December 31, 2012 and 2011

3. Significant accounting policies (continued):

(r) Comparative information:

Certain comparative information has been reclassified for the current period presentation.

(s) Future changes in accounting standards:

Certain pronouncements were issued by the IASB or the International Financial Reporting Interpretation Committee ("IFRIC") that are mandatory for accounting periods after December 31, 2012. Many are not applicable or do not have a significant impact to the Company and have been excluded from the discussion below. The following have not yet been adopted:

IAS 27 (2011) *Separate Financial Statements* will become effective for annual periods beginning on or after January 1, 2013. The amended standard carries forward the existing accounting and disclosure requirements of IAS 27 (2008) for separate financial statements with some clarifications. The requirements of IAS 28 (2008) and IAS 31 for separate financial statements have been incorporated into IAS 27 (2011). The amended standard will become effective for annual periods beginning on or after January 1, 2013.

IFRS 9 *Financial Instruments* will be effective for annual periods beginning on or after January 1, 2015. The new standard is to be issued in phases and is intended ultimately to replace International Financial Reporting Standard IAS 39 *Financial Instruments: Recognition and Measurement*. The first phase of IFRS 9 was issued in November 2009 and relates to the classification and measurement of financial assets. The second phase regarding classification and measurement of financial liabilities was published in October 2010. The remaining parts of the standard are expected to be issued during 2013. The Company recognizes that the new standard introduces many changes to the accounting for financial instruments and is likely to have a significant impact on Company's consolidated financial statements. The impact of these changes will be analyzed during the course of the project as further phases of the standard are issued. The Company does not intend to adopt this standard early.

IFRS 10 *Consolidated Financial Statements* will be effective for annual periods beginning on or after January 1, 2013. The new standard supersedes IAS 27 *Consolidated and Separate Financial Statements* and SIC-12 *Consolidation - Special Purpose Entities*. IFRS 10 introduces a single control model which includes entities that are currently within the scope of SIC-12 *Consolidation - Special Purpose Entities*. Under the new three-step control model, an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with that investee, has the ability to affect those returns through its power over that investee and there is a link between power and returns. Consolidation procedures are carried forward from IAS 27 (2008). When the adoption of IFRS 10 does not result a change in the previous consolidation or non-consolidation of an investee, no adjustments to accounting are required on initial application. When the adoption results a change in the consolidation or non-consolidation of an investee, the new standard may be adopted with either full retrospective application from date that control was obtained or lost or, if not practicable, with limited retrospective application from the beginning of the earliest period for which the application is practicable, which may be the current period.

TAMERLANE VENTURES INC.

Notes to Consolidated Financial Statements
(Expressed in Canadian dollars)

Years ended December 31, 2012 and 2011

3. Significant accounting policies (continued):

(s) Future changes in accounting standards (continued):

IFRS 13 *Fair Value Measurement* will be effective for annual periods beginning on or after January 1, 2013. The new standard replaces the fair value measurement guidance contained in individual IFRSs with a single source of fair value measurement guidance. It provides a revised definition of fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. IFRS 13 does not introduce new requirements to measure assets or liabilities at fair value, nor does it eliminate the practicability exceptions to fair value measurement that currently exist in certain standards. Comparative disclosure information is not required for periods before the date of initial application.

Various other improvements to IFRSs have been dealt with on a standard-by-standard basis. All amendments, which result in accounting changes for presentation, recognition or measurement purposes, will come into effect not earlier than January 1, 2013. The Company does not expect these changes to have a material effect on the Financial Statements.

4. Intangible assets:

		Software
Cost at January 1, 2011	\$	75,036
Additions		17,031
Disposals		-
Cost at December 31, 2011		92,067
Additions		8,875
Disposals		(22,770)
Cost at December 31, 2012	\$	78,172
Accumulated Amortization		
Accumulated amortization at January 1, 2011	\$	61,963
Amortization		6,207
Disposals		-
Accumulated amortization at December 31, 2011		68,170
Amortization		9,370
Disposals		(22,770)
Accumulated amortization at December 31, 2012	\$	54,770
Net book value at December 31, 2011	\$	23,897
Net book value at December 31, 2012	\$	23,402

TAMERLANE VENTURES INC.

Notes to Consolidated Financial Statements
(Expressed in Canadian dollars)

Years ended December 31, 2012 and 2011

5. Equipment and furniture:

	Equipment and furniture
Cost at January 1, 2011	\$ 169,640
Additions	960,528
Disposals	-
Cost at December 31, 2011	1,130,168
Additions	4,474
Reclassification as assets held-for-sale (note 6)	(918,100)
Disposals	-
Cost at December 31, 2012	\$ 216,542
Accumulated amortization at January 1, 2011	\$ 161,035
Amortization	10,687
Disposals	-
Accumulated amortization at December 31, 2011	171,722
Amortization	9,079
Disposals	-
Accumulated amortization at December 31, 2012	\$ 180,801
Net book value at December 31, 2011	\$ 958,446
Net book value at December 31, 2012	\$ 35,741

6. Equipment held for sale:

Cost at January 1, 2012	\$ -
Additions	-
Reclassification from equipment previously held in use (a)	918,100
Disposals	-
Cost at December 31, 2012	\$ 918,100

(a) Capital additions in the year ended December 31, 2011 included approximately \$918,100 related to the acquisition, transportation, insurance and storage of flotation cells originally intended for installation at the Pine Point property. No amortization has been recorded with respect to these assets. Under the Forbearance Agreement with the Company's senior secured lender effective December 31, 2012 (see note 8 below) the Company committed to sell the flotation cells. The Company has enlisted a representative to sell this equipment and has reclassified this equipment as held for sale.

TAMERLANE VENTURES INC.

Notes to Consolidated Financial Statements
(Expressed in Canadian dollars)

Years ended December 31, 2012 and 2011

7. Exploration and evaluation assets:

	Pine Point property (a)	Los Pinos property (b)	Carolin Mine property (c)	Indian Mountain Lake property (d)	Total
Balance, January 1, 2011	\$ 13,669,136	\$ 1,307,630	\$ 116,686	\$ -	\$ 15,093,452
Expenditures during the period:					
Acquisition and option costs, payments, and property maintenance	119,847	-	-	-	119,847
Engineering and geological services including share-based compensation	3,435,992	-	-	-	3,435,992
Drilling	1,254,095	-	-	-	1,254,095
Mine site administration	544,916	2,568	-	-	547,484
	5,354,850	2,568	-	-	5,357,418
Balance, December 31, 2011	19,023,986	1,310,198	116,686	-	20,450,870
Expenditures during the period:					
Acquisition and option costs, payments, and property maintenance	54,779	4,738	-	158,500	218,017
Engineering and geological services	1,299,378	-	-	354,012	1,653,390
Mine site administration	300,780	-	-	2,389	303,169
	1,654,937	4,738	-	514,901	2,174,576
Balance, December 31, 2012	\$ 20,678,923	\$ 1,314,936	\$ 116,686	\$ 514,901	\$ 22,625,446

(a) Pine Point property:

In 2004, the Company acquired an option and exclusive right to earn an undivided 60% interest in a lead-zinc property in the Northwest Territories south of Great Slave Lake ("Pine Point Property"). The Company commenced exploration in the fourth quarter of 2004 and in 2006 fulfilled all exploration requirements to earn the 60% interest in the property. In the second quarter of 2006, the Company increased its interest in the Pine Point Property to 100% by paying \$1,000,000 and granting a 3% NSR royalty to Karst Investments LLC, a company owned by the family trusts of two officers and directors of the Company.

TAMERLANE VENTURES INC.

Notes to Consolidated Financial Statements
(Expressed in Canadian dollars)

Years ended December 31, 2012 and 2011

7. Exploration and evaluation assets (continued):

(b) Los Pinos property:

In March 2007, the Company purchased the Los Pinos copper deposit in southern Peru. The Company paid the vendors a total of US\$1 million in four staged payments over 18 months to complete the acquisition. The Company also paid a finder's fee of US\$50,000 and issued 50,000 shares of Tamerlane with an estimated fair value of \$117,500 to the finder.

As at December 31, 2012, Tamerlane Ventures Peru SAC's ("Tamerlane Peru") share registry, which provides evidence of the ownership of the issued and outstanding shares of Tamerlane Peru, is in the possession of the former General Manager of Century Mining Peru SAC and Tamerlane Peru, Alexander Ernesto Vidaurre Otayza ("Mr. Vidaurre"). Management understands that the shares of Tamerlane Peru are listed in the share registry as owned by the former General Manager rather than the Company. This person has also registered himself as the General Manager of Tamerlane Ventures Peru SAC's subsidiary Minera Los Pinos Cañete SAC ("MLPC"). Tamerlane has won the appeal in the 7th civil court awarding the Company a preliminary injunction which resulted in the registrar's office "freezing" the title to the Los Pinos property. Mr. Vidaurre no longer has power to register, alter or transfer the title.

In 2011, as part of its efforts to regain control of the Los Pinos property the Company agreed to an exchange whereby the Company acquired directly the shares of MLPC in exchange for forgiveness of the debt of Tamerlane Peru to the Company, which was incurred for the original purchase of MLPC and the Los Pinos concessions in 2007.

In 2012, Tamerlane's lawyer in Peru was appointed the judicial administrator of MLPC, eliminating the power of Mr. Vidaurre to operate the company holding the mining concessions.

No exploration work was conducted on the Los Pinos property during 2012.

(c) Carolin Mine property:

In 2004, the Company optioned the dormant Carolin gold mine and Ladner Creek properties, which are located in southern British Columbia, from Athabaska Gold Resources Ltd ("Athabaska"). In April 2006, the Company completed its purchase of 100% of the property from Athabaska.

Later in 2004, the Company sub-optioned its option in the Carolin Mine to Century Mining Corporation (Century), a company then with a common officer and director, and Century acquired an undivided 70% interest in the property in 2006. As a part of the consideration for the 70% interest, Century issued 300,000 common shares to the Company valued at \$135,000. The Company currently holds a 30% interest and Century holds a 70% interest in the Carolin property. Century has an option to acquire the Company's remaining 30% interest in the property for \$6,667 cash for each 1% interest held by the Company or in the equivalent value of common shares of Century at Century's option. The Company has received a letter from the court-appointed receiver for Century stating that the receiver intends to exercise the option on Century's behalf.

TAMERLANE VENTURES INC.

Notes to Consolidated Financial Statements
(Expressed in Canadian dollars)

Years ended December 31, 2012 and 2011

7. Exploration and evaluation assets (continued):

(d) Indian Mountain Lake property:

On February 9, 2012, the Company entered into an option agreement which allows the Company to acquire up to 100% of the Indian Mountain Lake property from Panarc Resources Ltd. ("Panarc"). Tamerlane issued 100,000 common shares to Panarc and paid \$106,000 pursuant to the terms of the option agreement. The Company also issued 250,000 shares to its existing creditor, Global Resource Fund, (see note 8) in order to satisfy conditions necessary for the Company to enter into this option agreement. The fair value of the 350,000 common shares issued, based upon the quoted share price on the issuance date totaled \$52,500.

Because of the Company's limited availability of cash to fund the exploration program, the Company was not able to spend the required \$500,000 work commitment during the twelve months ended January 31, 2013, and on February 9, 2013 the parties agreed to defer \$300,000 of this work commitment until January 31, 2015 in exchange for the issuance of 150,000 shares of the Company to Panarc (in addition to the 100,000 shares required to acquire the option, raising the total common shares to be issued to 250,000) which shares were issued on February 11, 2013. Based on the amended agreement, Tamerlane has the option to earn a 49% undivided interest in the property by making cash payments, delivering a number of its shares and completing the work commitments on the property set out below on or before the dates shown in the table below:

Time Period	Status	Work Commitment	Common Shares	Cash
January 31, 2013	Completed	\$200,000	250,000	NIL
January 31, 2014	Future Option Requirement	\$500,000	100,000	NIL
January 31, 2015	Future Option Requirement	\$1,300,000	200,000	\$500,000

Subject to the exercise of the initial 49% option, the Company will have the exclusive right to earn the remaining 51% undivided interest in the property by making cash payments, delivering a number of its shares and completing the work commitments on the property set out below on or before the dates shown in the table below:

Time Period	Work Commitment	Common Shares	Cash
			NIL
January 31, 2016	\$1,000,000	200,000	
January 31, 2017	\$1,000,000	200,000	\$1,500,000

For the twelve months ended December 31, 2012, the Company has spent \$356,401 on engineering, geological and administrative costs at Indian Mountain Lake.

TAMERLANE VENTURES INC.

Notes to Consolidated Financial Statements
(Expressed in Canadian dollars)

Years ended December 31, 2012 and 2011

8. Bridge loans, convertible debentures and embedded derivatives:

On December 16, 2010, the Company obtained a \$5,028,000 (US\$5,000,000) senior secured bridge loan bearing interest at 12.5% per annum and maturing on June 16, 2012, with \$1,257,000 (US\$1,250,000) of the bridge loan being in the form of a convertible debenture with a conversion price of \$0.40 per common share. The Company has the right to force conversion of the convertible debenture if and when the price per common share has traded at a minimum of \$0.90 for 30 consecutive days on a volume-weighted average basis. The conversion feature is a derivative liability due to the currency of the loan being different from the functional currency of the Company. The bridge loan also contains various optional and mandatory Company prepayment options which are also embedded derivatives. The bridge and convertible loans are secured by all assets of the Company.

The Company paid an upfront fee on the US\$5,000,000 bridge loan of \$125,700 (US\$125,000) in cash and issued 835,800 common shares of the Company with an estimated fair value of \$192,233 to the lender and incurred legal and other costs of \$177,058. The carrying value of the debt host at inception of \$4,304,112 was determined by deducting from the face amount of the debt allocated fees and costs of \$468,464 and also the fair value assigned to the embedded derivatives of \$255,423 at the issuance date. The carrying value of the debt at issuance is accreted up to its face value over the term of the debt using the effective interest method. Fees and costs of \$30,669 were allocated to the derivatives at issuance and were recorded in the statement of operations.

The Company entered into an agreement dated June 30, 2011 to extend the maturity date of the bridge loan from June 16, 2012 to October 16, 2012 in exchange for US \$150,000 cash. The cost of the amendment offset the carrying value of the debt as such extension was determined to be a modification rather than an extinguishment for accounting purposes. In addition to the bridge loan, the December 16, 2010 loan facility allowed the Company to borrow a further US\$5,000,000 under a bridge loan standby facility, with the first US\$1,250,000 being in the form of a convertible debenture, having the same terms as the December 16, 2010 advance discussed above.

The Company was required to pay a fee of 0.25% per annum on any unused principal portion of the standby facility.

The standby facility expired on June 16, 2011 and was subsequently reinstated on July 29, 2011 through to November 30, 2011. Upon execution of the reinstatement of the standby facility, a further \$2,384,500 (US\$2,500,000) bridge loan was borrowed, with \$1,192,250 (US\$1,250,000) being in the form of a convertible debenture. A fee of US\$50,000 was paid to have the facility reinstated. The Company also paid US\$62,500 in cash and issued 417,900 common shares with an estimated fair value of \$120,000 to the lender as drawdown fees. The carrying value of the debt host at inception of \$1,967,166 was determined by deducting from the face amount of the debt allocated fees and costs of \$182,699 and also the fair value assigned to the embedded derivatives of \$234,635 at the issuance date.

The remaining US\$2,500,000 of the standby facility was drawn down on November 30, 2011 and the Company paid \$63,731 (US\$62,500) in cash and issued 417,900 common shares with an estimated fair value of \$58,500. The carrying value of the debt host at inception of \$2,426,329 was determined by deducting from the face amount of the debt allocated fees and costs of \$122,921.

TAMERLANE VENTURES INC.

Notes to Consolidated Financial Statements
(Expressed in Canadian dollars)

Years ended December 31, 2012 and 2011

8. Bridge loans, convertible debentures and embedded derivatives (continued):

Proceeds from the bridge loans and the convertible debenture have been used to advance the Pine Point project and to provide general working capital.

The Company failed to make interest payments of \$101,001 (US\$102,740) due September 25, 2012 and also defaulted on its obligation to repay the full US\$10,000,000 principal amount of the loans due on October 16, 2012. Despite these defaults, the lender did not take action with respect to the security under the loans. The loans are secured by all present and future property of the Company. The Company and the lender entered into a Forbearance Agreement effective December 31, 2012 for an extension of the loans to October 16, 2013 and deferral of interest for the period of September 2012 through December 2012 of \$422,190 (US\$424,354) which has been capitalized and added to the face value of the Bridge loan. As consideration for the extension, the Company has agreed to pay the legal costs of \$79,596 (US\$80,004) and a forbearance fee of \$994,900 (US\$1,000,000) to the lenders which has also been capitalized and added to the face value of the Bridge loan, and has agreed to issue to the lender 16,172,673 common shares subsequently issued per (note 17(a)) of the Company valued at \$646,907 (US\$650,224) as a debt discount. The face value of senior secured loans of US\$11,504,358 including capitalized interest and fees that are repayable in full on October 16, 2013, subject to interim payments of at least US\$1,500,000 on each of March 31, 2013 (which remains outstanding as of the date of these financial statements - see notes 17(d) and 2) and June 30, 2013 and interest payments of approximately US\$120,000 per month.

The extension of the loan was determined to be a modification for accounting purposes with fees and costs of the modification reducing the carrying value of the loan. Beginning in January 2013, interest must be paid monthly in cash, and interim principal repayments will be required equal to 50% of new equity in excess of \$2,000,000 raised by the Company except for the issuance of flow-through shares subject to minimum repayments of \$1,500,000 on or before each of March 31, 2013 and June 30, 2013. Additional terms of the Forbearance Agreement include the subordination of loans from management and deferral of certain payments to executives, approval by the lender of budgeted expenditures and approval by the lender of most agreements to be entered into by the Company. The lender also has the right to nominate one director and one observer to the Company's board of directors.

The Company has not met its obligation to pay US\$1,500,000 by March 31, 2013, and the Company is in discussions with the lender regarding alternate payment arrangements (note 17).

TAMERLANE VENTURES INC.

Notes to Consolidated Financial Statements
(Expressed in Canadian dollars)

Years ended December 31, 2012 and 2011

8. Bridge loans, convertible debentures and embedded derivatives (continued):

US Dollars	Bridge Loan			Convertible Debt			Total		
	Face Value	Discount	Carrying Value	Face Value	Discount	Carrying value	Face Value	Discount	Carrying value
Opening balance at January 1, 2011	\$ 3,750,000	\$ (367,124)	\$ 3,382,871	\$ 1,250,000	\$ (336,667)	\$ 913,333	\$ 5,000,000	\$ (703,791)	\$ 4,296,209
Issued:									
July 29, 2011	1,250,000	(105,557)	1,144,443	1,250,000	(330,755)	919,245	2,500,000	(436,312)	2,063,688
November 30, 2011	2,500,000	(121,400)	2,378,600	-	-	-	2,500,000	(121,400)	2,378,600
Loan Extension Fee	-	(112,500)	(112,500)	-	(37,500)	(37,500)	-	(150,000)	(150,000)
Accretion Expense	-	299,529	299,529	-	279,177	279,177	-	578,706	578,706
Closing Balance at December 31, 2011	7,500,000	(407,052)	7,092,948	2,500,000	(425,745)	2,074,255	10,000,000	(832,797)	9,167,203
Accretion expense		407,052	407,052		425,745	425,745		832,797	832,797
Subtotal at December 31, 2012	7,500,000	-	7,500,000	2,500,000	-	2,500,000	10,000,000	-	10,000,000
Amendment to Extend Loans:									
Lender fees capitalized to face value of Bridge Loan	1,080,004	(810,003)	270,001	-	(270,001)	(270,001)	1,080,004	(1,080,004)	-
Accrued interest capitalized to face value of Bridge Loan	424,354	-	424,354	-	-	-	424,354	-	424,354
Shares to be issued to the Lender	-	(485,180)	(485,180)	-	(161,727)	(161,727)	-	(646,907)	(646,907)
Closing balance at December 31, 2012	\$ 9,004,358	\$(1,295,183)	\$7,709,175	\$ 2,500,000	\$ (431,728)	\$ 2,068,272	\$11,504,358	\$(1,726,911)	\$ 9,777,447

TAMERLANE VENTURES INC.

Notes to Consolidated Financial Statements
(Expressed in Canadian dollars)

Years ended December 31, 2012 and 2011

8. Bridge loans, convertible debentures and embedded derivatives (continued):

Canadian dollars	Bridge Loan			Convertible Debt			Total		
	Face Value	Discount	Carrying Value	Face Value	Discount	Carrying value	Face Value	Discount	Carrying value
Opening balance at January 1, 2011	\$ 3,729,750	\$ (345,965)	\$ 3,383,785	\$ 1,243,250	\$ (329,578)	\$ 913,672	\$ 4,973,000	\$ (675,543)	\$ 4,297,457
Issued:									
July 29, 2011	1,192,250	(101,354)	1,090,896	1,192,250	(315,980)	876,270	2,384,500	(417,334)	1,967,166
November 30, 2011	2,549,250	(122,921)	2,426,329	-	-	-	2,549,250	(122,921)	2,426,329
Loan Extension Fee	-	(108,484)	(108,484)	-	(36,161)	(36,161)	-	(144,645)	(144,645)
Accretion Expense	-	296,187	296,187	-	276,122	276,122	-	572,309	572,309
Foreign Exchange	156,250	(30,306)	125,944	107,000	(26,880)	80,120	263,250	(57,186)	206,064
Closing Balance at December 31, 2011	7,627,500	(412,843)	7,214,657	2,542,500	(432,477)	2,110,023	10,170,000	(845,320)	9,324,680
Accretion expense		406,889	406,889		425,575	425,575		832,464	832,464
Foreign exchange	(167,395)	5,954	(161,441)	(56,904)	6,902	(50,002)	(224,299)	12,856	(211,443)
Subtotal at December 31, 2012	7,460,105	-	7,460,105	2,485,596	-	2,485,596	9,945,701	-	9,945,701
Amendment to Extend Loans									
Lender fees capitalized to face value of Bridge Loan:	1,074,496	(805,872)	-	(268,624)	(268,624)	-	1,074,496	(1,074,496)	-
Accrued interest capitalized to face value of Bridge Loan	422,190	-	422,190	-	-	-	422,190	-	422,190
Shares to be issued to the Lender	-	(482,706)	(482,706)	-	(160,902)	(160,902)	-	(643,608)	(643,608)
Foreign exchange	-	-	-	-	-	-	-	-	-
Closing balance at December 31, 2012	\$ 8,956,791	\$(1,288,578)	\$ 7,668,213	\$ 2,485,596	\$ (429,526)	\$ 2,056,070	\$ 11,442,387	\$(1,718,104)	\$ 9,724,283

TAMERLANE VENTURES INC.

Notes to Consolidated Financial Statements (Unaudited)
(Expressed in Canadian dollars)

Years ended December 31, 2012 and 2011

8. Bridge loans, convertible debentures and embedded derivatives (continued):

The following table summarizes the continuity of the fair value of the derivatives, including the convertible debenture conversion feature and prepayment option:

Fair value at January 1, 2011	\$	288,434
Fair value of derivative liability on July 29, 2011 and November 30, 2011 financings		234,635
Decrease in fair value		(503,746)
<hr/>		
Fair value at December 31, 2011		19,323
Decrease in fair value		(659)
<hr/>		
Fair value December 31, 2012	\$	18,664

9. Share capital:

(a) Authorized: Unlimited common shares without par value:

	Number of shares		Amount
Balance, January 1, 2011	66,342,873	\$	20,230,240
Issued pursuant to private placement	3,846,154		1,000,000
Issued for finder's fee on debt	835,800		178,750
Exercise of options	345,000		62,000
Fair value attributed to stock options exercised	-		56,518
Exercise of warrants	7,896,029		2,191,749
Fair value attributed to warrants exercised	-		951,106
Issued pursuant to flow-through private placement	11,090,000		1,219,900
Warrants issued for finder's fee – flow-through private placement			(28,696)
Share issuance costs	-		(100,009)
<hr/>			
Balance, December 31, 2011	90,355,856	\$	25,761,558
<hr/>			
Balance, January 1, 2012	90,355,856		25,761,558
Issued pursuant to Indian Mountain Lake property option agreement	350,000		52,500
Issued pursuant to flow-through private placement	3,200,000		128,000
Share issuance costs	-		(3,298)
<hr/>			
Balance, December 31, 2012	93,905,856	\$	25,938,760

TAMERLANE VENTURES INC.

Notes to Consolidated Financial Statements (Unaudited)
(Expressed in Canadian dollars)

Years ended December 31, 2012 and 2011

9. Share capital (continued):

(b) Private placements:

On July 29, 2011, the Company completed a private placement of common equity with Renvest Mercantile Bancorp Inc. through its Global Resource Fund. The Company issued 3,846,154 common shares of the Company at \$0.26 per share for a total equity investment of \$1,000,000. The private placement of common shares carried a four month hold period.

On December 23, 2011, the Company completed a flow-through private placement of 11,090,000 common shares at \$0.13 per share which raised gross cash proceeds of \$1,441,700, of which \$1,219,900 was allocated to share capital and \$221,800 to flow-through share premium liability. Finders' fees consisted of \$100,009 in cash and 769,300 broker warrants with an estimated fair value of \$28,696. Each broker warrant entitles the holder to purchase a common share of the Company at \$0.13 per share for one year expiring December 22, 2012.

On February 13, 2012, the Company issued 100,000 common shares to Panarc Resources Ltd. and 250,000 shares to Global Resource Fund in relation to the option agreement for the Indian Mountain Lake property (see note 7 (d)).

On December 28, 2012, the Company issued 3,200,000 flow-through common shares at \$0.05 per share for gross cash proceeds of \$160,000, of which \$128,000 was allocated to share capital and \$32,000 to flow-through share premium liability. \$25,000 of the \$160,000 cash proceeds raised were received subsequent to December 31, 2012.

10. Share purchase warrants:

The following table summarizes the continuity of the Company's share purchase warrants.

	Number of shares	Weighted Average Exercise Price
Balance, January 1, 2011	9,578,124	\$ 0.30
Issued (note 9 (b))	769,300	0.13
Exercised	(7,896,029)	0.28
Expired	(1,682,095)	0.29
Balance, December 31, 2011	769,300	0.13
Issued	-	-
Exercised	-	-
Expired	(769,300)	\$ 0.13
Balance, December 31, 2012	-	\$ -

TAMERLANE VENTURES INC.

Notes to Consolidated Financial Statements (Unaudited)
(Expressed in Canadian dollars)

Years ended December 31, 2012 and 2011

11. Stock options:

The following table summarizes the continuity of the Company's stock options:

	Number of shares	Weighted Average Exercise Price
Balance, January 1, 2011	4,230,000	\$ 0.35
Granted	3,760,000	0.29
Exercised	(345,000)	0.18
Forfeited	(1,860,000)	0.36
Expired	(175,000)	0.46
Balance, December 31, 2011	5,610,000	\$ 0.32
Granted	900,000	0.15
Forfeited	(1,185,000)	0.22
Expired	(325,000)	1.64
Balance, December 31, 2012	5,000,000	\$ 0.22

The Company has a share-based compensation plan in effect which provides that up to ten percent of the number of common shares outstanding may be reserved for stock option grants to eligible optionees. Stock options granted under the plan prior to July 15, 2007 vested immediately, and stock options granted to persons other than directors subsequent to July 15, 2007 are subject to 33.3% vesting at 6, 18, and 30 months after the grant date.

At December 31, 2012, this plan provided for the grant of stock options to purchase a maximum of 9,390,586 common shares of which 5,000,000 have been granted and 4,390,586 options are available for future grants.

Additional information regarding stock options outstanding as of December 31, 2012 is as follows:

	Number of shares	Expiring in	Weighted average exercise price
	300,000	2013	0.70
	400,000	2014	0.17
	2,020,000	2015	0.15
	1,480,000	2016	0.29
	800,000	2017	0.15
Options outstanding	5,000,000		\$ 0.22
Options exercisable	4,390,000		\$ 0.21

TAMERLANE VENTURES INC.

Notes to Consolidated Financial Statements (Unaudited)
(Expressed in Canadian dollars)

Years ended December 31, 2012 and 2011

11. Stock options (continued):

There were 900,000 stock options granted during the year ended December 31, 2012 (2011 - 3,760,000). The weighted average fair value for stock options granted during 2012 was \$0.15 (2011 - \$0.29) estimated using the Black-Scholes option pricing model assuming no expected dividends and the following weighted average assumptions:

	2012	2011
Expected dividends	Nil	Nil
Interest rate	1.8%	2.20%
Expected life (in years)	5.00	5.00
Expected forfeitures	20%	20%
Expected volatility	149%	139%

The expected volatility is based on the Company's historical common share prices. The expected average option term is the average expected period to exercise, based on the historical activity patterns for each individually vesting tranche. The risk-free rate of return is the yield on a zero-coupon Canadian Treasury Bill of a term consistent with the assumed option life. Expected forfeitures are based on the Company's past forfeiture rate and expectations of future experience. Total fair value of share-based compensation for the year ended December 31, 2012 was \$246,740 (2011 - \$428,362) of which \$222,984 (2011 - \$313,997) was expensed and \$23,756 (2011 - \$107,592) was capitalized.

12. Related party transactions:

Described below are the Company's related party transactions, all of which have been in the normal course of operations.

On December 24, 2012, the Company entered into a loan agreement with two officers and directors of the Company for a maximum amount of US\$100,000 and on December 24, 2012 the Company drew down US\$50,000 of this amount. The term of the loan is for twelve months from the date of the advance of funds, and bears interest at 12% per annum with a 10% premium on the principal amount payable at maturity.

In September 2011, the Company entered into a head office rental agreement with Karst Investments LLC, a company owned by the family trusts of two officers and directors of Tamerlane. For the year ended December 31, 2012, \$45,822 (2011 - \$14,854) was paid to Karst Investments LLC and at December 31, 2012 nil (2011 - nil) is owing.

In September 2011, the Company entered into a month to month storage facility rental agreement with Talus Investment LLC, a company controlled by two officers and directors of Tamerlane. For the year ended December 31, 2012, \$2,681 (2011 - nil) was paid and at December 31, 2012 nil (2011 - nil) is owing. This agreement was terminated in September 2012.

TAMERLANE VENTURES INC.

Notes to Consolidated Financial Statements (Unaudited)
(Expressed in Canadian dollars)

Years ended December 31, 2012 and 2011

12. Related party transactions (continued):

For the year ended December 31, 2012, the Company incurred legal fees of \$183,395 (2011 - \$355,943) to McMillan LLP, a law firm in which a director of the Company is a partner. On December 31, 2012, \$159,130 (2011 - \$58,568) was owing to the law firm.

As at December 31, 2012, a total of \$111,340 (2011 - \$108,965) was owed to a company with a former common director. This amount is currently being disputed but is recognized in accounts payable and accrued liabilities.

Key Management Personnel Compensation:

	2012	2011
Executive salaries and short-term benefits	\$ 406,285	\$ 393,137
Directors' fees	20,250	41,800
Share-based compensation	246,740	246,485
Total key management personnel compensation	\$ 673,275	\$ 681,422

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

13. Financial instruments and risk management:

For certain of the Company's financial instruments, including cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities, flow-through share premiums, bridge loans and convertible debenture, the carrying amounts approximate fair value due to their short terms to maturity. The fair value of amounts due to or from related parties is not practical to determine due to their related party nature and absence of a secondary market for such instruments.

The Company is exposed to varying degrees to a variety of financial risks. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management procedures are established to identify, analyze and mitigate the risks faced by the Company.

TAMERLANE VENTURES INC.

Notes to Consolidated Financial Statements (Unaudited)
(Expressed in Canadian dollars)

Years ended December 31, 2012 and 2011

13. Financial instruments and risk management (continued):

The types of risk exposure and the way in which such exposure is managed are as follows:

(a) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at December 31, 2012, the Company had cash and cash equivalents of \$135,564 and a working capital deficiency of \$9,760,053. The Company has senior secured loans with a face value of US\$11,504,358 including capitalized interest and fees that are repayable in full on October 16, 2013, subject to interim payments of at least US\$1,500,000 on each of March 31, 2013 (which remains outstanding as of the date of these financial statements – see note 17(d), note 8, and note 2) and June 30, 2013 and interest payments of approximately US\$120,000 per month. The Company's expected sources of cash flow in the upcoming year will be through debt and equity financings. It is expected that any financing deals the Company enters into in 2013 will include necessary funding to extinguish all debts as they become due. See note 2 for further disclosures on the Company's liquidity risk and the going concern matter.

(b) Credit risk:

The Company is exposed to credit-related losses in the event of non-performance by counterparties to the financial instruments. It arises principally from the Company's cash and cash equivalents and outstanding receivables.

(i) Cash and cash equivalents:

The Company limits its exposure to credit risk by only investing in highly liquid securities and only with counterparties with strong credit ratings. Given these credit ratings, management does not expect any counterparty to fail to meet its obligations.

(ii) Amounts receivable:

The Company's receivables are due primarily from the Federal Government of Canada in respect of GST and HST.

(iii) Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at December 31, 2012 was:

Description	Amount
Cash and cash equivalents	\$ 135,564
Amounts receivable	64,889

TAMERLANE VENTURES INC.

Notes to Consolidated Financial Statements (Unaudited)
(Expressed in Canadian dollars)

Years ended December 31, 2012 and 2011

13. Financial instruments and risk management (continued):

(c) Market risk:

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control the market risk exposures within acceptable parameters, while optimizing the return on capital.

(i) Currency risk:

The Company operates on an international basis and therefore foreign currency risk exposures arise from transactions denominated in currency other than the Canadian dollar functional currency. The foreign exchange risk arises primarily with respect to US dollars and Peruvian New Sols. The Company has not hedged its exposure to currency fluctuations.

The following is a breakdown of financial assets and liabilities denominated in foreign currencies as at December 31, 2012 to which the Company is exposed:

	USD	SOL
Cash and cash equivalents	\$ 4,827	\$ 15,369
Amounts receivable	4,302	2,712
Accounts payable and accrued liabilities	(68,379)	(1,567)
Debt	(9,777,447)	-
	(9,836,697)	16,514
CAD foreign exchange rate	0.9949	0.3898
Balance sheet amounts subject to currency risk exposure in equivalent CAD	\$ (9,786,530)	\$ 6,437

(ii) Sensitivity analysis:

A 10 percent strengthening (weakening) in the Canadian dollar against the above currencies at December 31, 2012 would have increased (decreased) net loss by the amounts shown below. This analysis assumes that all other variables, in particular, interest rates, remain constant:

December 31, 2012	Change
USD	\$ 978,653
SOL	644

TAMERLANE VENTURES INC.

Notes to Consolidated Financial Statements (Unaudited)
(Expressed in Canadian dollars)

Years ended December 31, 2012 and 2011

13. Financial instruments and risk management (continued):

(c) Market risk (continued):

(iii) Interest rate risk:

This is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's cash and cash equivalents contain highly liquid investments that earn interest at market interest rates. Fluctuations in market interest rates do not have significant impact on the Company's results of operations due to minimal amounts kept in cash holdings and low interest rate earned, other than on its bridge loans and convertible debt. The accretion rate on the bridge loans and convertible debt is estimated to approximate market rates at December 31, 2012.

14. Capital management:

The Company considers cash and cash equivalents, debt issuances, common shares, stock options and warrants as capital. The Board's policy is to maintain a strong capital base so as to maintain investor, creditor, and market confidence and sustain future development of the business.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable level of risk.

The Company manages the capital structure and makes adjustments to it in light of the economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire, or dispose of assets.

In order to facilitate the management of its capital requirements the Company prepares annual expenditure budgets that are updated as necessary, depending on various factors including successful capital deployment and general industry conditions.

The Company has not changed its approach to capital management during the current period. As described in notes 2, 8, and 17, the Company is in default of its debt agreements.

The Company expects that it will be necessary to raise additional capital during 2013 to meet its budgeted exploration and development plans and scheduled US\$11.5 million debt repayment and related interest payments (note 2).

TAMERLANE VENTURES INC.

Notes to Consolidated Financial Statements (Unaudited)
(Expressed in Canadian dollars)

Years ended December 31, 2012 and 2011

15. Income taxes:

Reconciliation of effective tax rate:

Income tax expense (recovery) differs from the amounts computed by applying the combined federal and territorial income tax rate of 26.50% (2011 – 28.00%) to pre-tax loss as a result of the following:

	2012	2011
Loss before income taxes	\$ (4,126,094)	\$ (3,811,599)
Computed expected tax recovery	(1,093,415)	(1,067,248)
Entities with different tax rates	(81,862)	(100,762)
Deferred tax assets not recognized	746,700	1,102,480
Flow-through share renunciation	382,051	-
Premium Liability Reversed	(221,800)	-
Permanent differences	256,144	69,252
Other	(209,618)	(3,722)
Income tax expense (recovery)	\$ (221,800)	\$ -

The income tax recovery for the years ended December 31, 2012 and 2011 is as follows:

	2012	2011
Current income tax recovery	\$ -	\$ -
Deferred income tax (recovery) liability	(221,800)	-
Income tax expense (recovery)	\$ (221,800)	\$ -

Deferred income tax assets and liabilities:

Deferred tax assets have not been recognized in respect of the following items:

	2012	2011
Unrecognized deferred tax assets:		
Tax losses	\$ 2,300,230	\$ 1,595,626
Other deductible differences	111,421	69,324
	\$ 2,411,651	\$ 1,664,950

TAMERLANE VENTURES INC.

Notes to Consolidated Financial Statements (Unaudited)
(Expressed in Canadian dollars)

Years ended December 31, 2012 and 2011

15. Income taxes:

Deferred tax assets and liabilities are attributed to the following:

	2012	2011
Deferred tax assets		
Tax losses	\$ 1,826,616	\$ 1,456,766
Exploration and evaluation assets	(1,826,616)	(1,456,766)
	\$ -	\$ -

The Company has Canadian tax loss carryforwards of approximately \$4.9 million (2011 - \$3.6 million) and U.S. non-capital losses carry forwards of approximately \$2.8 million (2011 - \$1.8 million) as at December 31, 2012. These non-capital losses can offset future income for tax purposes which expire between 2014 and 2032.

In addition, the Corporation has approximately \$0.4 million (2011 - \$0.3 million) of other deductible temporary differences in Canada for which no benefits has been recognized. These future deductions can be utilized to be deducted against future profits.

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profits will be available against which the Company can utilize the benefits.

16. Commitments:

On September 1, 2011, the Company entered into a 5-year lease with Karst Investments LLC, a company owned by family trusts of two officers and directors of Tamerlane. This 5-year lease will require the Company to pay USD\$45,500 per year from 2012 to 2015 and USD\$30,333 in 2016.

17. Subsequent events:

The following events occurred between December 31, 2012 and the date these financial statements were authorized for issue:

- (a) On January 21, 2013, the Company issued 16,172,673 common shares to its senior secured bridge lender, Global Resource Fund, in connection with the Forbearance Agreement described in note 8 above.
- (b) On January 21, 2013 the Company issued 27,500,000 common shares to R. Christopher Charlwood at a price of approximately \$0.0618 per share. Mr. Charlwood now owns approximately 19.99% of Tamerlane's issued and outstanding shares. The Company also issued Mr. Charlwood 13,750,000 common share purchase warrants exercisable at \$0.11 per share for 24 months.

TAMERLANE VENTURES INC.

Notes to Consolidated Financial Statements (Unaudited)
(Expressed in Canadian dollars)

Years ended December 31, 2012 and 2011

17. Subsequent events (continued):

- (c) Effective February 9, 2013, the Company and Panarc Resources Ltd. ("Panarc") agreed to amend the agreement with respect to the Indian Mountain Lake property as described in note 7 (d) hereof. The material changes include deferral of the obligation to make \$300,000 of exploration expenditures from January 31, 2013 to January 31, 2015 in exchange for the issuance of an additional 150,000 common shares in the Company to Panarc. As a result, on February 13, 2013 the Company issued 250,000 common shares to Panarc, including 100,000 that had previously been specified in the option agreement, to extend the Indian Mountain Lake property option.
- (d) The Company failed to make the US\$1,500,000 principal repayment due to Global by March 31, 2013 under the Forbearance Agreement (see note 8), and the Company is in discussions with the lender to resolve the default, including arranging alternate payment arrangements.
- (e) On February 22, 2013, the Company appointed John L. Key as CEO, and granted him 750,000 employee stock options exercisable at \$0.10 per share. Mr. Key replaced Michael Willett, who resigned.

Tab E

TAMERLANE VENTURES INC.**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS FOR THE THREE
MONTHS ENDED
MARCH 31, 2013 AND 2012
Prepared by Management
(Expressed in Canadian Dollars)
Unaudited**

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators the Company discloses that its auditors have not reviewed the interim consolidated financial statements for the three months ended March 31, 2013 and 2012

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

A COMMISSIONER

TAMERLANE VENTURES INC.

Consolidated Balance Sheets (Unaudited)
(Expressed in Canadian dollars)

March 31, 2013 and December 31, 2012

	March 31, 2013	December 31, 2012
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,045,487	\$ 135,564
Amounts receivable	38,426	64,889
Prepaid expenses and deposits	5,393	367
Equipment held for sale (note 6)	918,100	918,100
	<u>2,007,406</u>	<u>1,118,920</u>
Intangible assets (note 4)	23,402	23,402
Equipment and furniture (note 5)	35,051	35,741
Property reclamation bond	60,000	60,000
Exploration and evaluation assets (note 7)	22,688,574	22,625,446
	<u>\$ 24,814,433</u>	<u>\$ 23,863,509</u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 742,054	\$ 758,460
Flow-through shares premium	32,000	32,000
Due to related parties (note 12)	355,485	345,566
Bridge loans and convertible debenture (note 8)	10,363,444	9,724,283
Convertible debenture – embedded derivative (note 8)	6,121	18,664
	<u>11,499,104</u>	<u>10,878,973</u>
Shareholders' equity		
Share capital (note 9)	27,789,397	25,938,760
Shares to be issued (note 8)	-	646,907
Other equity reserve	3,940,037	3,429,818
Deficit	<u>(18,414,105)</u>	<u>(17,030,949)</u>
	13,315,329	12,984,536
Going concern (note 2)		
Contingency (note 7 (b))		
Commitments (note 15)		
Subsequent events (note 16)		
	<u>\$ 24,814,433</u>	<u>\$ 23,863,509</u>

See accompanying notes to consolidated financial statements.

Approved on May 29, 2013:

“Cowan McKinney”
(Signed) Director

“Margaret Kent”
(Signed) Director

TAMERLANE VENTURES INC.

Consolidated Statements of Comprehensive Loss (Unaudited)
 (Expressed in Canadian dollars)

Three months ended March 31, 2013 and 2012

	2013	2012
Expenses:		
Amortization	\$ 690	\$ 11,879
Foreign exchange (gain) loss	114,149	(181,607)
General and administrative	263,997	598,684
Share-based compensation	-	142,916
	378,836	571,872
Other (income) expenses:		
Interest expense and accretion charges	991,777	523,453
Fair value (gain) loss on embedded derivative (note 8)	12,543	29,427
Renunciation of flow-through premium	-	(93,010)
Net loss and comprehensive loss	\$ 1,383,156	\$ 1,031,742
Net loss per share – basic and diluted	(0.01)	\$ (0.01)
Weighted average number of shares outstanding – basic and diluted	127,893,659	90,589,189

See accompanying notes to consolidated financial statements.

TAMERLANE VENTURES INC.

Consolidated Statements of Changes in Equity (Unaudited)
(Expressed in Canadian dollars)

Three months ended March 31, 2013 and 2012

	Number of common shares	Share capital	Shares to be issued	Other equity reserve	Deficit	Total
Balance, January 1, 2012	90,355,856	25,761,558	-	3,183,078	(13,126,655)	15,817,981
Share-based compensation	-	-	-	151,483	-	151,483
Issued pursuant to Indian Mountain Lake option agreement (note 6 (d))	350,000	52,500	-	-	-	52,500
Share issuance cost - cash	-	(1,620)	-	-	-	(1,620)
Loss for the period	-	-	-	-	(1,031,742)	(1,031,742)
Balance, March 31, 2012	90,705,856	\$ 25,812,438	\$ -	\$ 3,334,561	\$ (14,158,397)	\$ 14,998,602
Balance, January 1, 2013	93,905,856	\$ 25,938,760	\$ 646,907	\$ 3,429,818	\$ (17,030,949)	\$ 12,984,536
Share-based compensation	-	-	-	17,144	-	17,144
Issued pursuant to Indian Mountain Lake option amendment (note 6 (d))	250,000	12,500	-	-	-	12,500
Share issuance cost - cash	-	(14,537)	-	-	-	(14,537)
Issued pursuant to flow-through shares private placement (note 9)	27,500,000	1,698,842	-	-	-	1,698,842
Fair value attributed to share purchase warrants included in private placement	-	(493,075)	-	493,075	-	-
Shares to be issued (note 8)	16,172,673	646,907	(646,907)	-	-	-
Loss for the period	-	-	-	-	(1,383,156)	(1,383,156)
Balance, March 31, 2013	137,828,529	\$ 27,789,397	-	\$ 3,940,037	\$ (18,414,105)	\$ 13,315,329

See accompanying notes to consolidated financial statements.

TAMERLANE VENTURES INC.

Statement of Cash Flows (Unaudited)
(Expressed in Canadian dollars)

Three months ended March 31, 2013 and 2012

	Three months ended March 31,	
	2013	2012
Cash provided by (used in):		
Operations:		
Net loss for the period	\$ (1,383,156)	\$ (1,031,742)
Items not involving cash:		
Share-based compensation	-	142,916
Amortization	690	11,879
Accretion expense	639,161	214,313
Interest expense	354,586	313,468
Interest income	(1,970)	(4,329)
Flow-through share premium	-	(93,010)
Unrealized foreign exchange (gain) loss on cash	390	2,791
Unrealized foreign exchange (gain) loss on debt	(24,686)	(185,544)
(Gain)/loss on embedded derivatives	12,543	29,423
	(402,442)	(599,835)
Changes in non-cash working capital and other:		
Amounts receivable	26,463	(57,069)
Prepaid expenses and deposits	(5,026)	10,215
Amounts payable and accrued liabilities	(16,406)	(295,259)
Amounts (payable to) receivable from related and former related parties	9,919	(1,771)
Interest paid	(354,586)	(313,468)
Interest received	1,970	4,329
	(337,666)	(653,023)
Cash from (used in) operating activities	(740,108)	(1,252,858)
Investments:		
Expenditures on exploration and evaluation assets	(33,484)	(1,053,859)
Purchase of intangible assets	-	-
Purchase of furniture and equipment	-	-
Cash (used in) investing activities	(33,484)	(1,053,859)
Financing		
Proceeds from shares issued	1,698,842	-
Share issuance costs	(14,937)	(1,620)
Cash provided by (used in) financing activities	1,683,905	(1,620)
Effect of exchange rates on cash and cash equivalents	(390)	(2,791)
Increase (decrease) in cash and cash equivalents	909,923	(2,311,128)
Cash and cash equivalents, beginning of the period	135,564	4,596,221
Cash and cash equivalents, end of the period	\$ 1,045,487	\$ 2,285,093
Supplementary information:		
Capitalization of share-based compensation in exploration and evaluation assets	\$ 17,144	\$ 8,567
Capitalization of shares issued in exploration and evaluation assets	\$ 12,500	\$ 52,500

See accompanying notes to consolidated financial statements.

TAMERLANE VENTURES INC.

Notes to Consolidated Financial Statements (Unaudited)
(Expressed in Canadian dollars)

Three months ended March 31, 2013

1. Nature of operations:

Tamerlane Ventures Inc. (the "Company" or "Tamerlane") was incorporated under the Corporations Act of the province of British Columbia on May 16, 2000. The Company was continued as a federal corporation under the Canada Business Corporations Act (CBCA) on July 26, 2010. The Company is a natural resource company engaged in the exploration and development of base metals projects in Canada and Peru.

The Company has not generated any revenue since its inception and is considered to be a development stage company. The Company is devoting its major efforts to the exploration and development of its Pine Point lead-zinc project in the Northwest Territories in Canada.

2. Going Concern:

These consolidated financial statements have been prepared on the going concern basis, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments as they are due. The Company has current liabilities of \$11,499,104 and has current assets of \$2,007,406 as of March 31, 2013. The Company's current liabilities include the carrying value of senior secured loans of US\$10,000,000 that were repayable in full on October 16, 2012 but were extended to October 16, 2013 under an agreement with the lender, and including extension fees and capitalized interest the amount of the loans is now US\$11,504,358 (see note 8).

Even though the Company's lender has agreed to a one-year extension of the senior secured bridge loans, the continuing operations of the Company are dependent on the Company's ability to obtain additional financing to pay interest and principal installments on the loans and to fund operating and development costs of its mineral properties. Because of the difficulty in raising additional financing, the Company has failed to make a US\$1,500,000 required principal payment by March 31, 2013 under the terms of the extension and has failed to make the interest payment due by May 25, 2013. All feasible methods of raising funds, including equity issues, sale of the Los Pinos property, and sale of an interest in the Pine Point Project are being considered.

As of March 31, 2013, the uncertainty regarding Tamerlane's ability to obtain additional financing to repay its obligations when due and to fund ongoing costs casts significant doubt on the Company's ability to continue as a going concern. The Company is currently seeking up to \$15 million to repay its existing lender and provide immediate working capital, and additional project financing for its Pine Point project of \$125 million. The financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

3. Significant accounting policies:

(a) Basis of presentation:

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(b) Basis of consolidation:

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Details of the Company's subsidiaries at December 31, 2012 are as follows:

TAMERLANE VENTURES INC.

Notes to Consolidated Financial Statements (Unaudited)
(Expressed in Canadian dollars)

Three months ended March 31, 2013

(b) Basis of consolidation (continued):

Name	Place of	Interest %	Principal Activity
Tamerlane Ventures USA Inc.	United States	100%	Management company and head office location
Tamerlane Ventures Peru SAC	Peru	100%	Peruvian management company
Minera Los Pinos de Cañete SAC	Peru	100%	Holds all Peruvian mining concessions
Pine Point Holding Corp.	Canada	100%	Holds the Pine Point assets including equipment and studies and mining leases

Subsidiaries are entities controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the group.

4. Intangible assets:

	Intangible assets
Cost at January 1, 2012	\$ 92,067
Additions	-
Disposals	-
Cost at March 31, 2012	92,067
Cost at January 1, 2013	\$ 78,172
Additions	-
Disposals	-
Cost at March, 2013	\$ 78,172
Accumulated amortization at January 1, 2012	\$ 68,170
Amortization	6,326
Disposals	-
Accumulated amortization at March 31, 2012	\$ 74,496
Accumulated amortization at January 1, 2013	\$ 54,770
Amortization	-
Disposals	-
Accumulated amortization at March 31, 2013	\$ 54,770
Net book value at March 31, 2012	\$ 17,571
Net book value at March 31, 2013	\$ 23,402

TAMERLANE VENTURES INC.Notes to Consolidated Financial Statements (Unaudited)
(Expressed in Canadian dollars)

Three months ended March 31, 2013

5. Equipment and furniture:

	Equipment and furniture
Cost at January 1, 2012	\$ 1,130,168
Additions	-
Disposals	-
Cost at March 31, 2012	\$ 1,130,168
Cost at January 1, 2013	\$ 216,542
Additions	-
Disposals	-
Cost at March 31, 2013	\$ 216,542
Accumulated amortization at January 1, 2012	\$ 171,722
Amortization	5,553
Disposals	-
Accumulated amortization at March 31, 2012	\$ 177,275
Accumulated amortization at January 1, 2013	\$ 180,801
Amortization	690
Disposals	-
Accumulated amortization at March 31, 2013	\$ 181,491
Net book value at March 31, 2012	\$ 952,893
Net book value at March 31, 2013	\$ 35,051

6. Equipment held for sale:

	Equipment held for sale
Cost at January 1, 2012	\$ -
Additions	-
Disposals	-
Cost at March 31, 2012	-
Cost at January 1, 2013	\$ 918,100
Additions	-
Disposals	-
Cost at March 31, 2013	\$ 918,100
Net book value at March 31, 2012	\$ -
Net book value at March 31, 2013	\$ 918,100

TAMERLANE VENTURES INC.

Notes to Consolidated Financial Statements (Unaudited)
(Expressed in Canadian dollars)

Three months ended March 31, 2013

6. Equipment held for sale (continued):

During 2012 the Company reclassified \$918,100 related to the acquisition, transportation, insurance and storage of flotation cells originally intended for installation at the Pine Point property as "equipment held for sale". No amortization has been recorded with respect to these assets. Because of a commitment to the Company's senior secured lender (see Note 8 below) the Company has enlisted a representative to sell this equipment.

7. Exploration and evaluation assets:

	Pine Point property (a)	Los Pinos property (b)	Carolin Mine property (c)	Indian Mountain Lake property (d)	Total
Balance, January 1, 2012	\$ 19,023,986	\$ 1,310,198	\$ 116,686	\$ -	\$ 20,450,870
Expenditures during the period:					
Acquisition and option costs, payments, and property maintenance	-	-	-	158,500	158,500
Engineering and geological services including share-based compensation	882,792	-	-	-	882,792
Mine site administration	73,638	-	-	-	73,638
	956,430	-	-	158,500	1,114,930
Balance, March 31, 2012	\$ 19,980,416	\$ 1,310,198	\$ 116,686	\$ 158,500	\$ 21,565,800
Balance, January 1, 2013	\$ 20,678,923	\$ 1,314,936	\$ 116,686	\$ 514,901	\$ 22,625,446
Expenditures during the period:					
Acquisition and option costs, payments, and property maintenance	-	-	-	12,500	12,500
Engineering and geological services	50,628	-	-	-	50,628
Mine site administration	-	-	-	-	-
	50,628	-	-	12,500	63,128
Balance, March 31, 2013	\$ 20,729,551	\$ 1,314,936	\$ 116,686	\$ 527,401	\$ 22,688,574

(a) Pine Point property:

In 2004, the Company acquired an option and exclusive right to earn an undivided 60% interest in a lead-zinc property in the Northwest Territories south of Great Slave Lake ("Pine Point Property"). The Company commenced exploration in the fourth quarter of 2004 and in 2006 fulfilled all exploration requirements to earn the 60% interest in the property. In the second quarter of 2006, the Company increased its interest in the Pine Point Property to 100% by paying \$1,000,000 and granting a 3% NSR royalty to Karst Investments LLC, a company owned by the family trusts of two officers and directors of the Company. The recoverability of the Pine Point mineral properties is dependent upon economically recoverable reserves.

TAMERLANE VENTURES INC.

Notes to Consolidated Financial Statements (Unaudited)
(Expressed in Canadian dollars)

Three months ended March 31, 2013

(b) Los Pinos property:

In March 2007, the Company purchased the Los Pinos copper deposit in southern Peru. The Company paid the vendors a total of US\$1,000,000 in four staged payments over 18 months to complete the acquisition. The Company also paid a finder's fee of US\$50,000 and issued 50,000 shares of Tamerlane with an estimated fair value of \$117,500 to the finder.

As at December 31, 2012, Tamerlane Ventures Peru SAC's ("Tamerlane Peru") share registry, which provides evidence of the ownership of the issued and outstanding shares of Tamerlane Peru, is in the possession of the former General Manager of Century Mining Peru SAC and Tamerlane Peru, Alexander Ernesto Vidaurre Otayza ("Mr. Vidaurre"). Management understands that the shares of Tamerlane Peru are listed in the share registry as owned by the former General Manager rather than the Company. This person has also registered himself as the General Manager of Tamerlane Ventures Peru SAC's subsidiary Minera Los Pinos Cañete SAC ("MLPC"). Tamerlane has won the appeal in the 7th civil court awarding the Company a preliminary injunction which resulted in the registrar's office "freezing" the title to the Los Pinos property. Mr. Vidaurre no longer has power to register, alter or transfer the title.

In 2011, as part of its efforts to regain control of the Los Pinos property the Company agreed to an exchange whereby the Company acquired directly the shares of MLPC in exchange for forgiveness of the debt of Tamerlane Peru to the Company, which was incurred for the original purchase of MLPC and the Los Pinos concessions in 2007.

In 2012, Tamerlane's lawyer in Peru was appointed the judicial administrator of MLPC, eliminating the power of Mr. Vidaurre to operate the company holding the mining concessions.

No exploration work was conducted on the Los Pinos property during the first three months of 2013.

(c) Carolin Mine property:

In 2004, the Company optioned the dormant Carolin gold mine and Ladner Creek properties, which are located in southern British Columbia, from Athabaska Gold Resources Ltd ("Athabaska"). In April 2006, the Company completed its purchase of 100% of the property from Athabaska.

Later in 2004, the Company sub-optioned its option in the Carolin Mine to Century Mining Corporation (Century), a company then with a common officer and director, and Century acquired an undivided 70% interest in the property in 2006. As a part of the consideration for the 70% interest, Century issued 300,000 common shares to the Company valued at \$135,000. The Company currently holds a 30% interest and Century holds a 70% interest in the Carolin property. Century has an option to acquire the Company's remaining 30% interest in the property for \$6,667 cash for each 1% interest held by the Company or in the equivalent value of common shares of Century at Century's option. The Company has received a letter from the court-appointed receiver for Century stating that the receiver intends to exercise the option on Century's behalf.

(d) Indian Mountain Lake property:

On February 9, 2012, the Company entered into an option agreement which allows the Company to acquire up to 100% of the Indian Mountain Lake property from Panarc Resources Ltd. ("Panarc"). The property consists of 8 claims comprising of approximately 6,298 hectares. The agreement also includes 2,926 hectares in the Susu Lake volcanic belt, located 7km southeast of the Indian Mountain Lake Property, and 2,885 hectares of the North Zinc zone, which is located on the south side of Tindale Lake in the area of the Indian Mountain Lake claims. Tamerlane issued 100,000 common shares to Panarc and paid \$106,000 pursuant to the terms of the option

TAMERLANE VENTURES INC.

Notes to Consolidated Financial Statements (Unaudited)
(Expressed in Canadian dollars)

Three months ended March 31, 2013

(d) Indian Mountain Lake property (continued):

agreement. The Company also issued 250,000 shares to its existing creditor, Global Resource Fund, (see note 8) in order to satisfy conditions necessary for the Company to enter into this option agreement.

Because of the Company's limited availability of cash to fund the exploration program, the Company was not able to spend the required \$500,000 work commitment during the twelve months ended January 31, 2013, and on February 9, 2013 the parties agreed to defer \$300,000 of this work commitment until January 31, 2015 in exchange for the issuance of 150,000 shares of the Company to Panarc (in addition to the 100,000 shares required to extend the option, raising the total to be issued for 2013 to 250,000) which shares were issued on February 11, 2013. Based on the amended agreement, Tamerlane has the option to earn a 49% undivided interest in the property by making cash payments, delivering a number of its shares and completing the work commitments on the property set out below on or before the dates shown in the table below:

Time Period	Status	Work Commitment	Shares	Cash
January 31, 2013	Completed	\$200,000	250,000	NIL
January 31, 2014	Future Option Requirement	\$500,000	100,000	NIL
January 31, 2015	Future Option Requirement	\$1,300,000	200,000	\$500,000

Subject to the exercise of the initial 49% option, the Company will have the exclusive right to earn the remaining 51% undivided interest in the property by making cash payments, delivering a number of its shares and completing the work commitments on the property set out below on or before the dates shown in the table below:

Time Period	Work Commitment	Shares	Cash
January 31, 2016	\$1,000,000	200,000	NIL
January 31, 2017	\$1,000,000	200,000	\$1,500,000

For the three months ended March 31, 2013, the Company did not spend any funds on engineering, geological and administrative costs at Indian Mountain Lake in order to conserve cash. On May 2, 2013 the Company received a default notice from Panarc with respect to non-payment of \$65,000 of consulting fees and has until June 30, 2013 to cure the default. If the default is not cured the Company may lose the option for the Indian Mountain Lake property.

8. Bridge loans, convertible debentures and embedded derivatives:

On December 16, 2010, the Company obtained a \$5,028,000 (US\$5,000,000) senior secured bridge loan bearing interest at 12.5% per annum and maturing on June 16, 2012, with \$1,257,000 (US\$1,250,000) of the bridge loan being in the form of a convertible debenture with a conversion price of \$0.40 per common share. The Company has the right to force conversion of the convertible debenture if and when the price per common share has traded at a minimum of \$0.90 for 30 consecutive days on a volume-weighted average basis. The conversion feature is a derivative liability due to the currency of the loan being different from the functional currency of the Company. The bridge loan also contains various optional and mandatory Company prepayment options which are also embedded derivatives. The bridge and convertible loans are secured by all assets of the Company.

The Company paid an upfront fee on the US\$5,000,000 bridge loan of \$125,700 (US\$125,000) in cash and issued 835,800 common shares of the Company with an estimated fair value of \$192,233 to the lender and incurred legal and other costs of \$177,058. The carrying value of the debt host at inception of \$4,304,112 was determined by deducting from the face amount of the debt allocated fees and costs of \$468,464 and also the fair value assigned to the embedded

TAMERLANE VENTURES INC.

Notes to Consolidated Financial Statements (Unaudited)
(Expressed in Canadian dollars)

Three months ended March 31, 2013

8. Bridge loans, convertible debentures and embedded derivatives (continued):

derivatives of \$255,423 at the issuance date. The carrying value of the debt at issuance is accreted up to its face value over the term of the debt using the effective interest method. Fees and costs of \$30,669 were allocated to the derivatives at issuance and were recorded in the statement of operations.

The Company entered into an agreement dated June 30, 2011 to extend the maturity date of the bridge loan from June 16, 2012 to October 16, 2012 in exchange for US \$150,000 cash. The cost of the amendment offset the carrying value of the debt as such extension was determined to be a modification rather than an extinguishment for accounting purposes. In addition to the bridge loan, the December 16, 2010 loan facility allowed the Company to borrow a further US\$5,000,000 under a bridge loan standby facility, with the first US\$1,250,000 being in the form of a convertible debenture, having the same terms as the December 16, 2010 advance discussed above. The Company was required to pay a fee of 0.25% per annum on any unused principal portion of the standby facility.

The standby facility expired on June 16, 2011 and was subsequently reinstated on July 29, 2011 through to November 30, 2011. Upon execution of the reinstatement of the standby facility, a further \$2,384,500 (US\$2,500,000) bridge loan was borrowed, with \$1,192,250 (US\$1,250,000) being in the form of a convertible debenture. A fee of US\$50,000 was paid to have the facility reinstated. The Company also paid US\$62,500 in cash and issued 417,900 common shares with an estimated fair value of \$120,000 to the lender as drawdown fees. The carrying value of the debt host at inception of \$1,967,166 was determined by deducting from the face amount of the debt allocated fees and costs of \$182,699 and also the fair value assigned to the embedded derivatives of \$234,635 at the issuance date.

The remaining US\$2,500,000 of the standby facility was drawn down on November 30, 2011 and the Company paid \$63,731 (US\$62,500) in cash and issued 417,900 common shares with an estimated fair value of \$58,500. The carrying value of the debt host at inception of \$2,426,329 and was determined by deducting from the face amount of the debt allocated fees and costs of \$122,921.

The Company failed to make the interest payment of \$101,001 (US\$102,740) due September 25, 2012 and also defaulted on its obligation to repay the US\$10,000,000 principal amount of the loans on October 16, 2012. Despite these defaults, the lender did not take action with respect to the security interest. The Company and the lender entered into a Forbearance Agreement effective December 31, 2012 for an extension of the loans to October 16, 2013 and deferral of interest for the period of September 2012 through December 2012 which has been capitalized and added to the face value of the loans. As consideration, the Company has agreed to pay the lender a fee of \$1,000,000 which has also been capitalized and added to the face value of the loans, for a total note amount of \$11,504,358. The Company has also issued to the lender 16,172,673 Tamerlane common shares, in addition to the 5,096,154 common shares previously held by the lender. Beginning in January 2013, interest must be paid monthly in cash, and interim principal repayments will be required equal to 50% of new equity in excess of \$2,000,000 raised by the Company subject to minimum repayments of \$1,500,000 on or before each of March 31, 2013 and June 30, 2013. The Company has recognized the Forbearance Agreement for accounting purposes as a modification of the loans, and the Company is amortizing the US\$1,000,000 fee and the fair value of the capitalized interest and legal fees over the term of the extension.

Additional terms of the Forbearance Agreement include the subordination of loans from management and deferral of certain payments to executives, approval by the lender of budgeted expenditures and approval by the lender of most agreements to be entered into by the Company. The lender also has the right to nominate one director and one observer to the Company's board of directors.

The Company has not met its obligation to pay US\$1,500,000 by March 31, 2013, and the Company has also failed to make the interest payment due May 25, 2013.

TAMERLANE VENTURES INC.

Notes to Consolidated Financial Statements (Unaudited)
(Expressed in Canadian dollars)

Three months ended March 31, 2013

8. Bridge loans, convertible debentures and embedded derivatives (continued):

	Bridge Loans		Convertible Debentures			Total	
	Face Value	Discount	Carrying Value	Face Value	Discount	Carrying Value	Carrying Value
January 1, 2013	9,004,358	(1,295,183)	7,709,175	2,500,000	(431,728)	2,068,272	9,777,447
Accretion Expense	-	479,371	479,371	-	159,791	159,791	639,162
March 31, 2013	9,004,358	(815,812)	8,188,546	2,500,000	(271,937)	2,228,063	10,416,609
	Bridge Loans		Convertible Debentures			Total	
Canadian Dollars	Face Value	Discount	Carrying Value	Face Value	Discount	Carrying Value	Carrying Value
January 1, 2013	8,956,791	(1,288,578)	7,668,213	2,485,596	(429,526)	2,056,070	9,724,283
Accretion Expense	-	370,537	370,537	-	268,624	268,624	639,161
March 31, 2013	8,956,791	(918,041)	8,038,750	2,485,596	(160,902)	2,324,694	10,363,444

The following table summarizes the continuity of the fair value of the derivatives, including the convertible debenture conversion feature and prepayment option:

Fair value at January 1, 2012	\$ 19,323
(Decrease) Increase in fair value	29,427
Fair value at March 31, 2012	\$ 48,750
Fair value at January 1, 2013	\$ 18,664
(Decrease) Increase in fair value	(12,543)
Fair value March 31, 2013	\$ 6,121

TAMERLANE VENTURES INC.

Notes to Consolidated Financial Statements (Unaudited)
(Expressed in Canadian dollars)

Three months ended March 31, 2013

9. Share capital:

(a) Authorized: Unlimited common shares without par value:

	Number of shares	Amount
Balance, January 1, 2012	90,355,856	25,761,558
Issued pursuant to acquisition of Indian Mountain Lake property	350,000	52,500
Share issuance costs	-	(1,620)
Balance, March 31, 2012	90,705,856	\$ 25,812,438
Balance, January 1, 2013	93,905,856	\$ 25,938,760
Issued pursuant to private placement	27,500,000	1,698,842
Fair value attributed to share purchase warrants included in private placement	-	(493,075)
Issued for Forbearance Agreement on debt	16,172,673	646,907
Issued pursuant to acquisition of Indian Mountain Lake property	250,000	12,500
Share issuance costs	-	(14,537)
Balance, March 31, 2013	137,828,529	\$ 27,789,397

(b) Private placements:

On February 13, 2012 the Company issued 100,000 common shares to Panarc Resources Ltd. and 250,000 shares to Global Resource Fund in relation to the option agreement for the Indian Mountain Lake property (see note 7 (d)).

On December 28, 2012 the Company issued 3,200,000 common shares on a flow-through basis at \$0.05 per share for proceeds of \$160,000 of which \$128,000 was allocated to share capital and \$32,000 to flow-through share premium liability.

On January 21, 2013 the Company issued 16,172,673 common shares to its senior secured lender, Global Resource Fund, as a portion of the consideration to Global Resource Fund under the Forbearance Agreement as discussed in note 8.

On January 21, 2013 the Company issued 27,500,000 common shares and 13,750,000 warrants to purchase common shares to R. Christopher Charwood pursuant to a private placement of \$1,698,842 at a price of approximately \$0.618 per unit, each unit consisting of one common share and one-half common share purchase warrant, each full warrant exercisable for twenty four months at \$0.11.

On February 13, 2013 the Company issued 250,000 common shares to Panarc Ltd. in relation to the option agreement for the Indian Mountain Lake property (see note 7 (d)).

TAMERLANE VENTURES INC.

Notes to Consolidated Financial Statements (Unaudited)
(Expressed in Canadian dollars)

Three months ended March 31, 2013

10. Share purchase warrants:

The following table summarizes the continuity of the Company's share purchase warrants.

	Number of shares	Weighted Average Exercise Price
Balance, January 1, 2012	769,300	\$ 0.13
Issued	-	-
Exercised	-	-
Expired	-	-
Balance, March 31, 2012	769,300	\$ 0.13
Balance, January 1, 2013	-	-
Issued	13,750,000	\$ 0.11
Exercised	-	-
Expired	-	-
Balance, March 31, 2013	13,750,000	\$ 0.11

11. Stock options:

The following table summarizes the continuity of the Company's stock options:

	Number of shares	Weighted Average Exercise Price
Balance, January 1, 2012	5,610,000	\$ 0.35
Granted	700,000	0.16
Forfeited	(20,000)	0.12
Expired	-	-
Balance, March 31, 2012	6,290,000	\$ 0.30
Balance, January 1, 2013	5,000,000	\$ 0.22
Granted	750,000	0.10
Forfeited	-	-
Expired	-	-
Balance, March 31, 2013	5,750,000	\$ 0.21

The Company has a share-based compensation plan in effect which provides that up to ten percent of the number of common shares outstanding may be reserved for stock option grants to eligible optionees. Stock options granted under the plan prior to July 15, 2007 vested immediately, and stock options granted to persons other than directors subsequent to July 15, 2007 are subject to 33.3% vesting at 6, 18, and 30 months after the grant date.

At March 31, 2013, this plan provided for the grant of stock options to purchase a maximum of 13,782,853 common shares of which 5,750,000 have been granted and 8,032,853 options are available for future grants.

TAMERLANE VENTURES INC.

Notes to Consolidated Financial Statements (Unaudited)
(Expressed in Canadian dollars)

Three months ended March 31, 2013

11. Stock options (continued):

Additional information regarding stock options outstanding as of December 31, 2012 is as follows:

	Number of shares	Expiring in	Weighted average exercise price
	300,000	2013	0.70
	400,000	2014	0.17
	2,020,000	2015	0.15
	1,480,000	2016	0.29
	800,000	2017	0.15
	750,000	2018	0.10
Options outstanding	5,750,000		\$ 0.21
Options exercisable	4,640,000		\$ 0.22

There were 750,000 stock options granted during the three months ended March 31, 2013 (2012 – 700,000). The weighted average fair value for stock options granted during 2013 was \$0.03 (2012 - \$0.14) estimated using the Black-Scholes option pricing model assuming no expected dividends and the following weighted average assumptions:

	2013	2012
Expected dividends	Nil	Nil
Interest rate	2.0%	2.00%
Expected life (in years)	5.00	5.00
Expected forfeitures	20%	20%
Expected volatility	131%	139%

The expected volatility is based on the Company's historical common share prices. The expected average option term is the average expected period to exercise, based on the historical activity patterns for each individually vesting tranche. The risk-free rate of return is the yield on a zero-coupon Canadian Treasury Bill of a term consistent with the assumed option life. Expected forfeitures are based on the Company's past forfeiture rate and expectations of future experience. Total fair value of share-based compensation for the three months ended March 31, 2013 was \$17,144 (2012 - \$151,483) of which \$Nil (2012 - \$142,916) was expensed and \$17,144 (2012 - \$8,567) was capitalized.

12. Related party transactions:

Described below are the Company's related party transactions, all of which have been in the normal course of operations and, in Management's opinion, have been undertaken with the same terms and conditions as transactions with unrelated parties:

On December 24, 2012 the Company entered into a loan agreement with two officers and directors of the Company for a maximum amount of US\$100,000, and on December 24, 2012 the Company drew down US\$50,000 of this amount. The term of the loan is for twelve months from the date of the advance of funds, and the interest rate is 12%, with a 10% premium on the principal amount payable at maturity.

In September 2011, the Company entered into a head office rental agreement with Karst Investments LLC, a company owned by the family trusts of two officers and directors of Tamerlane. For the three months ended March 31, 2013, \$11,375 (2012 – \$11,341) was paid to Karst Investments LLC and at March 31, 2013 \$Nil (2012 – \$Nil) is owing.

TAMERLANE VENTURES INC.

Notes to Consolidated Financial Statements (Unaudited)
(Expressed in Canadian dollars)

Three months ended March 31, 2013

12. Related party transactions (continued):

In September 2011, the Company entered into a month to month storage facility rental agreement with Talus Investment LLC, a company controlled by two officers and directors of Tamerlane. For the three months ended March 31, 2013, \$Nil (2012 – \$Nil) was paid and at March 31, 2013 \$Nil (2012 – \$Nil) is owing. This agreement was terminated in September 2012.

For the three Months ended March 31, 2013, the Company incurred legal fees of \$21,902 (2011 - \$69,389) to McMillan LLP, a law firm in which a director of the Company is a partner. On March 31, 2013, \$134,184 (2012 - \$56,797) was owing to the law firm.

As at March 31, 2013, a total of \$111,340 (2012 - \$108,879) was owed to a company with a former common director. This amount is currently being disputed but is recognized in accounts payable and accrued liabilities.

Key Management Personnel Compensation

Three months ended March 31	2013	2012
Executive salaries and short-term benefits	\$ 89,329	\$ 103,246
Directors' fees	11,200	4,800
Stock based compensation	17,144	118,356
Total key management personnel compensation	\$ 117,673	\$ 226,402

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

13. Financial instruments and risk management:

For certain of the Company's financial instruments, including cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities, flow-through share premiums, bridge loans and convertible debenture, the carrying amounts approximate fair value due to their short terms to maturity. The fair value of amounts due to or from related parties is not practical to determine due to their related party nature and absence of a secondary market for such instruments.

The Company is exposed to varying degrees to a variety of financial risks. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management procedures are established to identify, analyze and mitigate the risks faced by the Company.

The types of risk exposure and the way in which such exposure is managed are as follows:

(a) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at March 31, 2013, the Company had cash and cash equivalents of \$1,045,487 and a working capital deficiency of \$9,491,698. The Company has senior secured loans of US\$11,504,358 including capitalized interest and fees that are repayable in full on October 16, 2013, subject to interim payments of at least US\$1,500,000 on each of March 31, 2013 (which remains outstanding as of the date of these financial statements) and June 30, 2013 and interest payments of approximately US\$120,000 per month. The Company's expected sources of cash flow in the upcoming year will be through debt and equity financings and the sale of assets. See note 2 for further disclosures on the Company's liquidity risk.

TAMERLANE VENTURES INC.

Notes to Consolidated Financial Statements (Unaudited)
(Expressed in Canadian dollars)

Three months ended March 31, 2013

13. Financial instruments and risk management (continued):

(b) Credit risk:

The Company is exposed to credit-related losses in the event of non-performance by counterparties to the financial instruments. It arises principally from the Company's cash and cash equivalents and outstanding receivables.

(i) Cash and cash equivalents:

The Company limits its exposure to credit risk by only investing in highly liquid securities and only with counterparties with strong credit ratings. Given these credit ratings, management does not expect any counterparty to fail to meet its obligations.

(ii) Amounts receivable:

The Company's receivables are due primarily from the Federal Government of Canada in respect of HST.

(iii) Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at March 31, 2013 was:

Description	Amount
Cash and cash equivalents	\$ 1,045,487
Amounts receivable	\$ 38,426

(c) Market risk:

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control the market risk exposures within acceptable parameters, while optimizing the return on capital.

(i) Currency risk:

The Company operates on an international basis and therefore foreign currency risk exposures arise from transactions denominated in currency other than the Canadian dollar functional currency. The foreign exchange risk arises primarily with respect to US dollars and Peruvian New Sols. The Company has not hedged its exposure to currency fluctuations.

The following is a breakdown of financial assets and liabilities denominated in foreign currencies as at March 31, 2013 to which the Company is exposed:

	USD	SOL
Cash and cash equivalents	\$ 40,469	\$ -
Amounts receivable	7,072	-
Accounts payable and accrued liabilities	(82,169)	-
Debt	(10,466,609)	-
Total	\$ (10,501,237)	\$ -
CAD foreign exchange rate	1.0171	0.3838
Balance sheet amounts subject to currency risk exposure in equivalent CAD	\$ (10,680,808)	\$ -

TAMERLANE VENTURES INC.

Notes to Consolidated Financial Statements (Unaudited)
(Expressed in Canadian dollars)

Three months ended March 31, 2013

(c) Market risk (continued):

(ii) Sensitivity analysis:

A 10 percent strengthening (weakening) in the Canadian dollar against the above currencies at March 31, 2013 would have increased (decreased) net loss by the amounts shown below. This analysis assumes that all other variables, in particular, interest rates, remain constant:

March 31, 2013	Change
USD	\$ 1,068,081
SOL	-

(iii) Interest rate risk:

This is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's cash and cash equivalents contain highly liquid investments that earn interest at market interest rates. Fluctuations in market interest rates do not have significant impact on the Company's results of operations due to minimal amounts kept in cash holdings and low interest rate earned, other than on its bridge loans and convertible debt. The accretion rate on the bridge loans and convertible debt is estimated to approximate market rates at March 31, 2013.

14. Capital management:

The Company considers cash and cash equivalents, debt issuances, common shares, stock options and warrants as capital. The Board's policy is to maintain a strong capital base so as to maintain investor, creditor, and market confidence and sustain future development of the business.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable level of risk.

The Company manages the capital structure and makes adjustments to it in light of the economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire, or dispose of assets.

In order to facilitate the management of its capital requirements the Company prepares annual expenditure budgets that are updated as necessary, depending on various factors including successful capital deployment and general industry conditions.

The Company has not changed its approach to capital management during the current period. The Company has complied with all external capital restrictions, including those under the debt agreements.

The Company expects that it will be necessary to raise additional capital during 2013 to meet its budgeted exploration and development plans and scheduled US\$11.5 million debt repayment and related interest payments (note 2).

TAMERLANE VENTURES INC.

Notes to Consolidated Financial Statements (Unaudited)
(Expressed in Canadian dollars)

Three months ended March 31, 2013

15. Commitments:

On September 1, 2011, the Company entered into a 5-year lease with Karst Investments LLC, a company owned by family trusts of two officers and directors of Tamerlane. This 5-year lease will require the Company to pay USD\$45,500 per year from 2012 to 2015 and USD\$30,333 in 2016.

16. Subsequent events:

The following events occurred between December 31, 2012 and the date these financial statements were authorized for issue:

- (a) The following changes occurred in the outstanding stock options:

	Number of shares	Weighted Average Exercise Price
Balance, April 1, 2013	5,750,000	\$ 0.21
Granted	100,000	0.10
Forfeited	20,000	0.18
Balance, May 29, 2013	5,830,000	\$ 0.21

- (b) On May 2, 2013 the Company received a default notice from Panarc with respect to non-payment of \$65,000 of consulting fees and has until June 30, 2013 to cure the default. If the default is not cured the Company may lose the option for the Indian Mountain Lake property.
- (c) The Company did not make the monthly interest payment of \$135,923 to Global Resource Fund that was due on or before May 25, 2013 (see note 8).

Tab F

CREDIT AGREEMENT

Made as of December 16, 2010

Between

TAMERLANE VENTURES INC.
(as "Borrower")

- and -

GLOBAL RESOURCE FUND
(as "Lender")

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

A COMMISSIONER

TABLE OF CONTENTS

ARTICLE 1 - INTERPRETATION	1
1.1 Definitions	1
1.2 Headings	15
1.3 Number	15
1.4 Accounting Principles	15
1.5 Best Knowledge	16
1.6 Permitted Encumbrances	16
1.7 Currency	16
1.8 Conflicts	16
1.9 Non-Business Days	16
1.10 Statutory References	16
1.11 Schedules	16
ARTICLE 2 - THE CREDIT FACILITIES	17
2.1 Credit Facilities	17
2.1.1 Bridge Loan	17
2.1.2 Stand-By Facility	17
2.2 Purpose of Credit Facilities	18
2.3 Non-Revolving Nature of the Credit Facilities	18
2.4 Drawdowns	18
2.5 Lender's Obligations with Respect to Advances	18
2.6 Irrevocability	18
ARTICLE 3 - DISBURSEMENT CONDITIONS	19
3.1 Conditions Precedent to the First Advance under the Bridge Loan Facility	19
3.2 Conditions Precedent to the Advances under the Stand-by Facility	20
3.3 Waiver	21
ARTICLE 4 - EVIDENCE OF DRAWDOWNS	21
4.1 Account of Record	21
ARTICLE 5 - PAYMENTS OF INTEREST AND STAND-BY FEES	21
5.1 Interest on Advances	21
5.2 General Interest Rules	21
5.3 Maximum Interest Rate	21
5.4 Stand-by Fees	22
5.5 Overdue Principal and Interest	22
5.6 Upfront Fees	22
ARTICLE 6 - REPAYMENTS	23
6.1 Mandatory Repayment of Principal	23
6.2 Voluntary Repayments	23
6.3 Mandatory Repayments from Proceeds of Debt Issues	23
6.4 Mandatory Repayments on Additional Financings	23
6.5 Mandatory Repayment on Dispositions	24
ARTICLE 7 - PLACE OF PAYMENTS	24
7.1 Place of Payment	24
ARTICLE 8 - REPRESENTATIONS AND WARRANTIES	24
8.1 Representations and Warranties	24
8.1.1 Existence and Qualification	24
8.1.2 Power and Authority	24
8.1.3 Execution, Delivery	25
8.1.4 Credit Documents Comply with Applicable Law, Organizational Documents and Contractual Obligations	25
8.1.5 Consent Respecting Credit Documents	25

- 2 -

8.1.6	Enforceable Obligations	25
8.1.7	Taxes and Tax Returns	25
8.1.8	Securities Accounts	26
8.1.9	Judgments, Etc.	26
8.1.10	Absence of Litigation	26
8.1.11	Debt and Non Arm's Length Transactions	26
8.1.12	Ownership	26
8.1.13	Insurance	27
8.1.14	No Employee Disputes	28
8.1.15	Compliance with Law.....	28
8.1.16	No Event of Default or Pending Event of Default.....	28
8.1.17	Corporate Structure	28
8.1.18	Relevant Jurisdictions.....	29
8.1.19	Computer Software.....	29
8.1.20	Intellectual Property Rights	29
8.1.21	Contracts and Licences	30
8.1.22	Fiscal Year.....	30
8.1.23	Financial Information	30
8.1.24	No Material Adverse Effect.....	30
8.1.25	Environmental	30
8.1.26	Employee Welfare and Pension Plans	31
8.1.27	Full Disclosure	31
8.1.28	Issued Shares	31
8.2	Survival and Repetition of Representations and Warranties.....	32
8.3	Qualification of Representations and Warranties	33
8.4	Representations and Warranties of the Lender	33
8.4.1	Accredited Investor.....	33
ARTICLE 9 - COVENANTS.....		33
9.1	Positive Covenants	33
9.1.1	Conduct of Business, Maintenance of Existence, Compliance with Law.....	33
9.1.2	Access to Information.....	34
9.1.3	Obligations and Taxes	34
9.1.4	Insurance	34
9.1.5	Notices.....	34
9.1.6	Environmental Compliance	35
9.1.7	Security.....	35
9.1.8	Maintenance of Property	36
9.1.9	Landlord Consents and Non-Disturbance Agreements.....	36
9.1.10	Material Contracts	36
9.1.11	Expenses.....	36
9.1.12	Pension Plans and Welfare Plans.....	37
9.1.13	Revision or Update of Schedules.....	37
9.1.14	Quarterly Reports	37
9.1.15	Annual Reports.....	37
9.1.16	Annual Business Plan	37
9.1.17	Shares to be Listed.....	38
9.2	Other Information	38
9.3	Negative Covenants	38
9.3.1	Disposition of Property.....	38
9.3.2	Capital Expenditures	38
9.3.3	No Consolidation, Amalgamation, etc.....	38
9.3.4	No Change of Name	39
9.3.5	No Debt	39
9.3.6	No Investments	39
9.3.7	No Financial Assistance	39
9.3.8	No Distributions	39
9.3.9	No Encumbrances.....	39

9.3.10	Acquisitions.....	39
9.3.11	No Change to Year End.....	39
9.3.12	No Continuance.....	39
9.3.13	Location of Assets in Other Jurisdictions.....	40
9.3.14	Restrictions on Business Activities.....	40
9.3.15	No Share Issuance.....	40
9.3.16	Ownership of Subsidiaries.....	40
9.3.17	Amendments to Organizational Documents.....	40
9.3.18	Amendments to other Material Contracts and Material Licences.....	40
9.3.19	No New Subsidiaries.....	41
9.3.20	Accounts.....	41
9.3.21	Non-Arm's Length Transactions.....	41
ARTICLE 10 - SECURITY.....		41
10.1	Form of Security.....	41
10.2	Insurance Assignment.....	42
10.3	After Acquired Property and Further Assurances.....	42
10.4	Registration.....	43
10.5	Release of Security.....	43
ARTICLE 11 - DEFAULT.....		43
11.1	Events of Default.....	43
11.2	Acceleration and Termination of Rights.....	45
11.3	Remedies Cumulative.....	45
11.4	Termination of Lender's Obligations.....	45
11.5	Saving.....	45
11.6	Perform Obligations.....	46
11.7	Third Parties.....	46
11.8	Set-Off or Compensation.....	46
11.9	Application of Payments.....	46
ARTICLE 12 - COSTS, EXPENSES AND INDEMNIFICATION.....		47
12.1	Costs and Expenses.....	47
12.2	Specific Environmental Indemnification.....	47
12.3	Specific Third Party Claim Indemnification.....	48
ARTICLE 13 - TAXES, CHANGE OF CIRCUMSTANCES.....		49
13.1	Change in Law.....	49
13.2	Illegality.....	50
13.3	Taxes.....	50
ARTICLE 14 - SUCCESSORS AND ASSIGNS AND ADDITIONAL LENDERS.....		51
14.1	Successors and Assigns.....	51
14.2	Participations.....	51
ARTICLE 15 - GENERAL.....		51
15.1	Exchange and Confidentiality of Information.....	51
15.2	Notices.....	52
15.3	Governing Law.....	53
15.4	Judgment Currency.....	53
15.5	Severability.....	53
15.6	Entire Agreement.....	53
15.7	Further Assurances.....	54
15.8	Consent to Jurisdiction.....	54
15.9	Non-Merger.....	54
15.10	Time of the Essence.....	54
15.11	Counterparts.....	54
15.12	Delivery by Facsimile or Email Transmission.....	55
15.13	Amendments and Waivers.....	55

- 4 -

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
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

CREDIT AGREEMENT

THIS AGREEMENT is made as of December 16, 2010,

BETWEEN:

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;

- 2 -

- 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;

- 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;

- 4 -

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

- 5 -

- (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;

- 6 -

- 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

- 7 -

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;

- 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 Obligor, 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 Obligor 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 Obligor, 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 **[REDACTED]** DEFINITION
- 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

- 10 -

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;

- 11 -

- (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;

- 12 -

- (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

- 13 -

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:

- 14 -

- (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

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

- 17 -

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 [REDACTED]. 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);

- 20 -

- (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 [REDACTED] and being satisfied, in its sole discretion, that it has a first priority Encumbrance against [REDACTED]; 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

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

- 23 -

- (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 Obligor's 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 Obligors 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 Obligors, 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 Obligors 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 Obligors), 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 Obligors, 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

- 27 -

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;

- 29 -

- (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.

- 31 -

- (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;

- 32 -

- (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;

- 35 -

- (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

- 36 -

- (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 Obligors 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

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

- 44 -

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;

- 45 -

- (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 any 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;

- 47 -

- (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:

- 52 -

- (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

- 53 -

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

Credit Agreement

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.

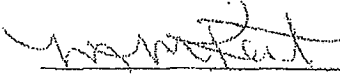
15.13 Amendments and Waivers

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:

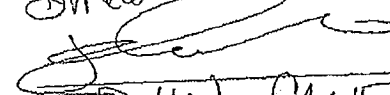
IN WITNESS WHEREOF the Parties hereto have executed this Agreement.

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 CALENDA
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

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 Obligors, not properly waived in writing by or on behalf of the Lender have been fully complied with.
 - (f) No Event of Default or Pending Event of Default has occurred and is continuing nor will any such event occur as a result of the aforementioned Advances.
 - (g) No Material Adverse Effect has occurred.

TAMERLANE VENTURES INC.

Per:

Name:

Title:

SCHEDULE 1.1.76**PERMITTED CAPITAL EXPENDITURES**

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

SCHEDULE 1.1.78**PERMITTED DISTRIBUTIONS**

1. Margaret Kent

Salary: US\$120,000

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

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

2. Michael Willett

Salary: US\$150,000

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

SCHEDULE 1.1.79(N)

ENCUMBRANCES

BRITISH COLUMBIA

PERSONAL PROPERTY SECURITY ACT

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

SCHEDULE 1.1.80**PERMITTED INTER-CORPORATE DEBT**

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

SCHEDULE 1.1.88

REPAYMENT NOTICE

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

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

Tamerlane Ventures Inc.

Per: _____

Name:

Title:

SCHEDULE 1.1.93
STAND-BY DEBENTURE

See attached.

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

STAND-BY CONVERTIBLE DEBENTURE

USD \$1,250,000.00 ●

1. PROMISE TO PAY

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

2. INTEREST

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

3. CONVERSION

3.1 Conversion Privileges

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

(b) Provided,

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

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

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

3.2 Manner of Exercise of Right to Convert

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

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

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

3.3 Adjustment Provisions

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

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

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

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

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

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

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

- (c) If and whenever at any time after the date hereof, and prior to the Maturity Date, the Debtor fixes a record date for the issue of rights, options or warrants to all or substantially all the holders of Common Shares (the "Rights") under which such holders are entitled, during a period expiring not more than forty-five (45) days after the date of such issue (the "Rights Period"), to subscribe for or purchase Common Shares (the "Common Rights") or securities exchangeable for or convertible into Common Shares (the "Convertible Rights") at a price per share to the holder (or at an exchange or conversion price per share during the Rights Period to the holder in the case of Convertible Rights) of less than 95% of the VWAP of the Common Shares for the twenty (20) consecutive trading days ending three (3) trading days prior to such record date (any of such events being called a "Rights Offering"), then the Conversion Price will be adjusted effective immediately after the record date for the Rights Offering to a price determined by multiplying the Conversion Price in effect immediately prior to the end of the Rights Period by a fraction:

- (i) the numerator of which shall be the sum of the number of Common Shares outstanding on such record date and a number obtained by dividing (a) either the product of the total number of Common Shares so offered for subscription or purchase and the price at which such shares are so offered, or the product of the maximum number of Common Shares into or for which the convertible or exchangeable securities so offered for subscription or purchase may be converted or exchanged and the conversion or exchange price of such securities, as the case may be, by (b) the VWAP of the Common Shares for the twenty (20) consecutive trading days ending three trading days prior to such record date; and
- (ii) the denominator of which shall be the sum of the number of Common Shares outstanding on such record date and the number of Common Shares so offered for subscription or purchase (or, in the case of securities convertible into or exchangeable for Common Shares, the maximum number of Common Shares into or for which the securities so offered for subscription or purchase may be converted or exchanged).

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

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

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

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

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

3.4 Adjustments to be Cumulative and Successive

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

3.5 No Requirement to Issue Fractional Shares

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

3.6 Taxes and Charges on Conversion

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

3.7 Certificate as to Adjustment

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

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

3.8 Notice of Special Matters

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

3.9 Debtor to Reserve Shares

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

3.10 Legended Share Certificates

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

4. PRINCIPAL PAYMENTS AND MATURITY

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

5. PREPAYMENT

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

- (b) During the Repayment Notice Period, the Debentureholder may elect to exercise its option to convert all or part of the principal amount outstanding under this Debenture to Common Shares in any proportion it chooses pursuant to Sections 3.1 and 3.2 hereof.
- (c) If the Debentureholder notifies the Debtor that it elects not to convert all or part of this Debenture into Common Shares during the Repayment Notice Period, or if the Debentureholder fails to respond to the Debtor during the Repayment Notice Period, then the Debtor shall repay to the Debentureholder the Repayment Amount plus, as a genuine pre-estimate of damages and not as a penalty, an amount equal to 10% of the Repayment Amount. If such prepayment is made prior to the 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
REINVEST 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: [REDACTED]

Account Number: [REDACTED]

Swift Code: [REDACTED]

Address: [REDACTED]

Contact Number: [REDACTED]

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

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

SCHEDULE 8.1.12

OWNERSHIP

Tamerlane Ventures Inc.

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

Lease No.

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

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

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

- 2 -

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 Cafiete

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

**INFORME DE TITULOS
CONCESIONES MINERAS LOS PINOS**

1. DESCRIPCION DE LAS CONCESIONES: CONCESSIONS 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

- 2 -

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

- 3 -

-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

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:

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

4.01 Conditions Precedent

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

5.01 Supplemental

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

5.02 Credit Agreement Remains in Effect

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

5.03 Confirmation Regarding Security

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

5.04 Further Assurances

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

5.05 Governing Law

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

5.06 Counterparts

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

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

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

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

TAMERLANE VENTURES INC.

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

TAMERLANE VENTURES USA, INC.

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

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

Per: _____
Name:
Title:

Per: _____
Name:
Title:

We have authority to bind the corporation

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


TAMERLANE VENTURES INC.

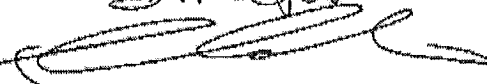
Per: _____
Name:
Title:
I have authority to bind the corporation

TAMERLANE VENTURES USA, INC.

Per: _____
Name:
Title:
I have authority to bind the corporation

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

Per: 
Name: David Lewis
Title: Director

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

Schedule "A"

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

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

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

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

Schedule 8.1.18: Pine Point Holding Corp. – federal company

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

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

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

SECOND AMENDING AGREEMENT

This Second Amending Agreement is made as of the 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."

- 2 -

(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.

5.01 Supplemental

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

5.02 Credit Agreement Remains in Effect

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

5.03 Confirmation Regarding Security

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

5.04 Further Assurances

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

5.05 Governing Law

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

5.06 Counterparts

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


- 5 -

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

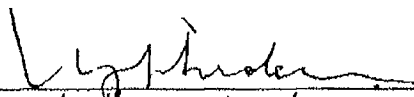
[rest of page intentionally left blank; signatures on the next page]

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

TAMERLANE VENTURES INC.

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

TAMERLANE VENTURES USA, INC.

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

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

Per: _____
Name:
Title:

Per: _____
Name:
Title:

We have authority to bind the corporation

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

TAMERLANE VENTURES INC.

Per: _____

Name:

Title:

I have authority to bind the corporation

TAMERLANE VENTURES USA, INC.

Per: _____

Name:

Title:

I have authority to bind the corporation

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

Per:  _____

Name: David Lewis

Title: Director

Per:  _____

Name: Daniel Cohen

Title: Vice President & General Counsel

We have authority to bind the corporation

Schedule "A"

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

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

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

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

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

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

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

Section 8.1.25(g): The Borrower has advised that quantities of 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.

Tab G

GUARANTEE

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

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

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

Guarantee

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

Indemnity

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

Determination of Liability for Future Advances

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

DOCMANAGE_LEGAL_413688.1
Legal#6451088.1
043657-00001

TO THE AFFIDAVIT OF

Margaret M. Kent

SWORN August 22, 2013

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

PINE POINT HOLDING CORP.

By: 

Name: MARGARET LEET

Title: DIRECTOR

Fax No:

Address:

Lender's Address for Service:

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

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

GUARANTEE

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

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

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

Guarantee

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

Indemnity

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

Determination of Liability for Future Advances

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

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

Debtor's Status and Authority

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

Liability Unaffected by Certain Matters

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

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

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

Liability Unaffected by Actions of Lender

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

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

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

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

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

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

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

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

Accounts Settled

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

Waivers

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

Foreign Currency Obligations

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

Withholding Taxes

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

Representations and Warranties

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

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

Revival of Indebtedness and Liability

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

Assignment and Postponement of Indebtedness

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

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

Restrictions on Right of Subrogation

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

Expenses

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

Additional Security

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

Set-Off

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

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

Notice

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

Severability

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

Interpretation

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

Further Assurances

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

Entire Agreement; Conclusive Delivery

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

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

Governing Law

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

Successors and Assigns

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

Receipt of Copy of Guarantee

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

(Signature Page Follows)

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

TAMERLANE VENTURES USA, INC.

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

Lender's Address for Service:

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

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

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

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

PLEDGE OF SECURITIES

Obligations Secured

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

Definitions and Interpretation

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

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

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

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

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

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

- 2 -

"**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

- 4 -

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;

- 5 -

- (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

- 7 -

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

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

Failure of Secured Party to Exercise Remedies

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

Application of Payments

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

Dealings by Secured Party

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

Notices

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

Separate Security

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

Power of Attorney

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

Entire Agreement

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

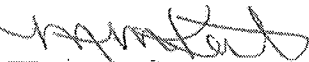
Enurement

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

[Remainder of this page intentionally left blank]

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

TAMERLANE VENTURES INC.

By: 

Name: Margaret Kent

Title: Executive Chairman

GENERAL SECURITY AGREEMENT

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

Dated December 16, 2010

BETWEEN:

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

- and -

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

The parties agree as follows:

ARTICLE 1 INTERPRETATION

1.01 Definitions

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

- 2 -

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

- 3 -

- 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.

- 4 -

"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

- 6 -

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

- 7 -

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

- 8 -

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.

- 9 -

- (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

- 10 -

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.

- 11 -

**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;

- 12 -

- (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;

- 13 -

- (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

- 14 -

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;

- 17 -

- (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

- 20 -

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

7.19 Severability

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

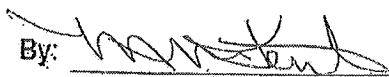
7.20 Statutory Waiver

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

[Remainder of this page intentionally left blank]

This agreement has been executed by the parties.

TAMERLANE VENTURES INC.

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

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

By: _____
Name:
Title:


By: _____
Name:
Title:

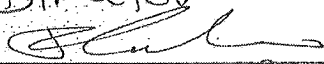
This agreement has been executed by the parties.

TAMERLANE VENTURES INC.

By: _____
Name:
Title:

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

By: 
Name: David Lewis
Title: Director

By: 
Name: JOHN CALIENDO
Title: DIRECTOR

SCHEDULE A

See attached

Date: 11/25/2010

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

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

Date: 1/25/2010

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

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

GENERAL SECURITY AGREEMENT

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

Dated: July 29, 2011

BETWEEN:

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

- and -

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

The parties agree as follows:

ARTICLE 1 INTERPRETATION

1.01 Definitions

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

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

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

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

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

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

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

“Intellectual Property” means:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1.02 Calculation of Time

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

1.03 Currency

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

1.04 Headings; Internal References

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

1.05 Interpretation of this Agreement

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

1.06 Number and Gender

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

1.07 References to Statutes, etc.

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

1.08 Use of the Term "Including"

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

ARTICLE 2 GRANT OF SECURITY

2.01 Creation of Security Interest

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

2.02 Attachment

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

2.03 Account Debtor

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

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

2.04 Leasehold Interests

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

2.05 Agreements and Licences

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

2.06 Intellectual Property

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

2.07 Special Provisions relating to Securities

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

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

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

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

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

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

2.08 Commingled Goods

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

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.01 Representations and Warranties of the Debtor

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

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

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

ARTICLE 4 COVENANTS OF THE DEBTOR

4.01 Payment of Obligations

The Debtor shall satisfy the Obligations when due.

4.02 Payment of Expenses

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

4.03 Registration

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

4.04 Serial Numbered Goods

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

ARTICLE 5 DEFAULT

5.01 Enforcement Upon an Event of Default

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

5.02 Waiver

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

ARTICLE 6 REMEDIES

6.01 Remedies of the Secured Party

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

6.02 Rights of the Secured Party

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

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

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

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

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

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

6.03 Right to Appoint a Receiver

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

6.04 Application of Payments

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

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

6.05 Limitation of Liability

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

6.06 Failure of Secured Party to Exercise Remedies

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

6.07 Secured Party or Receiver May Perform

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

6.08 Dealings by Secured Party

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

6.09 Deficiency

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

6.10 Validity of Sale

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

6.11 Effect of Appointment of Receiver

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

6.12 Rights in Addition

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

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

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

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

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

7.02 Binding Effect; Assignment

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

7.03 Conflict of Provisions

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

7.04 Copy of Agreement

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

7.05 Counterparts

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

7.06 Effective Date

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

7.07 Entire Agreement; Amendment

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

7.08 Further Assurances

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

7.09 Governing Law

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

7.10 Information

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

7.11 Jurisdiction

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

7.12 Language

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

7.13 Non-Merger; Survival

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

7.14 Notice

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

7.15 No Partnership

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

7.16 Release

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

7.17 Secured Party Not Obligated to Advance

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

7.18 Separate Security

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

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

7.19 Severability

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

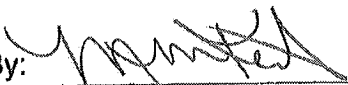
7.20 Statutory Waiver

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

[Remainder of this page intentionally left blank]

This agreement has been executed by the parties.

PINE POINT HOLDING CORP.

By: 
Name:
Title:

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

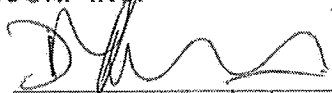
By: _____
Name:
Title:
By: _____
Name:
Title:


This agreement has been executed by the parties.

PINE POINT HOLDING CORP.

By: _____
Name:
Title:

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

By:  _____
Name: David Lewis
Title: Director

By:  _____
Name: Daniel Coker
Title: Vice President & General Counsel

SECURITY AGREEMENT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

DATED, this 16 day of December 2010.

DEBTORS:

Tamerlane Ventures USA, Inc.



By: Margaret Peggy Kent, Its: President

SECURED PARTY:


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

By: _____

Its: _____

CONSENTED TO BY BORROWER:

Tamerlane Ventures Inc.



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

By: _____

Its: _____

DATED, this _____ day of _____ 2010.

DEBTORS:

Tamerlane Ventures USA, Inc.

By: Margaret Peggy Kent, Its: President

CONSENTED TO BY BORROWER:

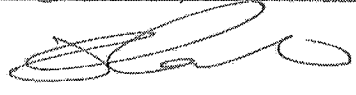
Tamerlane Ventures Inc.

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

SECURED PARTY:

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

By: 
Its: DIRECTOR

By: 
Its: DIRECTOR

STATE OF WASHINGTON)
) ss.
COUNTY OF WHATCOM)

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

DATED: _____, 2010.

(SEAL/STAMP)

NOTARY PUBLIC
My appointment expires: _____

PROVINCE OF ONTARIO
CANADA

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

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

PROVINCE OF ONTARIO
CANADA

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

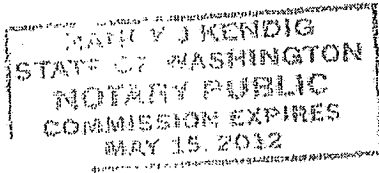
A. Plastina
Name: Amanda Plastina
Province of Ontario
My commission is unlimited as to time

STATE OF WASHINGTON)
) ss.
COUNTY OF WHATCOM)

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

DATED: December 15, 2010.

(SEAL/STAMP)



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

Tab H

FORBEARANCE AGREEMENT

This Forbearance Agreement is made as of the 31st day of December, 2012,

BETWEEN:

TAMERLANE VENTURES INC. (the "Borrower")

- and -

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

- and -

GLOBAL RESOURCE FUND (the "Lender")

RECITALS:

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

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

1. Definitions

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

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

2. **Forbearance.**

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

3. **Specific Amendments**

The Credit Agreement is hereby specifically amended as follows:

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

4. **Budget.**

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

5. **Interest.**

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

6. **Forbearance Fees.**

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

7. **Acknowledgement of Advances.**

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

8. Repayment.

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

9. Board Representation.

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

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

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

10. **Consultants.**

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

11. Obligors' Bank Accounts.

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

12. Michael Willett.

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

13. No New Agreements.

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

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

14. Payments to Management.

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

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

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

15. Termination of ROFR.

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

16. Acknowledgements.

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

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

it taken any action or omitted to take any action, that would or could constitute a waiver of its rights to enforce its rights, remedies and recourses in respect of the Obligations or the Security, or that would estop it from so doing;

- (d) none of the Existing Defaults have been waived, forgiven, withdraw, altered or in any other manner agreed to by the Lender;
- (e) there will be no further Events of Default;
- (f) this Forbearance Agreement is deemed a "Credit Document" and any breach or failure of the strict performance of the terms of this Forbearance Agreement will be an Event of Default;

17. Effect of Event of Default.

- (a) Upon the occurrence of an Event of Default other than the Existing Defaults, the Lender may immediately terminate its forbearance hereunder and enforce, without further notice or delay, all of its rights and remedies against the Obligors. Each of the Obligors agrees it will not oppose the Lender's enforcement of its rights, remedies and recourses including, without limitation, the application by the Lender to the Ontario Superior Court of Justice (or similar court in other jurisdictions) for the appointment of a receiver or receiver-manager (a "**Receiver**") over all or any part of the property that is collateral under the Security (the "**Collateral**"), and if the Lender or Receiver so elect, to take possession of the Collateral. The Lender may rely upon this acknowledgement and consent to the appointment of a Receiver and same can be pleaded in any application to appoint a Receiver.
- (b) Each of the Obligors acknowledges and confirms that the Lender shall be unaffected by any attempt by them, or any of them, to seek protection from creditors, it being acknowledged that any such attempt shall be an Event of Default. The Lender shall be allowed to rely upon the provisions hereof as evidence that any stay imposed on the Lender shall be lifted and the Lender can plead the provisions hereof as evidence of such consent.

18. No Claims Against the Lender.

- (a) None of the Obligors disputes its liability with respect to the Obligations (whether directly as a borrower or indirectly as a guarantor, as applicable), on any basis whatsoever, and none of the Obligors has any claims for set-off, counterclaim or damages on any basis whatsoever against either the Lender or Renvest Mercantile Bancorp Inc. as of the date of this Forbearance Agreement.

- (b) Each of the Obligors, jointly and severally, releases and discharges each of the Lender and Renvest Mercantile Bancorp Inc., their respective directors, officers, employees and agents, (collectively, the “**Releasees**”) from and against all claims, causes of action, set-offs, counterclaims, damages, direct or indirect, in law or in equity, contingent or otherwise, that they have, or may have against the Releasees or any of them arising to the date hereof, out of any act or omission to act of the Lender or for any other reason whatsoever related to, arising out of or in any way in respect of the Credit Agreement;
- (c) Each of the Obligors acknowledges the Releasees are entitled to rely upon such release and to claim same is an estoppel to any action initiated by, or on behalf of any of the releasing parties or any of them, directly or indirectly.

19. 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 Forbearance Agreement and acknowledges and confirms that the Lender is relying on such representations and warranties:

- (a) except as disclosed in Exhibit 3, 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 Forbearance Agreement;
- (c) the entering into and performance by the Obligors of this Forbearance 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 contracts, licenses, or permits, and (iv) does not result in any Encumbrances;
- (d) this Forbearance 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) the only Events of Default or Pending Events of Default that have occurred remain outstanding prior to this Forbearance Agreement becoming effective are listed on Exhibit 4 "Existing Defaults".

20. **Conditions Precedent**

The Lender's agreement to forbear hereunder shall be subject to each of the following conditions being satisfied on the dates set out below:

- (a) the Borrower has delivered all documents (other than the shares contemplated by Section 6), including the agreements contemplated by Section 14 and the termination agreement contemplated by Section 15, on or before January 9th, 2013 (the "**Condition Date**");
- (b) the Borrower has delivered the shares contemplated by Section 6; and
- (c) the Lender is satisfied that the Borrower has made all required disclosure in respect hereof under applicable securities laws.

21. **Flotation Equipment**

The Obligors will use their best efforts to sell the flotation equipment described in Exhibit 6 (the "**Flotation Equipment**") as soon as reasonably practicable.

In connection with the foregoing, on or before January 31, 2013, the Obligors will engage a broker (the "**Broker**") to use commercially reasonable efforts to sell the Flotation Equipment as soon as reasonably practicable. The Obligors will use their best efforts to facilitate and assist with the sale of the Flotation Equipment as soon as reasonably practicable. The Broker will be directed by the Obligors to provide the Lender with all information reasonably requested from time to time by the Lender with respect to the sale of the Flotation Equipment. The Obligors will comply with any request by the Lender to terminate their engagement with the Broker and to engage a new broker as the Lender may from time to time direct.

All offers to purchase the Flotation Equipment will be delivered forthwith following receipt to the Lender for its consideration. If any such offer is approved by the Lender, the Obligors will accept such offer and use commercially reasonable efforts to sell the Flotation Equipment pursuant to the terms of such offer.

From and after the date hereof, the Obligors will maintain insurance covering the Flotation Equipment in compliance with the requirements of the Credit Agreement.

22. Supplemental

This Forbearance Agreement is supplemental to and amends the Credit Agreement and the Credit Agreement shall henceforth be read in conjunction with, as amended by, this Forbearance Agreement, and the Credit Agreement and this Forbearance 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 Forbearance Agreement were contained in one instrument. In the event of any inconsistency between the Credit Agreement and this Forbearance Agreement, the provisions of this Forbearance Agreement will govern.

23. Credit Agreement Remains in Effect

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

24. Confirmation Regarding Security

The Obligors each hereby jointly and severally confirm, notwithstanding all other terms and conditions of this Forbearance 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.

25. 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 and this Forbearance Agreement.

26. Governing Law

The parties agree that this Forbearance 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.


27. Counterparts

This Forbearance Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this Forbearance 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]

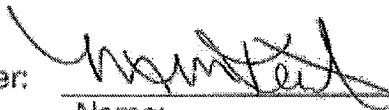
IN WITNESS WHEREOF the parties hereto have executed this Forbearance Agreement as of the date first written above.

TAMERLANE VENTURES INC.

Per: 
 Name:
 Title:


I/We have authority to bind the Corporation

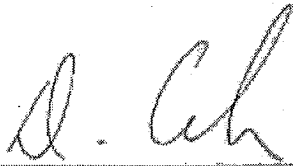
TAMERLANE VENTURES USA, INC.

Per: 
 Name:
 Title:

I/We have authority to bind the Corporation

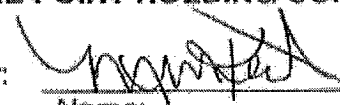
**GLOBAL RESOURCE FUND by its
 Manager RENVEST MERCANTILE
 BANCORP-ING.**

Per: 
 Name: David Lewis
 Title: Director

Per: 
 Name: Daniel Cohen
 Title: Vice President and General
 Counsel

I/We have authority to bind the Corporation

PINE POINT HOLDING CORP.

Per: 
 Name:
 Title:

I/We have authority to bind the Corporation

Exhibit 1 – Non-Disclosure Agreement

To: Company Name
Company address

Attention: Mr./Ms. XXX XXX

Re: Possible Transaction between you and Global Resource Fund (“GRF”) regarding Tamerlane Ventures Inc. (“Tamerlane”)

In connection with your analysis of a possible Transaction between GRF and you regarding Tamerlane, you have requested certain Evaluation Material in respect of Tamerlane.

In consideration of furnishing you with or providing you access to certain Evaluation Materials, GRF requires your agreement to the provisions of this Agreement. It is understood and acknowledged that, where the terms "you and your" are used in this Agreement, the same shall be construed as including your Subsidiaries, and your or your Subsidiaries' directors, officers, employees, agents, consultants, auditors, advisors and counsel.

Wheresoever used in this Agreement, the following terms shall bear the respective definitions hereinafter given, namely:

"**Affiliate**" and "**Subsidiary**" have the meanings ascribed thereto in the *Business Corporations Act* (Ontario);

"**this Agreement**" means the agreement consisting of this letter and your acceptance hereof;

"**Data Room**" means the room or rooms containing Evaluation Material which may be provided by Tamerlane or GRF from time to time;

"**Effective Date**" means the day, month and year first above written;

"**Evaluation**" means an evaluation of the properties, assets and operations of Tamerlane made or to be made in contemplation of a Transaction;

"**Evaluation Material**" means all information (including information in the form not only of written information but also information which may be transmitted orally, electronically, visually or by any other means) provided to you by Tamerlane, GRF or any of their Representatives relating to Tamerlane, its direct and indirect subsidiaries and their business, affairs, financial position, assets, operations and activities including, without limitation, information provided for inspection in any Data Room and all reports, evaluations, notes, analysis, documents, geological, engineering, geophysical and/or land maps or data, trade secrets or any other documents or information pertaining in any way whatsoever to Tamerlane and its direct and indirect subsidiaries together with all analysis, evaluations, compilations, notes, studies or other documents prepared by you or your Representatives containing or based upon, in whole or in part, such information or reflecting the review of, or interest in Tamerlane or the Transaction and includes all information, if any, previously made available to you or your Representatives; provided that Evaluation Materials will not include any information which: (i) at the time of its disclosure to you is, or thereafter becomes, generally available to, and known by the public (other than as a result of a disclosure directly or indirectly by you or your Representatives); (ii) was available to you on a non-confidential basis from a source other than Tamerlane or GRF provided that such source is not and was not, to the knowledge of you, bound by a confidentiality agreement with Tamerlane or GRF to hold or retain such

information confidential; or (iii) has been independently acquired or developed by you without violating any of your obligations under this or any other agreement you may have with any Person;

"Person" means any natural or legal person, including a corporation, trust or partnership;

"Representative" means, in the case of your Representatives, any of your employees, affiliates, investors, related funds, potential financing sources, agents, officers, directors or any advisors, auditors, counsel or consultants who are involved in the preparation of an Evaluation for you and, in the case of GRF's Representatives or Tamerlane's Representatives, any employees, officers, directors or any advisors, auditors, counsel or consultants to GRF or Tamerlane, respectively;

"Term" means a period of 24 months commencing on the Effective Date; and

"Transaction" means a transaction or series of transactions between GRF and you regarding Tamerlane.

Where any word or term is used herein in the singular or neuter, the same shall include the plural or masculine or feminine as the context may require.

1. Without the prior written consent of GRF, you will not, and will direct your Representatives not to, disclose to any Person other than your Representatives: (i) the fact that any investigations, discussions or negotiations are taking place concerning a possible Transaction; (ii) that you have requested or received Evaluation Material; (iii) any opinion or comment in respect of the Evaluation Material; or (iv) any of the terms, conditions or any facts with respect to such possible Transaction, including the status thereof.
2. You agree and you shall cause your Representatives to agree: (i) to use the Evaluation Material only for the purposes of conducting an Evaluation in furtherance of implementing a Transaction; (ii) not to use, exploit or employ the Evaluation Material for any other purpose or in any other manner; (iii) to keep the Evaluation Material fully secret and confidential for the Term; and (iv) to not copy or reproduce any written materials comprising a part of the Evaluation Material, without the prior written consent of GRF.
3. You will safeguard and strictly control the dissemination of the Evaluation Material and not release or disclose any Evaluation Material to any Person, other than your Representatives and in each case only those Representatives who need to receive such information in connection with your Evaluation and who have first been informed of the terms of this Agreement. You agree to be responsible for any breach of this Agreement by any of your Representatives
4. Upon GRF's or Tamerlane's request therefor you will and will cause your Representatives to: (i) destroy all Evaluation Material furnished to you or your Representatives, without retaining copies or other reproductions, reports, extracts, notes or other memoranda thereof (whether electronic, magnetic or otherwise); (ii) destroy or have destroyed all reproductions, memoranda, notes, reports, extracts, compilations, analyses and documents and all documents prepared by or in the possession of you or your Representatives related to the information contained in the Evaluation Material but which does not itself constitute Evaluation Material; and (iii) provide to GRF and Tamerlane a certificate that the terms and conditions of this paragraph have been complied with, provided that, Evaluation Material may be retained in accordance with internal record keeping policies which shall be retained pursuant to this Agreement. It is understood that neither this Agreement nor the disclosure of any Evaluation Material to you should be construed as granting to you or any of your Representatives any licence or rights in respect of any part of the Evaluation Material.
5. Without limitation and in addition to any other rights GRF or Tamerlane may have against you or arising by reason of any breach hereof, you shall:

- (a) be liable to GRF and Tamerlane for any and all direct losses, costs, damages and expenses whatsoever (including legal, accounting and other professional costs, expenses, fees and disbursements, with legal fees on a solicitor-client basis) which GRF or Tamerlane may suffer, sustain, pay or incur after obtaining a non-appealable court order by a court of competent jurisdiction; and
- (b) indemnify and hold harmless GRF and Tamerlane against all actions, proceedings, claims, demands, losses, costs, damages and expenses whatsoever which may be brought against or suffered by GRF or Tamerlane or which they may sustain, pay or incur after obtaining a non-appealable court order by a court of competent jurisdiction,

resulting or arising, directly, from disclosure by you or your Representatives of any part of the Evaluation Material contrary to the provisions hereof or any other breach of this Agreement by you or your Representatives. You acknowledge and agree that GRF is constituted as trustee of your covenants under this paragraph 5 for the benefit of GRF's Representatives and Tamerlane's Representatives and that GRF, Tamerlane or their Representatives shall be entitled to enforce such covenants on behalf of such persons.

6. Should you or your Representatives be required by law, regulation or policy or be requested by legal process or regulatory authority to disclose any Evaluation Material or any matter referred to in paragraph 1 hereof, you will provide GRF with notice of such requirement or request so that GRF or Tamerlane may seek an appropriate protection order at their sole expense, or GRF may waive compliance with any of the provisions of this Agreement, or both. If, in the absence of either a protective order or a waiver by GRF, you or your Representatives, in the reasonable opinion of your or its legal counsel, are required by law, regulation or policy to disclose any Evaluation Material or such other matter, you or your Representatives may, without liability hereunder, disclose that portion, and only that portion, of the Evaluation Material or such other matter that you or your Representatives are required so to disclose and you will exercise your commercially reasonable efforts in such event to obtain reliable assurance that the Evaluation Material or such other matter will be accorded confidential treatment.
7. You will not, and you will cause your Representatives that have been made aware of the Evaluation Material not to, solicit for hire or employment, directly or indirectly, any officer or employee of Tamerlane or its direct and indirect subsidiaries that you become aware of or is in contact with you in connection with your evaluation of a Transaction. For the purposes of this clause, "**solicitation**" shall not include solicitation of any officer or employee of Tamerlane or its direct and indirect subsidiaries who is solicited: (i) by advertising in a newspaper or periodical of general circulation; or (ii) indirectly through a personnel search agency engaged by you generally (not specifically in respect of Tamerlane) provided that you shall not pursue hiring of any officer or employee of Tamerlane or its direct or indirect subsidiaries; provided that this paragraph 7 shall cease to bind you on the first to occur of: (i) expiry of the Term; or (ii) the expiry of six months following the consummation by GRF of a Transaction.
8. You understand and acknowledge that neither GRF, Tamerlane nor their Representatives are making any representation or warranty, expressed or implied, as to the accuracy or completeness of the Evaluation Material and neither GRF, Tamerlane nor their Representatives or any of their respective officers, directors, employees or agents will have any liability whatsoever to you or to any other person resulting from your use of the Evaluation Material and that you are and will be relying upon your own investigations, due diligence and analysis in evaluating and satisfying yourself as to all matters relating to Tamerlane, its direct and indirect subsidiaries and their business, affairs and assets. Only such representations or warranties that are contained in a definitive agreement with respect to a Transaction, when as and if executed and subject to such conditions or limitations or restrictions as may therein be specified, shall have any legal effect.

9. You acknowledge that you are aware of the general nature of applicable securities laws, including, without limitation, all applicable securities laws that may prohibit any Person who has material, non-public information concerning the matters which are the subject of this Agreement, from trading in securities of a company which may be a party to a transaction of, or may propose to become a party to, the type contemplated herein or from communicating such information to other Persons.
10. No contract or agreement between you and GRF providing for a Transaction shall be deemed to exist unless and until a definitive agreement with respect thereto has been executed and delivered. Unless and until such an agreement has been executed and delivered, neither you nor GRF shall have any legal obligation of any kind whatsoever with respect to any such Transaction by virtue of this Agreement or any other written or oral expression with respect to such a Transaction except, in the case of this Agreement, for the matters specifically agreed to herein. GRF is free to conduct any process with respect to any Transaction as it, in its sole discretion, shall determine (including, without limitation, negotiating with any Person and entering into any agreement without prior notice to you or any other Person), and you acknowledge and agree that: (i) any procedures relating to any Transaction may be changed at any time and without notice to you or any other Person; and (ii) you shall not have any claim whatsoever against GRF or any of its Representatives arising out of or relating to a Transaction (other than those as against the parties to a definitive agreement with you in accordance with the terms hereof). You agree that GRF reserves the right, in its sole discretion, to reject any and all proposals made by you with respect to a Transaction and to terminate discussions and negotiations, with you at any time. You acknowledge and agree that the entering into of this Agreement by GRF or any approval granted pursuant to paragraph 9 hereof does not constitute the agreement of GRF to agree to or recommend to its shareholders any Transaction, nor does it restrict the rights of GRF to solicit or provide information to any other parties in respect of a Transaction.
11. No provision of this Agreement may be waived or amended except by written consent of the party so waiving, which consent shall specifically refer to the provision being so amended or waived.
12. You acknowledge and agree that GRF and/or Tamerlane may be irreparably damaged if any provision of this Agreement is not performed by you or your Representatives in accordance with its terms and that monetary damages may not be sufficient to remedy any breach by you or your Representatives of any term or provision of this Agreement and you further agree that GRF and Tamerlane shall be entitled to seek equitable relief, including injunction and specific performance, in the event of any breach hereof and in addition to any other remedy available at law or in equity.
13. You hereby irrevocably and unconditionally consent to and submit to the exclusive jurisdiction of the courts of Ontario for any actions, suits or proceedings arising out of the interpretation or enforcement of this Agreement (and you agree not to commence any action, suit or proceeding relating thereto except in such courts) and further agree that service of any process, summons, notice or documentation by personal delivery to your address set forth above shall be effective service of process for any action, suit or proceeding brought against you in any such court. You hereby irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the matters contemplated hereby in the courts of Ontario and hereby further irrevocably and unconditionally waive and agreed not to plead or claim in any such court that any such action, suit or proceeding so brought has been brought in an inconvenient forum. This Agreement shall be governed by the laws of Ontario and the federal laws of Canada applicable therein, except those pertaining to conflict of laws.
14. No failure or delay by any party in exercising any right, power or privilege hereunder will operate as a waiver thereof nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder.

- 15. This Agreement is for the benefit of GRF, Tamerlane and their successors and assigns and may be enforced by GRF, Tamerlane and their successors and assigns. This Agreement shall not be assignable by you without the prior written consent of GRF and Tamerlane.

If you are in agreement with the foregoing, please sign and return one copy of this letter to us.

Yours truly,
GLOBAL RESOURCES FUND by its manager
Renvest Mercantile Bancorp Inc.

Per: _____
 Name:
 Title:

Per: _____
 Name:
 Title:

ACCEPTED AND AGREED TO
 this X day of month 2013

Company name

Per: _____
 Name and title

 Signature

Exhibit 2 – Deferral and Subordination Agreement

DEFERRAL & SUBORDINATION AGREEMENT

THIS AGREEMENT is dated as of the ___ day of January, 2013 between the undersigned party (the "**Undersigned**") and Global Resource Fund (the "**GRF**").

WHEREAS Tamerlane Ventures Inc. (the "**Debtor**") has entered into a Credit Agreement with GRF dated December 16, 2012 (as amended, restated and otherwise modified, the "**Credit Agreement**");

WHEREAS an Event of Default (as such term is defined in the Credit Agreement) occurred and, as a condition to GRF agreeing to forbear from enforcing its rights under the Credit Agreement, the Undersigned is required to defer and subordinate any and all obligations owed to it by any of the Debtor, Pine Point Holding Corp., or Tamerlane Ventures USA, Inc. (collectively, the "**Obligors**") in favour of GRF, except for (i) the reimbursement of expenses incurred by the Undersigned for the benefit of an Obligor in the ordinary course of such Obligor's business and not prohibited by the Credit Agreement or the Forbearance Agreement dated December 31, 2012 between the Obligors and GRF (the "**Forbearance Agreement**"), or (ii) the payment of salary explicitly contemplated by the Budget (as defined in the Forbearance Agreement) (all such amounts in both (i) and (ii) are referred to herein as the "**Permitted Payments**");

The parties hereto agree as follows:

Postponement of Payment of Obligations. Except in respect of Permitted Payments, the Undersigned hereby postpones payment by each of the Obligors to the Undersigned of all present and future indebtedness, salary, bonuses, liabilities and other obligations, now or hereafter owing by any Obligor to the Undersigned, whether direct or indirect, absolute or contingent, matured (by way of acceleration or otherwise) or unmatured (collectively, the "**Subordinate Obligations**") to and in favour of the payment of all present and future indebtedness, liabilities and other obligations now or hereafter owing by the each of the Obligors to GRF, whether direct or indirect, absolute or contingent, matured (by way of acceleration or otherwise) or unmatured (collectively, the "**Senior Obligations**"). Except for Permitted Payments, the Undersigned shall not obtain or receive payment of any amount of the Subordinate Obligations from any person or source until the Senior Obligations has been fully paid and until GRF has no obligation to extend credit to the Debtor.

Subordination of Security. The Undersigned hereby subordinates all existing and future liens, encumbrances and other security heretofore, now or hereafter delivered by the Debtor to the Undersigned or otherwise obtained by the Undersigned by agreement, statute, operation of law or otherwise (collectively, the "**Subordinate Security**") to and in favour of all existing and future security heretofore, now or hereafter delivered by the Debtor to GRF (collectively, the "**Senior Security**"). Notwithstanding any priority to which the Undersigned may be or may hereafter become entitled for any reason whatsoever (including, without limitation, priority by date and the time or order of creating, granting or executing any document, the actual or alleged invalidity or unenforceability of any of the Senior Security, the perfection of, or the giving of notice or any

demand for payment under the date of advance, registration, publication, filing or crystallization of or in respect of any charge or encumbrance contained in the Subordinate Security and the security interests created thereby or by any provisions of any relevant law or statute), the Senior Security and all rights provided thereunder or by law or otherwise shall have full and absolute priority over and with respect to the Subordinate Security, and the Subordinate Security shall in all respects rank subordinate and junior to the Senior Security and all rights provided thereunder or by law or otherwise until the parties hereto agree otherwise in writing or all of the Senior Obligations are repaid in full. All liens, charges, security interests and other encumbrances contained in the Senior Security shall, in all events and under all circumstances, rank in priority to all liens, charges, security interests and other encumbrances contained in the Subordinate Security.

No Enforcement of Subordinate Obligations and Subordinate Security. The Undersigned shall not, without the prior written consent of GRF, claim, demand, sue for, commence any action, commence any proceeding or take any step (including exercising any right of set-off, initiating any bankruptcy or insolvency proceeding or any step or proceeding to challenge the validity or enforceability of any of the Senior Obligations or the Senior Security, or otherwise) to enforce any right of the Undersigned pursuant to or in respect of the Subordinate Obligations (including the collection thereof) or any of the Subordinate Security (including the realization thereof), until the date on which the Senior Obligations have been paid in full in cash and GRF has no obligation to extend credit to the Obligor.

Payments Received by the Undersigned. If, notwithstanding the provisions of this Agreement, prior to the payment in full of the Senior Obligations, the Undersigned or any person on its behalf receives any payment from or distribution of assets of any Obligor on account of the Subordinate Obligations, which under the provisions of this Agreement the Undersigned is not specifically authorized to receive, then the Undersigned shall, and will ensure that any such other person shall, receive and hold such payment or distribution in trust for the benefit of GRF and shall promptly pay the same over to GRF in precisely the form received (except for the endorsement or assignment by the Undersigned or such other person where necessary) to the extent necessary to pay the Senior Obligations in full after giving effect to any substantially concurrent payment or distribution to or for the benefit of GRF in respect of the Senior Obligations.

Notice of Default. The Undersigned shall give to GRF notice forthwith of any default by any Obligor of any of an Obligor's indebtedness, liability or obligations to the Undersigned, which notice shall specify all then existing defaults in respect of such indebtedness, liability or obligations which are known to the Undersigned.

No Waiver of Subordination Provisions. No right of GRF to enforce the postponements and subordinations as herein provided shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of any Obligor or by any act or failure to act by GRF or any agent of or trustee for GRF, or by any non-compliance by any Obligor with any of the agreements or instruments relating to the Subordinate Obligations, regardless of any knowledge thereof which GRF may have or be otherwise charged with.

Successors and Assigns. The provisions of this Agreement shall be binding on and shall enure to the benefit of GRF and the Undersigned and their respective administrators, executors, heirs, trustees, successors and assigns. The Undersigned shall not assign, sell or transfer the Subordinate Obligations or Subordinate Security, or any part thereof, to any person, unless GRF has provided its prior consent.

Notices. 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 GRF

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 Undersigned, at the address set out on the signature page hereof.

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

Entire Agreement: Severability. This Agreement contains the entire postponement and subordination agreement between the parties hereto with respect to the indebtedness, liabilities and assets of the Debtor. If any of the provisions of this Agreement shall be held invalid or unenforceable by any court having jurisdiction, this Agreement shall be construed as if not containing those provisions, and the rights and obligations of the parties hereto shall be construed and enforced accordingly.

Cumulative Rights. The rights, powers and remedies under this Agreement shall be in addition to all rights, powers and remedies given by virtue of any statute or rule of law, or any agreement or instrument, all of which rights, powers and remedies shall be cumulative and may be exercised successively or concurrently.

Information. From time to time upon request therefor, the Undersigned shall provide to GRF such information with respect to the Undersigned Obligations and the Undersigned Security as may be reasonably requested by GRF.

Governing Law. This Agreement shall be governed by and construed in accordance with the laws of Ontario.

Execution in Counterparts. This Agreement may be executed in counterparts, each of which when so executed shall be deemed to be an original and both of which taken together shall constitute one and the same agreement.

[Balance of page intentionally left blank]

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

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

By: _____
Name: David Lewis
Title: Director

By: _____
Name: Daniel Cohen
Title: Vice-President and General Counsel

UNDERSIGNED:

By: _____
Name: _____
Title: _____

Address: _____

Fax: _____

Email: _____

Exhibit 3 – Disclosure Schedule Updates

Exhibit 3

GLOBAL RESOURCE FUND LOAN TO TAMERLANE VENTURES INC.

FORBEARANCE AGREEMENT EFFECTIVE AS OF DECEMBER 31, 2012

Disclosures and Revisions and Updates of Schedules

Below are current disclosures and updates to those sections and the schedules which were attached to the Credit Agreement dated December 10, 2010, as updated subsequently in the Second Amending Agreement on July 29, 2011 and the Drawdown package on November 23, 2011. The July 29, 2011 and November 23, 2011 updates are attached hereto and incorporated herein.

Schedules 1.1.63 (c) and 1.1.76

In January 2012 the Company entered into an agreement to option the Indian Mountain Lake property from Panarc Ltd. and has made expenditures on the property for exploration purposes.

Schedules 1.1.63(c) and 1.1.78

Margaret Kent's salary has been increased to US\$160,000 and Mike Willett's salary has been increased to US\$200,000, both changes effective July 1, 2011.

Schedule 8.1.11

Please refer to the Company's condensed consolidated interim financial statements for the 3 and 9 months ended September 30, 2012 for an update on related party transactions.

Further, effective December 2012 the Company entered into a loan agreement whereby Ross Burns and Margaret Kent agreed to loan up to US\$100,000 to the Company.

Schedule 8.1.12

Please refer to the Company's condensed consolidated interim financial statements for the 3 and 9 months ended September 30, 2012 for an update on the Los Pinos issue.

Schedule 8.1.13

Directors and Officers insurance policy with Chartis Insurance Company of Canada was extended from July 11, 2012 to December 11, 2012 and then renewed from December 11, 2012 to December 11, 2013.

The property insurance covering the flotation cells and motors held in storage at Ferndale Washington and Hay River NWT respectively was cancelled in December 2012.

Schedule 8.1.16

In September 2012 and October 2012 the Company defaulted on payments to Global Resource Fund under the Credit Agreement.

Schedule 8.1.17

The Company has accepted and intends to close in January 2013 private placements of \$1,000,000 to Stall Lake Mines Ltd. and of \$2,000,000 to R. Christopher Charwood.

Schedule 8.1.21

In January 2012 the Company entered into an agreement to option the Indian Mountain Lake property from Panarc Ltd.

July 29, 2011 Second Amending Agreement

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 & Marshall 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.

November 23, 2011 Drawdown Package (page 1)

GLOBAL RESOURCE FUND LOAN TO TAMERLANE VENTURES INC.
FIRST & SECOND AMENDING AGREEMENT
& DRAW UNDER STANDBY FACILITY
Revision or Updates of Schedules

Below are updates to those sections and schedules which were attached to the Credit Agreement dated December 16, 2010 and updated subsequently on July 29, 2011.

Schedule 1.1.79 (M)

The Company no longer has any encumbrances to HSBC Bank of Canada.

Schedule 8.1.11

Please refer to the Company's condensed consolidated interim financial statements for the 3 and 9 months ended September 30, 2011 note 11 for an update on any related party transactions.

Schedule 8.1.12

Please refer to the Company's condensed consolidated interim financial statements for the 3 and 9 months ended September 30, 2011 note 6 for an update on the Los Pinos issue as well as the 2012 Business Plan Report.

November 23, 2011 Drawdown Package (page 2)
**GLOBAL RESOURCE FUND LOAN TO TAMERLANE VENTURES INC.
 FIRST & SECOND AMENDING AGREEMENT
 & DRAW UNDER STANDBY FACILITY**

Schedule 7.1

The wiring instructions are as follows.

**USD INSTRUCTIONS TO PAY NATIONAL BANK OF CANADA FROM US FUNDS
 ORIGINATING OUTSIDE OF CANADA**

PAY:	JPMORGAN CHASE BANK
	270 Park Avenue
	New York, N.Y. 10017
ABA : 021000021	
BIC : CHASUS33	
UID : 014897	
<u>Code</u>	
(BBK) BENEFICIARY BANK:	0006 - 14021
	NATIONAL BANK OF CANADA
	555 Burrard Street, Vancouver, B.C.
	Canada. V7X 1M7
SWIFT CODE:	BNDC CAMM INT
(BWF) BENEFICIARY:	/ 0085364
	Tamerlane Ventures Inc
	441 Peace Portal Drive
	Blaine, Washington 98230

November 23, 2011 Drawdown Package (page 3)
 GLOBAL RESOURCE FUND LOAN TO TAMERLANE VENTURES INC.
 FIRST & SECOND AMENDING AGREEMENT
 & DRAW UNDER STANDBY FACILITY

Schedule 8.1.13

Commercial Insurance Policy with Liberty Northwest Insurance was renewed from August 31, 2011 to August 31, 2012.

Directors and Officers Policy with Chartis Insurance Company of Canada was renewed from July 11, 2011 to July 11, 2012.

Commercial Package Insurance with Chubb Insurance was renewed from February 3, 2011 to February 4, 2012.

Additional equipment policy to ensure flotation cells purchased in Q3 2011 was acquired from Lloyd's of London was purchased and in effect from August 8, 2011 to August 8, 2012. The equipment is currently inside a storage facility located in Ferndale, Washington and is insured for \$3 million.

Additional insurance policies have been purchased to ensure 3 vehicles located in Hay River, Northwest Territories as well as for the office in Hay River.

Schedule 8.1.21

Pine Point Holding Corp has obtained a new prospectors license which is N93891

Schedule 9.3.20

Tamerlane Ventures Inc
 National Bank of Canada
 555 Burrard Street, Vancouver, BC
 V7X 1M7

0006-14021-0613620 Canadian Account
 0006-14021-0085364 USD Account

Pine Point Holding Corp
 National Bank of Canada
 555 Burrard Street, Vancouver, BC
 V7X 1M7

0006-14021-0618923
 0006-14021-0086964

The Company no longer has bank accounts with HSBC Canada.

Exhibit 4 – Existing Defaults

1. Non-payment of interest due September 25, 2012.
2. Non-payment of principal and any related interest due October 16, 2012.
3. Non-payment of any principal or interest amounts due subsequent to October 16, 2012.
4. Salary adjustments to Michael Willett and Margaret Kent in late 2011 – failure to notify the Lender.
5. Failure to maintain accounts payable current within the terms agreed with vendors/creditors as required by the Credit Agreement.
6. Failure to maintain property insurance coverage on flotation cells.
7. Non-performance of exploration expenditure obligations to maintain the option on the Indian Mountain Lake (Panarc) property.
8. Failure to submit an annual business plan for 2013 as required by the Credit Agreement.
9. Failure to submit quarterly updates on the Los Pinos property as required by the Credit Agreement.
10. Actions to create a subsidiary to which the Los Pinos property would be optioned.

Exhibit 5 – Budget

Tamerlane Ventures Inc

10 Month Cash Flow Projection

	Dec-12	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Total 2013
Funds Available	\$ 185,000	\$ 2,000,000										\$ 2,000,000
Funds Remaining after monthly payments	\$ 124,047	\$ 1,875,983	\$ 1,514,868	\$ (218,900)	\$ (426,168)	\$ (649,485)	\$ (2,261,753)	\$ (2,561,941)	\$ (2,754,708)	\$ (2,988,426)	\$ (3,160,694)	
Outstanding invoices - Portion to be paid (estimate)		\$ 18,000	\$ 151,017	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 409,017
Administrative Costs		\$ 12,857	\$ 12,857	\$ 12,857	\$ 12,857	\$ 12,857	\$ 12,857	\$ 12,857	\$ 12,857	\$ 12,857	\$ 12,857	\$ 128,567
Claims & Leases - NWT						\$ 16,050		\$ 7,920		\$ 21,950		\$ 48,920
Salaries	\$ 33,750	\$ 45,000	\$ 30,204	\$ 30,204	\$ 30,204	\$ 30,204	\$ 30,204	\$ 30,204	\$ 30,204	\$ 30,204	\$ 30,204	\$ 316,836
Benefits		\$ 7,437	\$ 7,437	\$ 7,437	\$ 7,437	\$ 7,437	\$ 7,437	\$ 7,437	\$ 7,437	\$ 7,437	\$ 7,437	\$ 74,370
IR		\$ 4,500	\$ 11,000	\$ 15,000	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 62,000
Travel		\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 50,000
D & O insurance & liability insurance	\$ 12,203	\$ 2,270	\$ 12,601	\$ 2,270	\$ 2,270	\$ 2,270	\$ 2,270	\$ 2,270	\$ 2,270	\$ 2,270	\$ 2,270	\$ 39,031
Equipment insurance		\$ 12,000										\$ 12,000
Board of Directors all board meetings by phone, (only local directors at AGM)												\$
Legal (Canadian)		\$ 10,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 55,000
Legal (Peru)	\$ 15,000	\$ 10,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 55,000
Claims - Peru							\$ 5,000					\$ 5,000
Subtotal	\$ 60,953	\$ 127,064	\$ 240,116	\$ 112,768	\$ 102,268	\$ 118,318	\$ 107,268	\$ 110,188	\$ 102,268	\$ 124,218	\$ 102,268	
Interest Expense (estimate)		\$ 121,000	\$ 121,000	\$ 121,000	\$ 105,000	\$ 105,000	\$ 105,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 1,038,000
Payment to Renvest				\$ 1,500,000			\$ 1,500,000					\$ 3,000,000
Subtotal		\$ 121,000	\$ 121,000	\$ 1,621,000	\$ 105,000	\$ 105,000	\$ 1,605,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$
Flowthrough Funding												\$
Flowthrough Funding available		\$ 1,000,000	\$ 870,033	\$ 730,057	\$ 600,000	\$ 498,333	\$ 396,667	\$ 295,000	\$ 193,333	\$ 91,666	\$ (0)	\$
In house expenses		\$ 17,791	\$ 17,791	\$ 17,791	\$ 17,791	\$ 17,791	\$ 17,791	\$ 17,791	\$ 17,791	\$ 17,791	\$ 17,791	\$ 160,119
Technical Report: W85 (Consultants)		\$ 28,300	\$ 38,300	\$ 28,400								\$ 95,000
Geology-Panarc (Indian Mountain Claims)		\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 80,000
Indian Mountain & Pine Point exploration work		\$ 73,876	\$ 73,876	\$ 73,876	\$ 73,876	\$ 73,876	\$ 73,876	\$ 73,876	\$ 73,876	\$ 73,876	\$ 73,876	\$ 664,881
Subtotal		\$ 129,967	\$ 139,967	\$ 130,067	\$ 130,067	\$ 101,667	\$ 101,667	\$ 101,667	\$ 101,667	\$ 101,667	\$ 91,667	\$
Monthly Costs		\$ 248,064	\$ 491,082	\$ 1,873,734	\$ 337,334	\$ 324,984	\$ 1,813,934	\$ 901,854	\$ 293,934	\$ 315,884	\$ 283,934	\$ 6,284,741

Exhibit 6 – Flotation Equipment

SCHEDULE "B" - Purchased Assets

BLAINE, WA

1. Flootation Cells located in Juneau-Alaska, listed in the attached Exhibit "I"
2. 600 Volt Motors and Hose Pump Motors located in ~~Alberta~~ HAY RIVER

(2) 2 Photos of Inventory in Kamloops consist of
Belt Guards, boxes = 6.

Page 3.

1. Pine Point Holding Corp. (the "Purchaser") hereby submits this offer (the "Offer") for the purchase of the assets of the Companies (the "Purchased Property"); Please submit offer in the following format:

Equipment Group	Description	Offer (CAD Dollars)
1. Y43a.b.	Flotation Cells - Juneau Alaska Location (highlighted in blue. See attachment.)	\$750,000.00.

2. 067-070 & 072	600 Volt Motors and Hose Pump Motors - Alberta Location	\$73,000.00
------------------	---	-------------

2. Offers submitted for one or more pieces or groups of equipment will be considered as separate offers for each piece or group of equipment unless the Offeror specifically states that the acceptance of one piece or group of equipment is conditional upon the acceptance of the other piece or group of equipment.

3. The Purchaser agrees, that in the event this offer is accepted, to be bound by the Terms and Conditions of Sale (Section III) (the "Terms and Conditions") which shall form part of this offer, as specifically amended by the terms attached hereto as schedule "A", which terms shall constitute:

Davis:5213249.3

①

REDFERN BARGING PRIORITY LIST

Description	Weight	Size of Equipment	Length	Width	Height	Qty	MANUFACTURE P/MODEL#	ORIGIN	SKID/ AML EQUIP#	AML PRO #	COMMENTS
BOX 1 OF 16	1329	48"	31.7"	44.1"		1	FLSMIDTH	MEX			
MOTOR SUPPORT	972					16	FLSMIDTH	MEX	400825	831160	
RIGHT BELT GUARD SUPPORT FLOT	279					18	FLSMIDTH	MEX	400825	831160	
LEFT BELT GUARD SUPPORT FLOT	279					18	FLSMIDTH	MEX	400825	831160	
BOX 2 OF 16	2362.8	48"	31.7"	44.1"		1	FLSMIDTH	MEX			
MOTOR SUPPORT (SINGLE DRIVE)	1184.4					18	FLSMIDTH	MEX	400825	831160	
RIGHT BELT GUARD SUPPORT FLOT	629.2					18	FLSMIDTH	MEX	400825	831160	
LEFT BELT GUARD SUPPORT FLOT	629.2					18	FLSMIDTH	MEX	400825	831160	
BOX 3 OF 16	546	48"	49"	49"		1	FLSMIDTH	MEX			
AIR PIPING MANIFOLD DO-100R	546					18	FLSMIDTH	MEX	400825	831160	
BOX 4 OF 16	970.2	48"	48"	49"		1	FLSMIDTH	MEX			
AIR PIPING MANIFOLD	794.2					16	FLSMIDTH	MEX	400825	831160	
AIR PIPING MANIFOLD DO-50R	176					4	FLSMIDTH	MEX	400825	831160	
BOX 5 OF 16	1086.8	57.1"	44.1"	49"		1	FLSMIDTH	MEX			
BELT GUARD COVER	1038.4					16	FLSMIDTH	MEX	400825	831160	
COVER PLATE	48.4					16	FLSMIDTH	MEX	400825	831160	
BOX 6 OF 16	1524.6	57.1"	44.1"	49"		1	FLSMIDTH	MEX			
BELT GUARD COVER DO 100	1186.2					18	FLSMIDTH	MEX	400825	831160	
COVER PLATE	52.8					18	FLSMIDTH	MEX	400825	831160	
ACCESS DOOR FLOTATION CELLS	209					6	FLSMIDTH	MEX	400825	831160	
VALVE ROD WELDMENT DO F	33					3	FLSMIDTH	MEX	400825	831160	
VALVE ROD WELDMENT DO F	19.8					2	FLSMIDTH	MEX	400825	831160	
VALVE ROD WELDMENT	6.6					1	FLSMIDTH	MEX	400825	831160	
VALVE ROD WELDMENT	15.4					2	FLSMIDTH	MEX	400825	831160	
VALVE ROD WELDMENT	19.8					2	FLSMIDTH	MEX	400825	831160	
BOX 7 OF 16	334.4	36.2"	30.3"	44.1"		1	FLSMIDTH	MEX			
BELT 3V 1060 3VX (SET-3)						1	FLSMIDTH	MEX	400825	831160	
VALVE 3" GLOBE FLANGED						1	FLSMIDTH	MEX	400825	831160	
HOSE AIR FLEXHAUST 4-1/2D X 8						1	FLSMIDTH	MEX	400825	831160	
CLAMP HOSE SS 4-5/8" X 5-1/2" MAX						2	FLSMIDTH	MEX	400825	831160	
GASKET, F, FLG, NEOP, 7-1/2 X 3-1/2 X 1/8						2	FLSMIDTH	MEX	400825	831160	
ACTUATOR ASSY						1	FLSMIDTH	MEX	400825	831160	
BOX 8 OF 16	867.4	46.1"	29.9"	17.9"		1	FLSMIDTH	MEX			
OS ASSEMBLE UPPER SHAFT BEARING						1	FLSMIDTH	MEX	400825	831160	
HEAD, ADJUSTING, FLOTATION						2	FLSMIDTH	MEX	400825	831160	
HEAD, ADJUSTING, FLOTATION						2	FLSMIDTH	MEX	400825	831160	
OS ASSEMBLE UPPER SHAFT BEARING						1	FLSMIDTH	MEX	400825	831160	

①

REFERRN BARGING PRIORITY LIST

Description	Weight	Size of Equip ment	Qty	MANUFACTURE R/MODEL#	ORIGIN	SKID# AML EQUIP#	AML PRO #	COMMENTS
STUB END 1-1/2"	4.4		2	FLSMIDTH	MEX	400825	831162	
LINKAGE ARM ACTUATOR	13.4		4	FLSMIDTH	MEX	400825	831162	
GROMMET PLATE 5" DO	8.8		1	FLSMIDTH	MEX	400825	831162	
GROMMET PLATE 7" DO	13.2		1	FLSMIDTH	MEX	400825	831162	
LINKAGE ARM ACTUATOR DO FLOTATION	24.2		5	FLSMIDTH	MEX	400825	831162	
BOX 14 OF 16	585.4	36.2"	35"	24.4"	1	FLSMIDTH	MEX	
MOUNTING BRACKET ACTUATOR DO	200.2		6	FLSMIDTH	MEX	400825	831162	
MOUNTING BRACKET ACTUATOR	134.2		4	FLSMIDTH	MEX	400825	831162	
MOUNTING BRACKET LEVEL	30.6		5	FLSMIDTH	MEX	400825	831162	
LEVEL CONTROL BRACKET DO-25R	17.6		1	FLSMIDTH	MEX	400825	831162	
LEVEL CONTROL BRACKET	83.8		5	FLSMIDTH	MEX	400825	831162	
WEDGE	4.4		5	FLSMIDTH	MEX	400825	831162	
WEDGE FOR GROMMET ADAPTER	5.8		14	FLSMIDTH	MEX	400825	831162	
FILLER PLATE ACTUATOR	11		4	FLSMIDTH	MEX	400825	831162	
FILLER PLATE ACTUATOR DO FLOT	13.4		6	FLSMIDTH	MEX	400825	831162	
OLEVS ACTUATOR	8.6		4	FLSMIDTH	MEX	400825	831162	
OLEVS ACTUATOR DO	8.8		6	FLSMIDTH	MEX	400825	831162	
VALVE ROD GUIDE DO FLOTATION	17.5		5	FLSMIDTH	MEX	400825	831162	
VALVE ROD GUIDE DO FLOTATION	2.2		1	FLSMIDTH	MEX	400825	831162	
PIVOT LINKAGE ARM	2.2		4	FLSMIDTH	MEX	400825	831162	
PIVOT LINKAGE ARM DO FLOTATION	2.2		6	FLSMIDTH	MEX	400825	831162	
BOX 15 OF 16	1023	56.1"	55.1"	48.4"	1	FLSMIDTH	MEX	
BELT GUARD	910.6		16	FLSMIDTH	MEX	400825	831162	
BELT GUARD BOTTOM	112.2		16	FLSMIDTH	MEX	400825	831162	
BOX 16 OF 16	1148.4	56.1"	55.1"	48.4"	1	FLSMIDTH	MEX	
BELT GUARD	1023		18	FLSMIDTH	MEX	400825	831162	
BELT GUARD BOTTOM	125.4		18	FLSMIDTH	MEX	400825	831162	
TANK WELDMENT WITH MECHANISM ASSEMBLY	9856	45"	92.4"	10"	3	FLSMIDTH	MEX	
FEED BOX	2620	9.10-1/2"	6.7"	36-3/4"	1	FLSMIDTH	MEX	
TANK WELDMENT WITH MECHANISM ASSEMBLY	9550	45"	93.4"	10"	3	FLSMIDTH	MEX	
FEED BOX	2823	9.10-1/2"	6.7"	36-3/4"	1	FLSMIDTH	MEX	
TANK WELDMENT WITH MECHANISM ASSEMBLY	9630	45"	93.4"	10"	3	FLSMIDTH	MEX	
FEED BOX	2820	9.10-1/2"	6.7"	36-3/4"	1	FLSMIDTH	MEX	
TANK WELDMENT WITH MECHANISM ASSEMBLY	9650	45"	93.4"	10"	3	FLSMIDTH	MEX	
CONNECTION BOX	2820	9.10-1/2"	6.7"	36-3/4"	1	FLSMIDTH	MEX	
DISCHARGE BOX	2472	7.11"	8.8"	3.2"	1	FLSMIDTH	MEX	

TAGS: E04-CEL-003, E04-CEL-078

0

REDFERN BARGING PRIORITY LIST

Description	Weight Lbs	Size of Equip ment	Length	Width	Ht	Qty	MANUFACTURE RMODEL#	ORIGIN	SKID# AML Equip#	AMT. PRO#	COMMENTS
100R FLOTATION CELLS WITH ACCESSORIES	12861	5'10"	33'11"	7'8"		1	FLSMIDTH	MEX	452108	829511	
50R FLOTATION CELLS WITH ACCESSORIES	5401	5'10"	12'	7'8"		1	FLSMIDTH	MEX	452108	829511	
100R FLOTATION CELLS WITH ACCESSORIES	9321	5'10"	33'11"	7'8"		1	FLSMIDTH	MEX	452104	828851	
50R FLOTATION CELLS WITH ACCESSORIES	8569	5'10"	12'	7'8"		1	FLSMIDTH	MEX	452104	828851	
TANK WELDMENT WITH MECHANISM ASSEMBLY	9650	45"	9'3/4"	10"		3	FLSMIDTH	MEX	242020	829366	TAGS: E04-CEL- B01, E04-CEL-082, E04- CEL-008
CONNECTION BOX	2820	9'10- 1/2"	6'7"	3'6- 3/4"		1	FLSMIDTH	MEX	242020	829366	
DISCHARGE BOX	2472	7'11"	9'6"	3'2- 2"		1	FLSMIDTH	MEX	242020	829366	
TANK WELDMENT WITH MECHANISM ASSEMBLY	9650	45"	9'3/4"	10"		3	FLSMIDTH	MEX	452012	832705	TAGS: E04-CEL- 009, E04-CEL-091, E04- CEL-080
CONNECTION BOX	2820	9'10- 1/2"	6'7"	3'6- 3/4"		1	FLSMIDTH	MEX	452012	832705	
DISCHARGE BOX	2472	7'11"	9'6"	3'2- 2"		1	FLSMIDTH	MEX	452012	832705	
50R FLOTATION CELLS WITH ACCESSORIES	4103	5'	9'5"	8'- 3/4"		1	FLSMIDTH	MEX	452058	829560	
50R FLOTATION CELLS WITH ACCESSORIES	6085	5'	17'	8'- 3/4"		1	FLSMIDTH	MEX	452058	829560	
100R FLOTATION CELLS WITH ACCESSORIES	5132	5'	12'5"	8'- 3/4"		1	FLSMIDTH	MEX	452058	829560	
50R FLOTATION CELLS WITH ACCESSORIES	6193	5'	17'	8'- 3/4"		1	FLSMIDTH	MEX	442203	829908	
50R FLOTATION CELLS WITH ACCESSORIES	6047	5'	17'	8'- 3/4"		1	FLSMIDTH	MEX	442203	829908	
50R FLOTATION CELLS WITH ACCESSORIES	3027	5'	10'5"	8'- 3/4"		1	FLSMIDTH	MEX	442203	829908	
FLOTATION CELLS TANK WELDMENT W/ MCO MODEL 144 WITH MECHANISM ASSEMBLY	9650	45"	9'3/4"	10"		2	FLSMIDTH	MEX	452038	831841	
TANK WELDMENT WITH MECHANISM ASSEMBLY	9650	45"	9'3/4"	10"		3	FLSMIDTH	MEX	452125	833007	TAGS: E04-CEL- 094, E04-CEL-089, E04- CEL-135
CONNECTION BOX	2472	7'11"	6'6"	3'2"		1	FLSMIDTH	MEX	452125	833007	
TANK WELDMENT WITH MECHANISM ASSEMBLY	9650	45"	9'3/4"	10"		3	FLSMIDTH	MEX	452088	829592	TAGS: E04-CEL- 076, E04-CEL-082, E04- CEL-082
CONNECTION BOX	2472	7'11"	6'6"	3'2"		1	FLSMIDTH	MEX	452088	829592	
100R FLOTATION CELLS WITH ACCESSORIES	5132	5'	12'5"	8'- 3/4"		1	FLSMIDTH	MEX	452034	829541	
50R FLOTATION CELLS WITH ACCESSORIES	6193	5'	17'	8'- 3/4"		1	FLSMIDTH	MEX	452034	829541	
LAUNDRER WELDMENT	744	18'3"	8'4"	6'6"		12	FLSMIDTH	MEX	442406	829877	
PALLET OF ACCESSORIES	1100	8'3"	4'4"	1'5"		1	FLSMIDTH	MEX	442409	829877	
LAUNDRER WELDMENT	17487	18'3"	8'4"	6'6"		16	FLSMIDTH	MEX	452011	829745	

①

REDFERN BARGING PRIORITY LIST

Description	Weight Lbs	Size of Equip Front	Wdth	Ht	Qty	MANUFACTURE PART NO.	ORIGIN	SKID# / AML EQUIP#	AML PROD #	COMMENTS
BOX 9 OF 16	180.4	48"	25"	32.7"	1	FLSMIDTH	MEX	400825	831160	
TAG PLATE					4	FLSMIDTH	MEX	400825	831160	
SHEAVE BELT 5.60D CMV BSHG					1	FLSMIDTH	MEX	400825	831160	
SHEAVE BELT 250D CMV BSHG					1	FLSMIDTH	MEX	400825	831160	
SHAFT LOWER STL F100-FLOT DYN BALANCED					1	FLSMIDTH	MEX	400825	831160	
BOX 10 OF 16	81.4	27.3"	10.2"	13.8"	1	FLSMIDTH	MEX	400825	831160	
LOWER SHAFT STL					1	FLSMIDTH	MEX	400825	831160	
BELT V 3V 1060 3VX (SET-3)					1	FLSMIDTH	MEX	400825	831160	
BOX 11 OF 16	284	30.3"	30.3"	28.7"	1	FLSMIDTH	MEX	400825	831160	
STATOR RS11					1	FLSMIDTH	MEX	400825	831160	
STATOR RS14					1	FLSMIDTH	MEX	400825	831160	
ROTOR					1	FLSMIDTH	MEX	400825	831160	
ROTOR RS11					1	FLSMIDTH	MEX	400825	831160	
BOX 12 OF 16	440	31.1"	30.3"	28.3"	1	FLSMIDTH	MEX	400825	831160	
SHEAVE 8 OD					1	FLSMIDTH	MEX	400825	831160	
SHEAVE 25 OD					1	FLSMIDTH	MEX	400825	831160	
KIT FASTENERS FOR TRAIL HI					1	FLSMIDTH	MEX	400825	831160	
VALVE 3" GLOBE FLANGED					1	FLSMIDTH	MEX	400825	831160	
HOSE AIR FLEXHAUST					1	FLSMIDTH	MEX	400825	831160	
CLAMP HOSE, SS, 4.818" 5-1/2" MAX					2	FLSMIDTH	MEX	400825	831160	
GASKET, FR, FLG, NEOPT, 7-1/2"					2	FLSMIDTH	MEX	400825	831160	
TUBE NEOPRENE 1-5/8" OD X 7/8" ID					2	FLSMIDTH	MEX	400825	831160	
CLEVIS #144 STL					2	FLSMIDTH	MEX	400825	831160	
TUBE NEOPRENE 1-3/8" OD X 7/8" ID					2	FLSMIDTH	MEX	400825	831160	
BUSHING 5/8" OD X 3/8" ID					8	FLSMIDTH	MEX	400825	831160	
BUSHING 3/4" OD X 1/2" ID					4	FLSMIDTH	MEX	400825	831160	
CLEVIS #120/#144 STL					2	FLSMIDTH	MEX	400825	831160	
VALVE CONICAL, 5-3/4" NEO					2	FLSMIDTH	MEX	400825	831160	
VALVE CONICAL, 5-3/4" NEO					2	FLSMIDTH	MEX	400825	831160	
GROMMET RUBBER (SPEC#900417)					4	FLSMIDTH	MEX	400825	831160	
BOX 13 OF 16	640.2	40.5"	40.5"	19.3"	1	FLSMIDTH	MEX	400825	831160	
BELT GUARD SUPPORT (R.H.)					18	FLSMIDTH	MEX	400825	831160	
BELT GUARD SUPPORT (L.H.)					18	FLSMIDTH	MEX	400825	831160	
BELT GUARD SUPPORT FLOT (L.H.)					16	FLSMIDTH	MEX	400825	831160	
BELT GUARD SUPPORT FLOT (R.H.)					16	FLSMIDTH	MEX	400825	831160	
GROMMET PLATE 4" DOE					4	FLSMIDTH	MEX	400825	831160	
GROMMET PLATE 4"					4	FLSMIDTH	MEX	400825	831160	
VALVE ROD GUIDE					11	FLSMIDTH	MEX	400825	831160	
STUB END 1-1/2"					2	FLSMIDTH	MEX	400825	831160	
ADAPTER FLANGE					1	FLSMIDTH	MEX	400825	831160	
FLANGED ELBOW					1	FLSMIDTH	MEX	400825	831160	
VALVE SPOOL					1	FLSMIDTH	MEX	400825	831160	

EXHIBIT "1"
 FLOATATION CELLS

REDFERN BARGING PRIORITY LIST

Description	Weight Lbs	Size of Equipment		Qty	MANUFACTURE RMODEL#	ORIGIN	SKID#/ AML EQUIP#	AML PRO #	COMMENTS
		Length	Width						

548862 LOWER SHAFT, STL		48"	25"	46"	15	FLSMIDTH	USA	400007	822649	
071469-OS OS ASSEMBLE UPPER SHAFT BEARING		90"	48"	19"	8	FLSMIDTH	USA	400007	822649	
071469-OS OS ASSEMBLE UPPER SHAFT BEARING		90"	48"	19"	7	FLSMIDTH	USA	400007	822649	
071469-OS OS ASSEMBLE UPPER SHAFT BEARING		90"	48"	19"	8	FLSMIDTH	USA	400007	822649	
071469-OS OS ASSEMBLE UPPER SHAFT BEARING		90"	48"	19"	7	FLSMIDTH	USA	400007	822649	
SHEAVE V BELT 250D C/W BSHG					5	FLSMIDTH	USA	400007	822649	
071469-OS OS ASSEMBLE UPPER SHAFT BEARING		90"	48"	19"	2	FLSMIDTH	USA	400007	822649	
W75305-1-OS OS, TO ENGRAVE CAUTION PLATE	893				1	FLSMIDTH	USA			

2

REDFERN BARGING PRIORITY LIST

Description	Weight	Size of Equipment	Length	Width	Hi	Qty	MANUFACTURE P/MODEL#	ORIGIN	SKID#/AML EQUIP#	AML PRO #	COMMENTS	Keith Lee May Visit Notes
548862 LOWER SHAFT, STL		48"	25"	46"		15	FLSMIDTH	USA	400007	822649		Crated in Container
071469-OS OS ASSEMBLE UPPER SHAFT BEARING		90"	48"	19"		8	FLSMIDTH	USA	400007	822649		Crated in Container
071469-OS OS ASSEMBLE UPPER SHAFT BEARING		90"	48"	19"		7	FLSMIDTH	USA	400007	822649		Crated in Container
071469-OS OS ASSEMBLE UPPER SHAFT BEARING		90"	48"	19"		8	FLSMIDTH	USA	400007	822649		Crated in Container
071469-OS OS ASSEMBLE UPPER SHAFT BEARING		90"	48"	19"		7	FLSMIDTH	USA	400007	822649		Crated in Container
SHEAVE V BELT 250D C/M BSHG		90"				5	FLSMIDTH	USA	400007	822649		Crated in Container
071469-OS OS ASSEMBLE UPPER SHAFT BEARING		90"	48"	19"		2	FLSMIDTH	USA	400007	822649		Crated in Container
W75305-1-OS OS. TO ENGRAVE CAUTION PLATE	893					1	FLSMIDTH	USA				Crated in Container
BOX 1 OF 16	1529	48"	31.7"	44.1"		1	FLSMIDTH	MEX				Crated in Container
MOTOR SUPPORT	972					16	FLSMIDTH	MEX	400825	831160		Crated in Container
RIGHT BELT GUARD SUPPORT PLOT	279					16	FLSMIDTH	MEX	400825	831160		Crated in Container
LEFT BELT GUARD SUPPORT PLOT	279					16	FLSMIDTH	MEX	400825	831160		Crated in Container
BOX 2 OF 16	2362.8	48"	31.7"	44.1"		1	FLSMIDTH	MEX				Crated in Container
MOTOR SUPPORT (SINGLE DRIVE)	1104.4					18	FLSMIDTH	MEX	400825	831160		Crated in Container
RIGHT BELT GUARD SUPPORT PLOT	629.2					18	FLSMIDTH	MEX	400825	831160		Crated in Container
LEFT BELT GUARD SUPPORT PLOT	629.2					18	FLSMIDTH	MEX	400825	831160		Crated in Container
BOX 3 OF 16	946	48"	48"	49"		1	FLSMIDTH	MEX				Crated in Container
AIR PIPING MANIFOLD DO-100R	946					18	FLSMIDTH	MEX	400825	831160		Crated in Container
BOX 4 OF 16	970.2	48"	48"	49"		1	FLSMIDTH	MEX				Crated in Container
AIR PIPING MANIFOLD	794.2					16	FLSMIDTH	MEX	400825	831160		Crated in Container
AIR PIPING MANIFOLD DO-50R	176					4	FLSMIDTH	MEX	400825	831160		Crated in Container
BOX 5 OF 16	1086.8	57.1"	44.1"	49"		1	FLSMIDTH	MEX				Crated in Container
BELT GUARD COVER	1038.4					16	FLSMIDTH	MEX	400825	831160		Crated in Container
COVER PLATE	48.4					16	FLSMIDTH	MEX	400825	831160		Crated in Container

(2)

REDFERN BARGING PRIORITY LIST

Description	Weight	Size of Equipment	Qty	MANUFACTURE F/MODEL#	ORIGIN	SKID#/AML EQUIP#	AML PRO #	COMMENTS	Keith Lee May Visit Notes
STATOR RS14			1	FLSMIDTH	MEX	400825	831160		Crated in Container
ROTOR			1	FLSMIDTH	MEX	400825	831160		Crated in Container
ROTOR RS11			1	FLSMIDTH	MEX	400825	831160		Crated in Container
BOX 12 OF 16	440	31.1" 30.3"	1	FLSMIDTH	MEX				Crated in Container
SHEAVE 8 OD			1	FLSMIDTH	MEX	400825	831160		Crated in Container
SHEAVE 28 OD			1	FLSMIDTH	MEX	400825	831160		Crated in Container
KIT FASTENERS FOR TRAIL FIT			1	FLSMIDTH	MEX	400825	831160		Crated in Container
VALVE 3" GLOBE FLANGED			1	FLSMIDTH	MEX	400825	831160		Crated in Container
HOSE AIR FLEXHAUST			1	FLSMIDTH	MEX	400825	831160		Crated in Container
CLAMP HOSE, SS, 4-5/8" 5-1/2" MAX			2	FLSMIDTH	MEX	400825	831160		Crated in Container
GASKET, FF, FLG, NEOP, 7-1/2"			2	FLSMIDTH	MEX	400825	831160		Crated in Container
TUBE NEOPRENE, 1-3/8"OD X 7/8"ID			2	FLSMIDTH	MEX	400825	831160		Crated in Container
CLEVIS #144 STL			2	FLSMIDTH	MEX	400825	831160		Crated in Container
TUBE NEOPRENE, 1-3/8"OD X 7/8"ID			2	FLSMIDTH	MEX	400825	831160		Crated in Container
BUSHING 5/8" OD X 3/8"ID			8	FLSMIDTH	MEX	400825	831160		Crated in Container
BUSHING 3/4" OD X 1/2"ID			4	FLSMIDTH	MEX	400825	831160		Crated in Container
CLEVIS #120/#144, STL			2	FLSMIDTH	MEX	400825	831160		Crated in Container
VALVE CONICAL, 5-3/4" NEO			2	FLSMIDTH	MEX	400825	831160		Crated in Container
VALVE CONICAL, 5-3/4" NEO			2	FLSMIDTH	MEX	400825	831160		Crated in Container
GROMMET RUBBER (SPEC#900417)			4	FLSMIDTH	MEX	400825	831160		Crated in Container
BOX 13 OF 16	640.2	40.6" 40.6"	1	FLSMIDTH	MEX	400825	831160		Crated in Container
BELT GUARD SUPPORT (R.H.)	125.4		18	FLSMIDTH	MEX	400825	831160		Crated in Container
BELT GUARD SUPPORT (L.H.)	125.4		18	FLSMIDTH	MEX	400825	831160		Crated in Container
BELT GUARD SUPPORT FLOT (L.H.)	112.2		16	FLSMIDTH	MEX	400825	831160		Crated in Container
BELT GUARD SUPPORT FLOT (R.H.)	112.2		16	FLSMIDTH	MEX	400825	831160		Crated in Container
GROMMET PLATE-4" DOE	37.4		4	FLSMIDTH	MEX	400825	831160		Crated in Container
GROMMET PLATE 4"	35.2		4	FLSMIDTH	MEX	400825	831160		Crated in Container
VALVE ROD GUIDE	11		4	FLSMIDTH	MEX	400825	831160		Crated in Container
STUB END 1-1/2"	2.2		1	FLSMIDTH	MEX	400825	831160		Crated in Container
ADAPTER FLANGE	2.2		1	FLSMIDTH	MEX	400825	831160		Crated in Container
FLANGED ELBOW	4.4		1	FLSMIDTH	MEX	400825	831160		Crated in Container
VALVE SPOOL	6.6		1	FLSMIDTH	MEX	400825	831160		Crated in Container
STUB END 1-1/2"	4.4		2	FLSMIDTH	MEX	400825	831160		Crated in Container
LINKAGE ARM ACTUATOR	15.4		4	FLSMIDTH	MEX	400825	831160		Crated in Container

(2)

REDFERN BARGING PRIORITY LIST

Description	Weight Lbs	Size of Equip ment	Length	Width	Ht	Qty	MANUFACTURE R/MODEL#	ORIGIN	SKID#/ANL EQUIP#	ANL PRO #	COMMENTS	Keith Lee May Visit Notes
GROMMET PLATE 5" DO	8.8					1	FLSMIDTH	MEX	400825	831160		Crated in Container
GROMMET PLATE 7" DO	13.2					1	FLSMIDTH	MEX	400825	831160		Crated in Container
LINKAGE ARM ACTUATOR DO FLOTATION	24.2					6	FLSMIDTH	MEX	400825	831160		Crated in Container
BOX 14 OF 16	565.4	36.2"		35"	24.4"	1	FLSMIDTH	MEX				Crated in Container
MOUNTING BRACKET ACTUATOR DO	200.2					6	FLSMIDTH	MEX	400825	831160		Crated in Container
MOUNTING BRACKET ACTUATOR	134.2					4	FLSMIDTH	MEX	400825	831160		Crated in Container
MOUNTING BRACKET LEVEL	50.6					5	FLSMIDTH	MEX	400825	831160		Crated in Container
LEVEL CONTROL BRACKET DO-2SR	17.6					1	FLSMIDTH	MEX	400825	831160		Crated in Container
LEVEL CONTROL BRACKET	85.3					5	FLSMIDTH	MEX	400825	831160		Crated in Container
WEDGE	4.4					8	FLSMIDTH	MEX	400825	831160		Crated in Container
WEDGE FOR GROMMET ADAPTER	5.6					14	FLSMIDTH	MEX	400825	831160		Crated in Container
FILER PLATE ACTUATOR	11					4	FLSMIDTH	MEX	400825	831160		Crated in Container
FILER PLATE ACTUATOR DO FLOT	15.4					6	FLSMIDTH	MEX	400825	831160		Crated in Container
CLEVIS ACTUATOR	6.6					4	FLSMIDTH	MEX	400825	831160		Crated in Container
CLEVIS ACTUATOR DO	8.8					6	FLSMIDTH	MEX	400825	831160		Crated in Container
VALVE ROD GUIDE DO FLOTATION	17.3					5	FLSMIDTH	MEX	400825	831160		Crated in Container
VALVE ROD GUIDE DO FLOTATION	2.2					1	FLSMIDTH	MEX	400825	831160		Crated in Container
PIVOT LINKAGE ARM	2.2					4	FLSMIDTH	MEX	400825	831160		Crated in Container
PIVOT LINKAGE ARM DO FLOTATION	2.2					6	FLSMIDTH	MEX	400825	831160		Crated in Container
BOX 15 OF 16	1023	96.1"		55.1"	48.4"	1	FLSMIDTH	MEX				Crated in Container
BELT GUARD	910.8					16	FLSMIDTH	MEX	400825	831160		Crated in Container
BELT GUARD BOTTOM	112.2					16	FLSMIDTH	MEX	400825	831160		Crated in Container
BOX 16 OF 16	1148.4	96.1"		55.1"	48.4"	1	FLSMIDTH	MEX				Crated in Container
BELT GUARD	1023					18	FLSMIDTH	MEX	400825	831160		Crated in Container
BELT GUARD BOTTOM	125.4					18	FLSMIDTH	MEX	400825	831160		Crated in Container
TANK WELDMENT WITH MECHANISM ASSEMBLY	9650	45"	9'10-1/2"	9'3/4"	10"	3	FLSMIDTH	MEX	442530	829867	TAGS:E04-CEL-005,E04-CEL-003,E04-CEL-078	ANLU 442530 E04-CEL-003, 005, 078
FEED BOX	2820	9'10-1/2"		67"	36-3/4"	1	FLSMIDTH	MEX	442530	829867		photo - on ground

REDEERN BARGING PRIORITY LIST

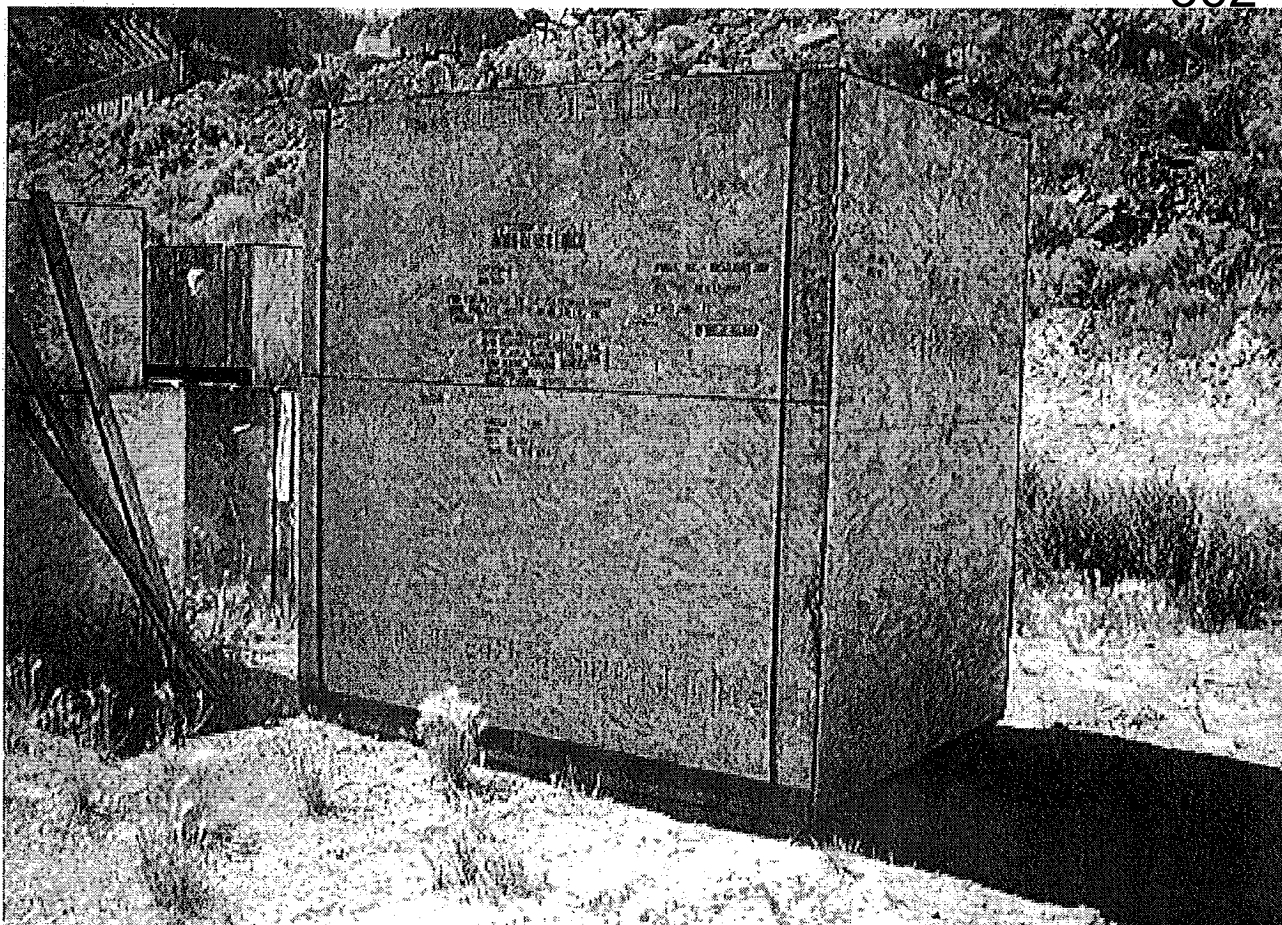
Description	Weight Lbs	Size of Equip ment	Length	Width	Ht	Qty	MANUFACTURE R/MODEL#	ORIGIN	SKID#/ AML EQUIP#	AML PRO #	COMMENTS	Keith Lee May Visit Notes
BOX 6 OF 16	1524.6	57.1"	44.1"	49"		1	FLSMIDTH	MEX				
BELT GUARD COVER DO 100	1168.2					18	FLSMIDTH	MEX	400825	831160		Crated in Container
COVER PLATE	52.8					18	FLSMIDTH	MEX	400825	831160		Crated in Container
ACCESS DOOR FLOTATION CELLS	209					5	FLSMIDTH	MEX	400825	831160		Crated in Container
VALVE ROD WELDMENT DO F	33					3	FLSMIDTH	MEX	400825	831160		Crated in Container
VALVE ROD WELDMENT DO F	19.8					2	FLSMIDTH	MEX	400825	831160		Crated in Container
VALVE ROD WELDMENT	5.6					1	FLSMIDTH	MEX	400825	831160		Crated in Container
VALVE ROD WELDMENT	15.4					2	FLSMIDTH	MEX	400825	831160		Crated in Container
VALVE ROD WELDMENT	19.8					2	FLSMIDTH	MEX	400825	831160		Crated in Container
BOX 7 OF 16	334.4	36.2"	30.3"	44.1"		1	FLSMIDTH	MEX				
BELT 3V 1060 3VX (SET-3)						1	FLSMIDTH	MEX	400825	831160		Crated in Container
VALVE 3" GLOBE FLANGED						1	FLSMIDTH	MEX	400825	831160		Crated in Container
HOSE AIR FLEXHAUST 4-1/2D X 8						1	FLSMIDTH	MEX	400825	831160		Crated in Container
CLAMP HOSE SS 4-5/8" X 5-1/2" MAX						2	FLSMIDTH	MEX	400825	831160		Crated in Container
GASKET FF FLG. NEOP. 7-1/2 X 3-1/2 X 1/8						2	FLSMIDTH	MEX	400825	831160		Crated in Container
ACTUATOR ASSY						1	FLSMIDTH	MEX	400825	831160		Crated in Container
BOX 8 OF 16	587.4	46.1"	29.9"	17.9"		1	FLSMIDTH	MEX				
OS ASSEMBLE UPPER SHAFT BEARING						1	FLSMIDTH	MEX	400825	831160		Crated in Container
HEAD, ADJUSTING, FLOTATION						2	FLSMIDTH	MEX	400825	831160		Crated in Container
HEAD, ADJUSTING, FLOTATION						2	FLSMIDTH	MEX	400825	831160		Crated in Container
OS ASSEMBLE UPPER SHAFT BEARING						1	FLSMIDTH	MEX	400825	831160		Crated in Container
BOX 9 OF 16	180.4	48"	26"	32.7"		1	FLSMIDTH	MEX				
TAG PLATE						4	FLSMIDTH	MEX	400825	831160		Crated in Container
SHEAVE BELT 5.60D CW BSHG						1	FLSMIDTH	MEX	400825	831160		Crated in Container
SHEAVE BELT 250D CW BSHG						1	FLSMIDTH	MEX	400825	831160		Crated in Container
SHAFT LOWER STL F100 FLOT DYN BALANCED						1	FLSMIDTH	MEX	400825	831160		Crated in Container
BOX 10 OF 16	81.4	41.3"	10.2"	13.8"		1	FLSMIDTH	MEX				
LOWER SHAFT STL						1	FLSMIDTH	MEX	400825	831160		Crated in Container
BELT V3V 1060 3VX (SET-3)						1	FLSMIDTH	MEX	400825	831160		Crated in Container
BOX 11 OF 16	264	30.3"	30.3"	28.7"		1	FLSMIDTH	MEX				
STATOR RS11						1	FLSMIDTH	MEX	400825	831160		Crated in Container

REDFERN BARGING PRIORITY LIST

Description	Weight Lbs	Size of Equip ment Length	Width	Height	Qty	MANUFACTURE P/MODEL #	ORIGIN	SKID#/ANL EQUIP #	ANL PRO #	COMMENTS	Keith Lee May Visit Notes
TANK WELDMENT WITH MECHANISM ASSEMBLY	9650	45"	9'3/4"	10"	3	FLSMIDTH	MEX	452162	830845	TAGS:E04-CEL-136,E04-CEL-006,E04-CEL-079	ANLU 452035 E04-CEL-136, 079, 006
FEED BOX	2820	9'10-1/2"	6'7"	36-3/4"	1	FLSMIDTH	MEX	452162	830845		photo - on ground
TANK WELDMENT WITH MECHANISM ASSEMBLY	9650	45"	9'3/4"	10"	3	FLSMIDTH	MEX	452035	831369	TAGS:E04-CEL-133,E04-CEL-134,E04-CEL-1379	ANLU 452162 E04-CEL-133, 134, 137
FEED BOX	2820	9'10-1/2"	6'7"	36-3/4"	1	FLSMIDTH	MEX	452035	831369		ANLU 452162
TANK WELDMENT WITH MECHANISM ASSEMBLY	9650	45"	9'3/4"	10"	3	FLSMIDTH	MEX	452015	831839	TAGS:E04-CEL-005,E04-CEL-003,E04-CEL-078	ANLU 452015 E04-CEL-090, 004, 077
CONNECTION BOX	2820	9'10-1/2"	36-3/4"	36-3/4"	1	FLSMIDTH	MEX	452015	831839		ANLU 452015
DISCHARGE BOX	2472	7'11"	6'6"	3'2"	1	FLSMIDTH	MEX	452015	831839		ANLU 452015
100R FLOTATION CELLS WITH ACCESSORIES	12361	5'10"	33'11"	7'8"	1	FLSMIDTH	MEX	452108	829611		photo - on ground
50R FLOTATION CELLS WITH ACCESSORIES	5401	5'10"	12'	7'8"	1	FLSMIDTH	MEX	452108	829611		photo - on ground
100R FLOTATION CELLS WITH ACCESSORIES	9321	5'10"	33'11"	7'8"	1	FLSMIDTH	MEX	452104	828851		photo - on ground
50R FLOTATION CELLS WITH ACCESSORIES	8569	5'10"	12'	7'8"	1	FLSMIDTH	MEX	452104	828851		photo - on ground
TANK WELDMENT WITH MECHANISM ASSEMBLY	9650	45"	9'3/4"	10"	3	FLSMIDTH	MEX	242020	829866	TAGS:E04-CEL-081,E04-CEL-093,E04-CEL-008	ANLU 442203 E04-CEL-093, 008, 081
CONNECTION BOX	2820	9'10-1/2"	6'7"	36-3/4"	1	FLSMIDTH	MEX	242020	829866		photo - on ground
DISCHARGE BOX	2472	7'11"	6'6"	3'2"	1	FLSMIDTH	MEX	242020	829866		photo - on ground
TANK WELDMENT WITH MECHANISM ASSEMBLY	9650	45"	9'3/4"	10"	3	FLSMIDTH	MEX	452012	832706	TAGS:E04-CEL-009,E04-CEL-091,E04-CEL-080	ANLU 452012 E04-CEL-009, 080, 091
CONNECTION BOX	2820	9'10-1/2"	6'7"	36-3/4"	1	FLSMIDTH	MEX	452012	832706		ANLU 452012
DISCHARGE BOX	2472	7'11"	6'6"	3'2"	1	FLSMIDTH	MEX	452012	832706		ANLU 452012
50R FLOTATION CELLS WITH ACCESSORIES	4103	5'	9'5"	8-3/4"	1	FLSMIDTH	MEX	452058	829560		photo - on ground
50R FLOTATION CELLS WITH ACCESSORIES	6035	5'	17'	8-3/4"	1	FLSMIDTH	MEX	452058	829560		photo - on ground

REDFERN BARGING PRIORITY LIST

Description	Weight	Size of Equipment	Width	Ht	Qty	MANUFACTURE R/MODEL#	ORIGIN	SKID# / AML EQUIP#	AML PRO #	COMMENTS	Keith Lee filey Visit Notes
100R FLOTATION CELLS WITH ACCESSORIES	5132	5'	12'5"	8'-3/4"	1	FLSMIDTH	MEX	452056	829560		photo - on ground
50R FLOTATION CELLS WITH ACCESSORIES	6193	5'	17'	8'-3/4"	1	FLSMIDTH	MEX	442203	829908		photo - on ground
50R FLOTATION CELLS WITH ACCESSORIES	6047	5'	17'	8'-3/4"	1	FLSMIDTH	MEX	442203	829908		photo - on ground
50R FLOTATION CELLS WITH ACCESSORIES	3027	5'	10'5"	8'-3/4"	1	FLSMIDTH	MEX	442203	829908		photo - on ground
FLOTATION CELLS TANK WELDMENT WEMCO MODEL 144 WITH MECHANISM ASSEMBLY	9650	45'6"	9'3/4"	10"	2	FLSMIDTH	MEX	452038	831841		AML U 452038 E04-CEL-124, 125
Four Wooden Crates Mechanism Parts					4	FLSMIDTH	MEX	452038	831841		AML U 452038
TANK WELDMENT WITH MECHANISM ASSEMBLY	9650	45"	9'3/4"	10"	3	FLSMIDTH	MEX	452125	833007		AML U 452125 094, E04-CEL-089, E04-CEL-135
CONNECTION BOX	2472	7'11"	6'6"	3'2"	1	FLSMIDTH	MEX	452125	833007		AML U 452125
TANK WELDMENT WITH MECHANISM ASSEMBLY	9650	45"	9'3/4"	10"	3	FLSMIDTH	MEX	452086	832532		AML U 452086 TAGS: E04-CEL-076, E04-CEL-092, E04-CEL-082
CONNECTION BOX	2472	7'11"	6'6"	3'2"	1	FLSMIDTH	MEX	452086	832532		AML U 452086
100R FLOTATION CELLS WITH ACCESSORIES	5132	5'	12'5"	8'-3/4"	1	FLSMIDTH	MEX	452034	829541		photo - on ground
50R FLOTATION CELLS WITH ACCESSORIES	6193	5'	17'	8'-3/4"	1	FLSMIDTH	MEX	452034	829541		photo - on ground
LAUNDRY WELDMENT	744	18'3"	84"	66"	12	FLSMIDTH	MEX	442409	829877		photo - on ground
PALLETS OF ACCESSORIES	1100	6'3"	44"	15"	1	FLSMIDTH	MEX	442409	829877		photo - on ground
LAUNDRY WELDMENT	17487	18'3"	84"	66"	16	FLSMIDTH	MEX	452011	829745		photo - on ground



Tab I



CASSELS BROCK

May 29, 2013

BY E-MAIL (PDF) to mkent@tamerlaneventures.com and By
Registered Mail

Tamerlane Ventures Inc.
441 Peace Portal Drive
Blaine, WA 98230
USA

jbirch@casselsbrock.com
tel: 416.860-6225
fax: 416.640-3057
file # 43657-1

Attention: Margaret M. Kent, Executive Chairman and
Chief Financial Officer

Tamerlane Ventures USA, Inc.
c/o Margaret M. Kent
441 Peace Portal Drive
Blaine, WA 98230
USA

Pine Point Holding Corp.
c/o Margaret M. Kent
441 Peace Portal Drive
Blaine, WA 98230
USA

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

A COMMISSIONER

Dear Sirs/Mesdames:

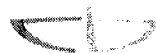
Re: Loans from Global Resource Fund (the "Lender") to Tamerlane Ventures Inc. (the "Borrower") as guaranteed by Pine Point Holding Corp. ("Pine Point") and Tamerlane Ventures USA, Inc. ("Tamerlane USA")

We are counsel to the Lender.

We refer you to the various loan and security agreements which the Borrower, Tamerlane USA, and Pine Point entered into in relation to the USD\$10,000,000 credit facility with the Lender, including the following:

- a. A Credit Agreement between the Borrower and the Lender dated December 16, 2010, as amended by the First Amending Agreement dated June 30, 2011 and the Second Amending Agreement dated July 29, 2011, (collectively, the "Credit Agreement");





CASSELS BROCK

Page 2

- b. a General Security Agreement dated December 16, 2010 executed by the Borrower in favour of the Lender (the "GSA");
- c. a Securities Pledge Agreement executed by the Borrower on December 16, 2010;
- d. A Forbearance Agreement between the Borrower and the Lender dated December 31, 2012 (the "Forbearance Agreement");
- e. a General Security Agreement dated July 29, 2012 executed by Pine Point;
- f. a Guarantee dated July 29, 2011 signed by Pine Point;
- g. a Guarantee dated December 16, 2010 signed by Tamerlane USA; and
- h. a Security Agreement dated December 15, 2010 signed by Tamerlane USA

Pursuant to section 8(a) of the Forbearance Agreement, the Borrower was required to make a payment of \$1,500,000 to the Lender by no later than March 31, 2013 (the "March Payment"). Further, pursuant to sections 5.1 and 1.1.49 of the Credit Agreement, interest on the indebtedness in the amount of USD\$135,922.28 was due on May 25, 2013 (the "May Interest Payment").

The Borrower failed to make the March Payment when due and no portion of the March Payment has been paid since that time. The Borrower also failed to make the May Interest Payment when due. Such failure to make the March Payment and May Interest Payment constitutes a default under the terms of the Forbearance Agreement and the Credit Agreement (collectively, the "Default").

By virtue of the Default, the Lender is entitled, at its option, to declare all of the Obligations (as defined in the Credit Agreement) due and payable. The Lender is entitled to exercise a variety of other remedies with respect to the Borrower, including seeking the appointment of a Receiver. In accordance with section 5.5 of the Credit Agreement, the Lender is also entitled to receive default interest at the rate of 18% per annum on the March Payment, which is overdue.

Accordingly, in light of the Default, the Lender hereby declares all of the Obligations to have become immediately due and payable with interest. The Lender demands that the Borrower, Tamerlane USA, and Pine Point (collectively, the "Debtors") pay to the Lender, by no later than Monday, June 10, 2013, the total aggregate sum of USD\$11,631,948.90, plus interest after May 29, 2013 to the date of payment and costs.

If the Debtors fail to pay this amount by the specified deadline, the Lender intends to enforce its security and seek the appointment of a receiver pursuant to section 101 of



the *Courts of Justice Act* and/or section 243 of the *Bankruptcy and Insolvency Act* ("BIA").

In accordance with the requirements of section 244 of the BIA, we hereby enclose a Notice of Intention to Enforce Security. The time period specified in such notice will run simultaneously with the notice period for repayment provided hereunder. Upon the expiry of the notice periods, the Lender will be free to pursue its remedies against the Debtors. In order to avoid enforcement action by the Lender, the Debtors must complete payment in full on or before the date set out above.

We also enclose, and serve upon you, a Notice of Intention to Dispose of Collateral pursuant to section 63 of the *Personal Property Security Act* (Ontario).

Nothing in this letter constitutes a waiver of the rights of the Lender and the Lender expressly reserves the right to determine what, if any, future steps it will take in respect of the Debtors as a result of the Default or any other breaches of the Credit Agreement or Forbearance Agreement.

Please govern yourself accordingly.

Yours truly,


John N. Birch

JNB/ph

cc: Rick Orzy, Bennett Jones LLP
Client

**NOTICE OF INTENTION TO ENFORCE SECURITY
PURSUANT TO THE *BANKRUPTCY AND INSOLVENCY ACT (CANADA)*
SECTION 244**

TO: Tamerlane Ventures Inc.
441 Peace Portal Drive
Blaine, WA 98230
USA

AND TO: Tamerlane Ventures USA, Inc.
c/o Margaret M. Kent
441 Peace Portal Drive
Blaine, WA 98230
USA

AND TO: Pine Point Holding Corp.
c/o Margaret M. Kent
441 Peace Portal Drive
Blaine, WA 98230
USA

TAKE NOTICE THAT:

1. Global Resource Fund ("Global"), a creditor, intends to enforce its security over Tamerlane Ventures Inc. ("Tamerlane"), Pine Point Holding Corp. ("Pine Point") and Tamerlane Ventures USA, Inc. ("Tamerlane USA").
2. The debt and security that is to be enforced is in the form of the following:
 - a. A Credit Agreement between the Global and Tamerlane dated December 16, 2010, as amended by the First Amending Agreement dated June 30, 2011 and the Second Amending Agreement dated July 29, 2011, (collectively, the "Credit Agreement");
 - b. a General Security Agreement dated December 16, 2010 executed by Tamerlane in favour of Global (the "GSA");
 - c. a Securities Pledge Agreement executed by Tamerlane on December 16, 2010;
 - d. A Forbearance Agreement between Tamerlane and Global dated December 31, 2012 (the "Forbearance Agreement"); and
 - e. a General Security Agreement dated July 29, 2012 executed by Pine Point;
 - f. a Guarantee dated July 29, 2011 signed by Pine Point;
 - g. a Guarantee dated December 16, 2010 signed by Tamerlane USA; and

- h. a Security Agreement dated December 15, 2010 signed by Tamerlane USA
3. The total amount of Indebtedness as at May 29, 2013 is USD \$11,631,948.90, as set out in the chart below, plus expenses of realization.

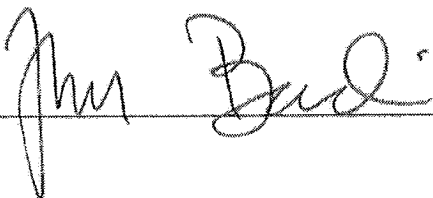
Principal		USD \$11,504,357.68
Interest		USD \$127,591.22
Total		USD \$11,631,948.90

4. Global will not have the right to enforce the Security until after the expiry of the 10-day period following the sending of this notice, unless Tamerlane consents to an earlier enforcement.

DATED at Toronto, this 29th day of May, 2013.

**GLOBAL RESOURCE FUND
BY ITS SOLICITORS,
CASSELS BROCK & BLACKWELL LLP**

Per:



A handwritten signature in cursive script, appearing to read "Jim Burt", is written over a horizontal line.

**PERSONAL PROPERTY SECURITY ACT (ONTARIO)
SECTION 63**

NOTICE OF INTENTION TO DISPOSE

TO: TAMERLANE VENTURES INC.
441 Peace Portal Drive
Blaine, WA 98230
USA

AND TO: Tamerlane Ventures USA, Inc. ("Tamerlane USA")
c/o Margaret M. Kent
441 Peace Portal Drive
Blaine, WA 98230
USA

AND TO: Pine Point Holding Corp. ("Pine Point")
c/o Margaret M. Kent
441 Peace Portal Drive
Blaine, WA 98230
USA

AND TO: Each of the persons listed in the attached Schedule "A"

TAKE NOTICE THAT:

1. Global Resource Fund ("Global") has made certain loans to Tamerlane Ventures Inc. ("Tamerlane") pursuant to a credit agreement dated December 16, 2010 as subsequently amended by agreements dated June 30, 2011 and July 29, 2012 (collectively, the "Credit Agreement"). Tamerlane, Tamerlane USA, and Pine Point have given security to Global, including by way of the following agreements (collectively, the "Security Agreements"):

- a. A Credit Agreement between the Global and Tamerlane dated December 16, 2010, as amended by the First Amending Agreement dated June 30, 2011 and the Second Amending Agreement dated July 29, 2011, (collectively, the "Credit Agreement");
- b. a General Security Agreement dated December 16, 2010 executed by Tamerlane in favour of Global (the "GSA");
- c. a Securities Pledge Agreement executed by Tamerlane on December 16, 2010;
- d. A Forbearance Agreement between Tamerlane and Global dated December 31, 2012 (the "Forbearance Agreement"); and
- e. a General Security Agreement dated July 29, 2012 executed by Pine Point;

- f. a Guarantee dated July 29, 2011 signed by Pine Point;
- g. a Guarantee dated December 16, 2010 signed by Tamerlane USA; and
- h. a Security Agreement dated December 15, 2010 signed by Tamerlane USA

2. Pursuant to the Security Agreements, Tamerlane, Tamerlane USA, and Pine Point (collectively, the "Debtors") granted a security interest (the "**Security Interest**") in their property consisting of all their present and after acquired property (collectively, the "**Security**")

3. Pursuant to the Credit Agreement and Security Agreements, interest on the principal sum and interest on overdue interest, both before and after maturity, default, and judgment, is owed at the rate of 18% per annum calculated and payable monthly. Payment and interest on the payment was due on May 25, 2013.

4. Tamerlane has failed to pay the amounts owing to Global when due and therefore Global has enforced its security against the Debtors. As part of the enforcement of his security, Global is pursuing its rights against the Security, including by collecting the amounts owing under the Security Agreements.

5. The amount (the "**Current Outstanding Amount**") presently required to satisfy the Indebtedness is set out in the attached Schedule "B".

6. Upon payment of the amount of the Current Outstanding Amount plus accrued interest and costs as provided for in the Security, together with additional interest and the expenses actually incurred to the date of payment, you may redeem the Security as it exists on the date of payment. Unless these amounts are paid, the Security will be disposed of and the Debtors will be liable for any deficiency. This notice constitutes a demand to pay.

4. Upon receipt of payment, the payor will be credited with any rebates or allowances to which the Debtors are entitled by law or under the Security.

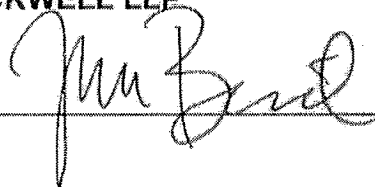
5. Unless the Security is first redeemed, the Secured Assets will be disposed of by private disposition after June 24, 2013.

6. Global reserves the right to dispose of any or all of the Security prior to the expiry of this notice in any circumstances where the *Personal Property Security Act* (Ontario) permits a disposition without notice.

Dated at Toronto this 29th day of May, 2013.

**GLOBAL RESOURCE FUND by its
solicitors, CASSELS BROCK &
BLACKWELL LLP**

per: _____



Schedule "A"

National Bank of Canada
555 Burrard Street, Suite 200,
Vancouver, B.C. V7X 1M7

Schedule "B"

CURRENT OUTSTANDING AMOUNT

The Current Outstanding Amount is, as at May 29, 2013:

Principal	USD \$11,504,357.68
Interest	USD \$127,591.22
Total	USD \$11,631,948.90

The *per diem* interest on the Current Outstanding Amount is USD\$4,165.88.

The accruing legal fees and costs associated with the calling of the loan and of the enforcement shall be included in the Current Outstanding Amount as incurred.

Tab J

**AMENDING AGREEMENT
FIRST AMENDMENT TO THE FORBEARANCE AGREEMENT**

THIS IS EXHIBIT J ATTACH

This Amending Agreement is made as of the 10th day of June, 2013,

TO THE AFFIDAVIT OF

BETWEEN:

Margaret M. Kent

SWORN August 22, 2013

TAMERLANE VENTURES INC. (the "Borrower")

- and -

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

- and -

GLOBAL RESOURCE FUND (the "Lender")

A COMMISSIONER

RECITALS:

- (A) The Borrower entered into a credit agreement with the Lender on December 16, 2010, which was amended by the First Amending Agreement dated June 30, 2011 and the Second Amending Agreement dated July 29, 2011 (as such agreement has been amended, restated or otherwise modified from time to time, including those amendments made pursuant to the Forbearance Agreement (as defined below), the "**Credit Agreement**").
- (B) Pine Point and Tamerlane USA (collectively, the "**Guarantors**") have guaranteed the Borrower's obligations under the Credit Agreement.
- (C) Certain Events of Default (as defined in the Credit Agreement) occurred in September 2012, and as a result the Borrower, the Guarantors and the Lender entered into a Forbearance Agreement dated December 31, 2012 (the "**Forbearance Agreement**") which provided, among other things, for certain amendments to the Credit Agreement.
- (D) The Borrower has, as of the date hereof, failed to make the payment of \$1,500,000 due on March 31, 2013 as contemplated by Section 8(a) of the Forbearance Agreement (the "**Principal Payment Default**"), has failed to pay interest in the amount of \$139,105.47 that was due on May 24, 2013 (the "**May Interest Payment**"), and has not complied with certain other terms of the Forbearance Agreement relating to: (i) failure to provide to the Lender copies of executed non-disclosure agreements, (ii) entering into an agreement with Jennings (as defined below) for the marketing of the Los Pinos concessions, (iii) entering into finder's fee arrangements with certain third parties, (iv) deviations from the Budget attached as Exhibit 5 to the Forbearance Agreement, (v) failure to provide the Lender with "view-only" electronic access to its banking and other accounts (currently trying to arrange with banks), (vi) a lawsuit threatened by Michael Willett, (vii) agreements with respect to audit work performed by KPMG LLP and WDM Chartered Accountants, (viii) the filing of certain tax returns, (ix) any default under the Indian Mountain Lake Agreement, (x) the incorporation of a new subsidiary in the Cayman Islands and the proposed assignment of the Los Pinos project thereto, (xi) not having a majority of "independent" directors (xii) failure to provide the Lender with certain quarterly reports on Los Pinos, (xiii) the ongoing litigation with respect to Los Pinos, (xiv) failure to provide the Lender with an annual business plan, (xv) staking additional claims

in or around Pine Point, (xvi) overdue payables, (xvii) expenditures in excess of \$100,000 in respect of Los Pinos (for legal fees to protect the Borrower's position), (xviii) failure to provide the Lender with the agreements contemplated in Section 14 of the Forbearance Agreement (which failure will be rectified shortly), (xix) a board call held on June 7, 2013, (xx) entering into employment agreements with John Key and Judy Dudley, and services arrangements with Bennett Jones LLP, Duff & Phelps Canada Restructuring Inc. and its counsel, and (xxi) the non-renewal of the property insurance coverage for the Flotation Equipment, and such events continue to be defaults or Events of Default under the Credit Agreement (the "**Existing Defaults**").

- (E) The parties hereto have agreed to amend certain terms of the Forbearance Agreement and the Credit Agreement and to certain other terms, all as set forth herein and to provide such further assurances as are required by the Lender.

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

1. **Definitions**

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

2. **Forbearance**

Upon satisfaction by the Borrower of:

- (a) payment of the May Interest Payment, which payment will be "capitalized" and satisfied by the addition of such amount to the Advances automatically without further action by the parties on the date of this Amending Agreement;
- (b) payment to the Lender of a fee in the amount of \$350,000, which payment will be "capitalized" and satisfied by the addition of such amount to the Advances automatically without further action by the parties on the date of this Amending Agreement;
- (c) payment in full of all of the Lender's legal fees that are payable by the Obligors pursuant to Section 12.1 of the Credit Agreement to date, being approximately \$40,000, on the date of this Amending Agreement; and
- (d) execution and delivery of this Amending Agreement,

the Lender agrees (i) to withdraw the letter dated May 29, 2013 sent to the Obligors by counsel to the Lender (including the enclosed Notice of Intention to Enforce Security and Notice of Intention to Dispose of Collateral) (the "**Letter**"), and to treat the delivery of the Letter (and any consequences thereof) as not having happened *ab initio*, and (ii) not to take any steps to realize on any of the loans made pursuant to the Credit Agreement and to allow the terms, conditions and covenants of this Amending Agreement to be fully performed by the parties hereto, but only so long as, the terms, conditions and covenants contained in this Amending Agreement remain in good standing and are fully complied with and no further Event of Default occurs.

3. Specific Amendments

- (a) Upon all of the following conditions (the "**Conditions**") being satisfied:
- (i) entering into by the Borrower of a binding agreement for the sale of its interest in Los Pinos on or before the 90th day following the date hereof, with closing to occur on or before the 120th day following the date hereof, and receipt by the Lender of Tamerlane's proceeds (net of any amounts required to be paid to third parties, if any, who have previously claimed an interest in Los Pinos and are paid in order to transfer title to Los Pinos free and clear of claims) from such sale, being no less than \$7.25M, on or before the 120th day following the date hereof (the "**Sale Condition**");
 - (ii) payment to the Lender in immediately available funds of an amount equal to 5% of the balance of the Advances outstanding following satisfaction of the Sale Condition (the "**Delayed Fee**"); and
 - (iii) no Events of Default, other than the Existing Defaults, having occurred between the date hereof and satisfaction of the Sale Condition,

the following amendments will take effect:

- (iv) in the Credit Agreement (as amended by the Forbearance Agreement), deleting the words "October 16, 2013" in the definition of "Maturity Date" in Section 1.1.65 and substituting the words "August 31, 2014".
- (v) In the Forbearance Agreement:
 - (A) replacing "Exhibit 5 – Budget" thereto with the document attached hereto as Exhibit 1;
 - (B) deleting Sections 8(a) in its entirety;
 - (C) deleting the references to "\$50,000" in Section 10(b) and replacing them with "\$20,000";
 - (D) deleting all words in Section 13(a) beginning with "provided that" until the end of the sentence;
 - (E) deleting the reference to "\$10,000" in Section 13(d) and replacing it with "25,000";
 - (F) deleting the reference to "\$50,000" in Section 13(d) and replacing it with "125,000"; and
 - (G) adding the following words to the end of Section 21:

~~"Notwithstanding anything to the contrary in Sections 6.5 and 9.3.1(d) of the Credit Agreement, the Borrower is permitted to sell the Flotation Equipment provided 50% of the Net Proceeds are used forthwith to repay Advances outstanding under the Credit Facilities."~~

- (b) In the event the amount of the outstanding Advances under the Credit Facilities reduces to less than \$3,500,000, then the following amendments to the Forbearance Agreement will take effect:

- (i) deleting Section 9 in its entirety and replacing it with the following:
 - “(a) The Lender shall have the right at any time, exercised by delivery to the Borrower of a request in writing, to appoint one director to the Borrower's board of directors. Such director, if appointed, will have the same rights and obligations as the other directors of the Borrower.
 - (b) The Borrower shall call regularly scheduled directors' meetings no less than once per calendar quarter.”; and
- (ii) deleting “50%” in Section 8(b) in replacing it with “30%”.

4. **Forbearance Fees**

- (a) In consideration for the Lender's forbearance from and after March 31, 2013, being the date of the first of the Existing Defaults to occur, and the Lender entering into this Amending Agreement, the Borrower will pay to the Lender the Upfront Fee and the Delayed Fee.
- (b) The Upfront Fee will be fully earned on the date hereof.
- (c) The Delayed Fee will be fully earned on the date all Conditions are satisfied.
- (d) The Delayed Fee will be “capitalized” and its payment satisfied by the addition of such amount to the Advances automatically without further action by the parties on the date the Sale Condition is satisfied.

5. **Acknowledgement of Advances**

The Obligors acknowledge that the total amount of the Obligations as of the date hereof, excluding interest accrued from June 1, 2013, but including the capitalized interest payment pursuant to Section 2(a) and the capitalized fee pursuant to Section 2(b), is \$11,993,463.15.

6. **Acknowledgements and Covenants**

Each of the Obligors jointly and severally acknowledges and irrevocably and unconditionally agrees that:

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

any action or omitted to take any action, that would or could constitute a waiver of its rights to enforce its rights, remedies and recourses in respect of the Obligations or the Security, or that would estop it from so doing;

- (d) this Amending Agreement is deemed a "Credit Document" and any breach or failure of the strict performance of the terms of this Amending Agreement will be an Event of Default.

7. Effect of Event of Default

- (a) At anytime from and after the occurrence of an Event of Default other than the Existing Defaults, the Lender may immediately terminate its forbearance hereunder and, subject to legal requirements, enforce, without further notice or delay, all of its rights and remedies against the Obligors.
- (b) Subject to (i) the Lender's obligations pursuant to the Credit Agreement, the Forbearance Agreement and this Amending Agreement, and (ii) applicable law, each of the Obligors agrees it will not oppose the Lender's enforcement of its rights, remedies and recourses including, without limitation, the application by the Lender to the Ontario Superior Court of Justice (or similar court in other jurisdictions) for the appointment of a receiver or receiver-manager (a "Receiver") over all or any part of the property that is collateral under the Security (the "Collateral"), and if the Lender or Receiver so elect, to take possession of the Collateral. The Lender may rely upon this acknowledgement and consent for the appointment of a Receiver and same may be pleaded in any application to appoint a Receiver.
- (c) Each of the Obligors acknowledges and confirms that the Lender will be unaffected by any attempt by them, or any of them, to seek protection from creditors, it being acknowledged that any such attempt will be an Event of Default. The Lender may rely upon the provisions hereof as evidence of its consent to lift any stay imposed on the Lender and the Lender may plead the provisions hereof as evidence of such consent.

8. No Claims Against the Lender

- (a) Each of the Lender and Renvest Mercantile Bancorp Inc. ("**Renvest**") jointly and severally represents and warrants to the Obligors that it and its respective directors, officers, employees, and Affiliates (collectively, the "**Renvest Group**") have not, as of the date hereof, entered into any agreement, understanding, or other arrangement with Pacific Road Management Pty Limited (or any of its directors, officers, employees or Affiliates) that provides a benefit to any member of the Renvest Group to the detriment of one or more of the Obligors in relation to the sale of some or all of the Obligors' assets. Such representation and warranty survives the execution and delivery of this Amending Agreement, and the Lender and Renvest each acknowledges and confirms that the Obligors are relying on such representation and warranty in respect of this Amending Agreement, and in particular this Section 8.

- (b) None of the Obligors disputes its liability with respect to the Obligations (whether directly as a borrower or indirectly as a guarantor, as applicable), on any basis whatsoever, and none of the Obligors has any claims for set-off, counterclaim or damages on any basis whatsoever against either the Lender or Renvest, or any of their respective directors, officers, employees and agents, as of the date of this Amending Agreement.
- (c) Each of the Obligors hereby irrevocably and unconditionally releases and discharges each of the Lender and Renvest, and their respective directors, officers, employees and agents, (collectively, the "**Releasees**") from and against all claims, causes of action, set-offs, counterclaims, damages, direct or indirect, in law or in equity, contingent or otherwise, that they have, or may have against the Releasees or any of them based on facts, events or circumstances existing up to and including the date hereof, whether known or unknown, and without limiting the generality of the foregoing, any claim based on any act of or omission to act by any Releasee or for any other reason whatsoever related to, arising out of or in any way in respect of any Credit Document or the matters described in the letter dated May 7, 2013 from Mr. Richard Orzy of Bennett Jones LLP to the Lender (collectively, the "**Claims**").
- (d) None of the Obligors shall make any claim or demand, or commence any action or other proceeding, against any individual, corporation, company, partnership, government or regulatory body, joint venture, association, trust, or any other entity (each a "**Person**") that might be entitled to claim contribution, indemnity, or any other relief from the Releasees in connection with any of the Claims unless (i) the applicable Obligor(s) indemnifies the Releasee(s) from any reasonable costs (including legal fees) that the Releasee(s) incurs in respect of such claim, demand, action or proceeding, and (ii) arrangements, acceptable to Renvest, acting reasonably, have been made to ensure such indemnity will be satisfactory. Once notified by the applicable Releasee(s) of a claim covered hereby having been made against such Releasee(s), the applicable Obligor(s) shall, on behalf of the applicable Releasee(s), but at the cost of the applicable Obligor(s) (such that the Releasee(s) shall incur no cost whatsoever), defend any proceeding with respect to which such Releasee(s) is entitled to claim indemnification hereunder. The intention hereunder is to ensure that no such claim will have any negative monetary impact on a Releasee.
-
- ~~(e) The release in this Section 8 is a complete bar to any claim, demand, action, or other proceeding that any Obligor might make or bring against any Releasee in connection with any of the Claims.~~
-
- (f) The Obligors shall jointly and severally indemnify the Releasees from any reasonable costs (including legal fees) that any Releasee incurs in connection with or in any way related to defending or responding to any claim, demand, action, or other proceeding that any Obligor makes or brings against it in connection with any of the Claims.

- (g) The Obligors joint and severally represent and warrant that none of them has assigned, and covenants that it will not assign any of the Claims to any Person.
- (h) Each of the Obligors acknowledges that the Releasees are entitled to rely upon such release and to claim same is an estoppel to any action initiated by, or on behalf of any of the releasing parties or any of them, directly or indirectly.

9. Representations and Warranties of the Borrower

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

- (a) except as disclosed in Exhibit 2, 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 contracts, licenses, or permits, and (iv) does not result in any 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) other than the Existing Defaults, there are no Events of Default continuing at this time.

10. Supplemental

This Amending Agreement is supplemental to and amends the Credit Agreement and Forbearance Agreement. The Credit Agreement and Forbearance Agreement shall henceforth be read in conjunction with, as amended by, this Amending Agreement, and the Credit Agreement, the Forbearance 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, the Forbearance Agreement and this Amending Agreement were contained in one instrument. In the event of any inconsistency between the Credit Agreement, the Forbearance Agreement and this Amending Agreement, the provisions of this Amending Agreement will govern.

11. Credit Agreement and Forbearance 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 the Forbearance Agreement and each of the other Credit Documents to which each is a party remain in full force and effect un-amended and enforceable against the Obligors in accordance with their respective terms.

12. 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.

13. Further Assurances

The Obligors agree to do, execute, deliver or cause to be done, executed and delivered, all such further acts, deeds, assurances, and things as may reasonably be required for more effectually implementing and carrying out the provisions of the Credit Agreement, the Forbearance Agreement and this Amending Agreement.

14. Governing Law

~~The parties agree that this Amending Agreement is governed by and is to be 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.~~

15. Counterparts

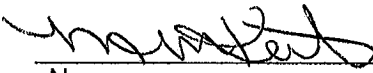
This Amending Agreement may be executed in any number of counterparts, each of which is deemed to be an original and all of which taken together is deemed to be an original and all of which taken together is deemed to constitute one and the same

instrument. It is not be necessary in making proof of this Amending Agreement to produce or account for more than one such counterpart executed by each party.

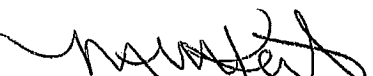
[rest of page intentionally left blank; signatures on the next page]

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

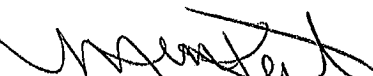
TAMERLANE VENTURES INC.

Per: 
 Name:
 Title:
 I/We have authority to bind the Corporation

TAMERLANE VENTURES USA, INC.

Per: 
 Name:
 Title:
 I/We have authority to bind the Corporation


PINE POINT HOLDING CORP.

Per: 
 Name:
 Title:
 I/We have authority to bind the Corporation




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

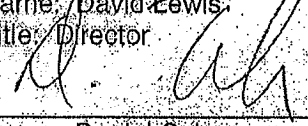
Per: 
Name: David Lewis
Title: Director

Per: 
Name: Daniel Cohen
Title: Vice President and General Counsel

I/We have authority to bind the Corporation

RENVEST MERCANTILE BANCORP INC.

Per: 
Name: David Lewis
Title: Director

Per: 
Name: Daniel Cohen
Title: Vice President and General Counsel

I/We have authority to bind the Corporation

Exhibit 1

	Jun		Jul		Aug		Sept		Budget Total 120 Day
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	
Outstanding Invoices - Portion to be paid (estimate)									
Administrative Costs	\$ 11,500		\$ 11,500		\$ 11,500		\$ 11,500		\$ 46,000
Claims & Losses - NWT			\$ 5,405		\$ 21,937				\$ 27,342
Salaries	\$ 66,000		\$ 66,000		\$ 66,000		\$ 66,000		\$ 264,000
Benefits	\$ 5,344		\$ 5,344		\$ 5,344		\$ 5,344		\$ 21,376
IR	\$ 1,500		\$ 1,500		\$ 1,500		\$ 1,500		\$ 6,000
Travel	\$ 30,000		\$ 25,000		\$ 25,000		\$ 25,000		\$ 105,000
Jettings Capital	\$ 18,000		\$ 18,750		\$ 18,750		\$ 18,750		\$ 74,250
D & O Insurance & Liability Insurance	\$ 2,270		\$ 2,270		\$ 2,270		\$ 2,270		\$ 9,080
Commercial Insurance			\$ 888		\$ 888		\$ 888		\$ 2,664
AGM	\$ 23,000		\$ 2,000		\$ -		\$ -		\$ 25,000
Legal (Canadian)	\$ 130,000		\$ 50,000		\$ 50,000		\$ 50,000		\$ 280,000
Legal (Peru)	\$ 15,000		\$ 8,000		\$ 8,000		\$ 8,000		\$ 39,000
Claims - Peru									\$ -
Subtotal	\$ 302,514		\$ 196,657		\$ 211,189		\$ 189,752		\$ 699,712
Interest Expense (estimate)	\$ -		\$ -		\$ -		\$ -		\$ -
Payment to Rentest	\$ -		\$ -		\$ -		\$ -		\$ -
Subtotal	\$ 302,514		\$ 196,657		\$ 211,189		\$ 189,752		\$ 710,460
Powerthrough Funding									
Powerthrough Funding available									
In house expenses	\$ -		\$ -		\$ -		\$ -		\$ -
Technical Report: WBS (Consultants)	\$ -		\$ -		\$ -		\$ -		\$ -
Geology-Peru (Indian Mountain Claims)	\$ 65,000		\$ -		\$ -		\$ -		\$ 65,000
Indian Mountain & Pine Point exploration work	\$ -		\$ -		\$ -		\$ -		\$ -
Subtotal	\$ 65,000		\$ -		\$ -		\$ -		\$ 65,000
Monthly Costs	\$ 367,514		\$ 196,657		\$ 211,189		\$ 189,752		\$ 660,712

Tab K



CASSELS BROCK
LAW LLP

July 26, 2013

**BY E-MAIL (PDF) to mkent@tamerlaneventures.com and by
Registered Mail**

Tamerlane Ventures Inc.
441 Peace Portal Drive
Blaine, WA 98230
USA

jbirch@casselsbrock.com
tel: 416.860-5225
fax: 416.640-3057
file # 43657-1

Attention: Margaret M. Kent, Executive Chairman and
Chief Financial Officer

Tamerlane Ventures USA, Inc.
c/o Margaret M. Kent
441 Peace Portal Drive
Blaine, WA 98230
USA

Pine Point Holding Corp.
c/o Margaret M. Kent
441 Peace Portal Drive
Blaine, WA 98230
USA

THIS IS EXHIBIT K ATTACHED

TO THE AFFIDAVIT OF

Margaret M. Kent

SWORN August 22, 2013

A COMMISSIONER

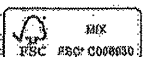
Dear Sirs/Mesdames:

Re: Loans from Global Resource Fund (the "Lender") to Tamerlane Ventures Inc. (the "Borrower") as guaranteed by Pine Point Holding Corp. ("Pine Point") and Tamerlane Ventures USA, Inc. ("Tamerlane USA")

We are counsel to the Lender.

We refer you to the various loan and security agreements which the Borrower, Tamerlane USA, and Pine Point entered into in relation to the USD\$10,000,000 credit facility with the Lender, including the following:

- a. a Credit Agreement between the Borrower and the Lender dated December 16, 2010, as subsequently amended by the First Amending Agreement dated June 30, 2011 and the Second Amending Agreement dated July 29, 2011, (collectively, the "Credit Agreement");





- b. a General Security Agreement dated December 16, 2010 executed by the Borrower in favour of the Lender (the "GSA");
- c. a Securities Pledge Agreement executed by the Borrower on December 16, 2010;
- d. a Forbearance Agreement between the Borrower and the Lender dated December 31, 2012 as subsequently amended by the Amending Agreement First Amendment to Forbearance Agreement dated June 10, 2013 (collectively, the "Forbearance Agreement");
- e. a General Security Agreement dated July 29, 2011 executed by Pine Point;
- f. a Guarantee dated July 29, 2011 signed by Pine Point;
- g. a Guarantee dated December 16, 2010 signed by Tamerlane USA; and
- h. a Security Agreement dated December 15, 2010 signed by Tamerlane USA

Pursuant to sections 5.1 and 1.1.49 of the Credit Agreement, interest on the indebtedness in the amount of USD\$127,327.86 was due on July 25, 2013 (the "July Interest Payment").

The Borrower failed to make the July Interest Payment when due. Such failure to make the July Interest Payment constitutes a default (the "Default") under the terms of the Forbearance Agreement and the Credit Agreement.

By virtue of the Default, the Lender is entitled, at its option, to declare all of the Obligations (as defined in the Credit Agreement) due and payable. The Lender is entitled to exercise a variety of other remedies with respect to the Borrower, including seeking the appointment of a Receiver. In accordance with section 5.5 of the Credit Agreement, the Lender is also entitled to receive default interest at the rate of 18% per annum on the Obligations.

Accordingly, in light of the Default, the Lender hereby declares all of the Obligations to have become immediately due and payable with interest. The Lender demands that the Borrower, Tamerlane USA, and Pine Point (collectively, the "Debtors") pay to the Lender, by no later than Tuesday, August 6, 2013, the total aggregate sum of USD\$12,100,254.26 ("Current Outstanding Amount"), plus interest after July 26, 2013 to the date of payment and costs. Further detail regarding the Current Outstanding Amount is set out in the attached Schedule "A".

If the Debtors fail to pay this amount by the specified deadline, the Lender intends to enforce its security and seek the appointment of a receiver pursuant to section 101 of



the *Courts of Justice Act* and/or section 243 of the *Bankruptcy and Insolvency Act* ("BIA").

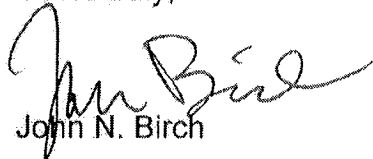
In accordance with the requirements of section 244 of the BIA, we hereby enclose a Notice of Intention to Enforce Security. The time period specified in such notice will run simultaneously with the notice period for repayment provided hereunder. Upon the expiry of the notice periods, the Lender will be free to pursue its remedies against the Debtors. In order to avoid enforcement action by the Lender, the Debtors must complete payment in full on or before the date set out above.

We also enclose, and serve upon you, a Notice of Intention to Dispose of Collateral pursuant to section 63 of the *Personal Property Security Act* (Ontario).

Nothing in this letter constitutes a waiver of the rights of the Lender and the Lender expressly reserves the right to determine what, if any, future steps it will take in respect of the Debtors as a result of the Default or any other breaches of the Credit Agreement or Forbearance Agreement.

Please govern yourself accordingly.

Yours truly,



John N. Birch

JNB/ph

cc: Sean Zweig and Richard Orzy, Bennett Jones LLP
Client



Schedule "A"

CURRENT OUTSTANDING AMOUNT

The Current Outstanding Amount is, as at July 26, 2013:

Principal	USD \$11,993,463.15
Interest	USD \$106,791.11
Total	USD \$12,100,254.26

Per diem interest on the Current Outstanding Amount is USD\$4,143.92. In the event that the Current Outstanding Amount plus accrued interest is not paid by August 6, 2013, default interest of 18% per annum will accrue in accordance with section 5.5 of the Credit Agreement and a different *per diem* amount will be payable. The *per diem* interest calculation also does not reflect the fact that overdue interest is compounded on each Interest Payment Date (as defined in the Credit Agreement). If you require pay-out details as of any specific date, please contact us for an updated calculation.

The accruing legal fees and costs associated with the calling of the loan and of the enforcement shall be included in the Current Outstanding Amount as incurred.

**NOTICE OF INTENTION TO ENFORCE SECURITY
PURSUANT TO THE *BANKRUPTCY AND INSOLVENCY ACT (CANADA)*
SECTION 244**

TO: Tamerlane Ventures Inc.
441 Peace Portal Drive
Blaine, WA 98230
USA

AND TO: Tamerlane Ventures USA, Inc.
c/o Margaret M. Kent
441 Peace Portal Drive
Blaine, WA 98230
USA

AND TO: Pine Point Holding Corp.
c/o Margaret M. Kent
441 Peace Portal Drive
Blaine, WA 98230
USA

TAKE NOTICE THAT:

1. Global Resource Fund ("Global"), a creditor, intends to enforce its security over Tamerlane Ventures Inc. ("Tamerlane"), Pine Point Holding Corp. ("Pine Point") and Tamerlane Ventures USA, Inc. ("Tamerlane USA").
2. The debt and security that is to be enforced is in the form of the following:
 - a. a Credit Agreement between the Global and Tamerlane dated December 16, 2010, as subsequently amended by the First Amending Agreement dated June 30, 2011 and the Second Amending Agreement dated July 29, 2011;
 - b. a General Security Agreement dated December 16, 2010 executed by Tamerlane in favour of Global;
 - c. a Securities Pledge Agreement executed by Tamerlane on December 16, 2010;
 - d. a Forbearance Agreement between Tamerlane and Global dated December 31, 2012 as subsequently amended by the Amending Agreement First Amendment to Forbearance Agreement dated June 10, 2013;
 - e. a General Security Agreement dated July 29, 2011 executed by Pine Point;
 - f. a Guarantee dated July 29, 2011 signed by Pine Point;

- 2 -

- g. a Guarantee dated December 16, 2010 signed by Tamerlane USA; and
- h. a Security Agreement dated December 15, 2010 signed by Tamerlane USA
3. The total amount of indebtedness as at July 26, 2013 is USD \$12,100,254.26, as set out in the chart below, plus expenses of realization.

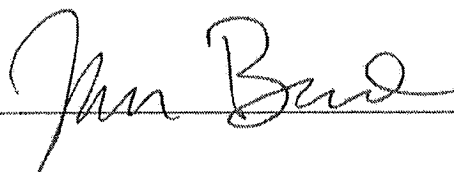
Principal	USD \$11,993,463.15
Interest	USD \$106,791.11
Total	USD \$12,100,254.26

4. Global will not have the right to enforce the Security until after the expiry of the 10-day period following the sending of this notice, unless Tamerlane consents to an earlier enforcement.

DATED at Toronto, this 26th day of July, 2013.

**GLOBAL RESOURCE FUND
BY ITS SOLICITORS,
CASSELS BROCK & BLACKWELL LLP**

Per:



A handwritten signature in cursive script, appearing to read "Ian Baird", is written over a horizontal line.

PERSONAL PROPERTY SECURITY ACT (ONTARIO)
SECTION 63

NOTICE OF INTENTION TO DISPOSE

TO: TAMERLANE VENTURES INC.

441 Peace Portal Drive
Blaine, WA 98230
USA

AND TO: Tamerlane Ventures USA, Inc. ("Tamerlane USA")

c/o Margaret M. Kent
441 Peace Portal Drive
Blaine, WA 98230
USA

AND TO: Pine Point Holding Corp. ("Pine Point")

c/o Margaret M. Kent
441 Peace Portal Drive
Blaine, WA 98230
USA

AND TO: Each of the persons listed in the attached Schedule "A"

TAKE NOTICE THAT:

1. Global Resource Fund ("Global") has made certain loans to Tamerlane Ventures Inc. ("Tamerlane") pursuant to a credit agreement dated December 16, 2010 as subsequently amended by the First Amending Agreement dated June 30, 2011 and the Second Amending Agreement dated July 29, 2011, (collectively, the "Credit Agreement"). Tamerlane, Tamerlane USA, and Pine Point have given security to Global, including by way of the following agreements (collectively, the "Security Agreements"):

- a. the Credit Agreement;
- b. a General Security Agreement dated December 16, 2010 executed by Tamerlane in favour of Global;
- c. a Securities Pledge Agreement executed by Tamerlane on December 16, 2010;
- d. a Forbearance Agreement between Tamerlane and Global dated December 31, 2012 as subsequently amended by the Amending Agreement First Amendment to Forbearance Agreement dated June 10, 2013 (collectively, the "Forbearance Agreement");
- e. a General Security Agreement dated July 29, 2011 executed by Pine Point;

- f. a Guarantee dated July 29, 2011 signed by Pine Point;
- g. a Guarantee dated December 16, 2010 signed by Tamerlane USA; and
- h. a Security Agreement dated December 15, 2010 signed by Tamerlane USA

2. Pursuant to the Security Agreements, Tamerlane, Tamerlane USA, and Pine Point (collectively, the "Debtors") granted a security interest (the "**Security Interest**") in their property consisting of all their present and after acquired property (collectively, the "**Security**")

3. Pursuant to the Security Agreements, interest on the principal sum and interest on overdue interest, both before and after maturity, default, and judgment, is owed at the rate of 18% per annum calculated and payable monthly. Payment and interest on the payment was due on July 25, 2013.

4. Tamerlane has failed to pay the amounts owing to Global when due and therefore Global has enforced its security against the Debtors. As part of the enforcement of his security, Global is pursuing its rights against the Security, including by collecting the amounts owing under the Security Agreements.

5. The amount (the "**Current Outstanding Amount**") presently required to satisfy the indebtedness is set out in the attached Schedule "B".

6. Upon payment of the Current Outstanding Amount plus accrued interest and costs as provided for in the Security, together with additional interest and the expenses actually incurred to the date of payment, you may redeem the Security as it exists on the date of payment. Unless these amounts are paid, the Security will be disposed of and the Debtors will be liable for any deficiency. This notice constitutes a demand to pay.

4. Upon receipt of payment, the payor will be credited with any rebates or allowances to which the Debtors are entitled by law or under the Security.

5. Unless the Security is first redeemed, the Secured Assets will be disposed of by private disposition after August 20, 2013.

6. Global reserves the right to dispose of any or all of the Security prior to the expiry of this notice in any circumstances where the *Personal Property Security Act* (Ontario) permits a disposition without notice.

Dated at Toronto this 26th day of July, 2013.

GLOBAL RESOURCE FUND by its
solicitors, CASSELS BROCK &
BLACKWELL LLP

per: 

Schedule "A"

National Bank of Canada
555 Burrard Street, Suite 200,
Vancouver, B.C. V7X 1M7

Schedule "B"

CURRENT OUTSTANDING AMOUNT

The Current Outstanding Amount is, as at July 26, 2013:

Principal		USD \$11,993,463.15
Interest		USD \$106,791.11
Total		USD \$12,100,254.26

Per diem interest on the Current Outstanding Amount is USD\$4,143.92. In the event that the Current Outstanding Amount plus accrued interest is not paid by August 6, 2013, default interest of 18% per annum will accrue in accordance with section 5.5 of the Credit Agreement and a different *per diem* amount will be payable. The *per diem* interest calculation also does not reflect the fact that overdue interest is compounded on each Interest Payment Date (as defined in the Credit Agreement). If you require pay-out details as of any specific date, please contact us for an updated calculation.

The accruing legal fees and costs associated with the calling of the loan and of the enforcement shall be included in the Current Outstanding Amount as incurred.

Tab L

**AMENDING AGREEMENT
SECOND AMENDMENT TO THE FORBEARANCE AGREEMENT**

THIS IS EXHIBIT L ATTACHED

This Amending Agreement is made as of the 22nd day of August, 2013 ~~TO THE AFFIDAVIT OF~~

BETWEEN:

TAMERLANE VENTURES INC. (the "Borrower")

- and -

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

- and -

GLOBAL RESOURCE FUND (the "Lender")

Margaret M. Kent
SWORN August 22, 2013

A COMMISSIONER

RECITALS:

- (A) The Borrower entered into a credit agreement with the Lender on December 16, 2010, which was amended by the First Amending Agreement dated June 30, 2011 and the Second Amending Agreement dated July 29, 2011 (as such agreement has been amended, restated or otherwise modified from time to time, including those amendments made pursuant to the Forbearance Agreement (as defined below), the "**Credit Agreement**").
- (B) Pine Point and Tamerlane USA (collectively with the Borrower, the "**Obligors**") have guaranteed the Borrower's obligations under the Credit Agreement.
- (C) Certain Events of Default (as defined in the Credit Agreement) occurred in September 2012, and as a result the Obligors and the Lender entered into a Forbearance Agreement dated December 31, 2012 (the "**First Forbearance Agreement**") which provided, among other things, for certain amendments to the Credit Agreement.
- (D) Certain further Events of Default occurred in March 2013 and May 2013, and as a result the Obligors and the Lender entered into an Amending Agreement dated June 10, 2013 (the "**Second Forbearance Agreement**", together with the First Forbearance Agreement, the "**Forbearance Agreements**") which provided, among other things, for certain amendments to the Credit Agreement and the First Forbearance Agreement.
- (E) The Borrower failed to pay interest in the amount of USD\$127,327.86 that was due on July 25, 2013 (the "**July Interest Payment**"), and has not complied with certain other terms of the Credit Agreement and the Forbearance Agreements and such events continue to be Events of Default under the Credit Agreement and the Forbearance Agreements (the "**Existing Defaults**").
- (F) In light of the Existing Defaults, on July 26, 2013, the Lender delivered to the Obligors a demand letter ("**July 26 Demand**") declaring all of the Obligations (as defined in the Credit Agreement) to be immediately due and payable with interest and demanding payment in full of the outstanding Obligations by no later August 6, 2013 (the "**Payment Deadline**"). Enclosed with the July 26 Demand were a notice of intention to enforce security ("**NITES**") in accordance with section 244 of the *Bankruptcy and Insolvency Act*

and a notice of intention to dispose collateral pursuant to section 63 of the *Personal Property Security Act* (Ontario) ("**PPSA Notice**").

- (G) On August 1, 2013, at the request of the Obligors, the Lender agreed to an extension of the Payment Deadline from August 6, 2013 to August 9, 2013 ("**First Extension**").
- (H) On August 7, 2013, at the request of the Obligors, the Lender agreed to a further extension of the Payment Deadline from August 9, 2013 to August 14, 2013 ("**Second Extension**").
- (I) On August 13, 2013, at the request of the Obligors, the Lender agreed to a further extension of the Payment Deadline from August 14, 2013 to August 16, 2013 ("**Third Extension**").
- (J) On August 15, 2013, at the request of the Obligors, the Lender agreed to a further extension of the Payment Deadline from August 16, 2013 to August 21, 2013 ("**Fourth Extension**").
- (K) On August 20, 2013, at the request of the Obligors, the Lender agreed to a further extension of the Payment Deadline from August 21, 2013 to August 23, 2013 ("**Fifth Extension**", together with the First Extension, the Second Extension, the Third Extension, and the Fourth Extension, the "**Extensions**").
- (L) Pursuant to the Credit Agreement and the security provided in connection therewith, the Lender had the right, subject to applicable laws, to exercise various remedies with respect to the Existing Defaults, including seeking the appointment of a receiver.
- (M) The Obligors wished to avoid the appointment of a receiver in the hopes of completing one or more transactions involving a financing, sale of assets, or combination of the foregoing, on terms more favourable than the Obligors anticipate would result if a receiver were appointed and to this end the Obligors and the Lender have agreed to negotiate an agreement to permit an application under the *Companies' Creditors Arrangement Act* (the "**CCA Proceedings**") to proceed on consent.

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

1. **Definitions**

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

2. **Lender Forbearance and CCAA Consent**

In consideration of and subject to the terms of this Amending Agreement, the Lender agrees to forbear for the period of the Forbearance Period (defined below) from exercising its rights in respect of the Credit Agreement and the Forbearance Agreement and will consent to the Borrower and Pine Point (together, the "**CCAA Applicants**") commencing the CCAA Proceedings on terms of an Initial Order substantially in the form attached hereto at Schedule "A" (the "**Initial Order**") for purpose of the CCAA Applicants retaining PricewaterhouseCoopers Corporate Finance Inc., as financial advisor, on terms satisfactory to the Lender, to conduct (under the oversight of the court-appointed monitor appointed in the CCAA Proceedings) a sales and solicitation process acceptable to the Lender with a view to repaying all obligations owing to the Lender in full and restructuring the affairs of the Obligors (the "**Lender's Forbearance and CCAA Consent**").

The lender will further support the CCAA Proceedings through (A) the provision of debtor-in-possession financing not to exceed USD\$978,571 on terms substantially in the form attached hereto as Schedule "B", which shall be approved by the Court in the CCAA Proceedings (the "**DIP Facility**"), and (B) consenting to extensions of the Stay Period (as defined in the Initial Order) until the earlier of (i) January 7, 2014 (or such later date as may be agreed to in writing by the Lender in its sole discretion) and (ii) the occurrence of an Event of Default (as defined in the DIP Facility terms) which, if applicable, has not been remedied within the time required by the terms of the DIP Facility.

The Lender's forbearance herein will automatically expire, without the requirement of further notice to the Obligors, on the earlier of (i) January 7, 2014 (or such later date as may be agreed to in writing by the Lender in its sole discretion) and (ii) the occurrence of an Event of Default (as defined in the DIP Facility terms) which, if applicable, has not been remedied within the time required by the terms of the DIP Facility (the "**Forbearance Period**").

3. **Forbearance Fee**

In consideration for the Lender (i) agreeing to the Extensions and (ii) entering into this Amending Agreement, including providing the Lender's Forbearance and CCAA Consent, the Obligors agree to pay to the Lender a fee equal to USD\$770,000 (the "**Forbearance Fee**"). The Obligors acknowledge that the Forbearance Fee is fully earned as of the date hereof and shall be "capitalized" and satisfied by the addition of such amount to the principal amount of the Advances.

4. **Acknowledgement of Advances**

The Obligors acknowledge that the total amount of the Obligations, including the Forbearance Fee, as of the date hereof is USD\$13,277,337.23 and such amount continues to accrue interest at the rate of 18% per annum in accordance with the terms of the Credit Agreement.

5. Additional Acknowledgements and Covenants

Each of the Obligors jointly and severally acknowledges and irrevocably and unconditionally agrees that:

- (a) all facts, as set out in the recitals to this Amending Agreement are true and correct, and are incorporated herein as if restated, and form an integral part of the inducement for the Lender to enter into this Amending Agreement;
- (b) this Amending Agreement is deemed a "Credit Document" and any breach or failure of the strict performance of the terms of this Amending Agreement will be an Event of Default under the Credit Documents;
- (c) Unless the Lender agrees otherwise in writing, the Obligors shall not refuse to accept and complete, or otherwise take steps to impede, a sale of the Los Pinos property that will result in net proceeds to the Obligors (for the benefit of their creditors) of an amount to be confirmed between the Obligors and the Lender in a side agreement . The completion of such sale shall be subject to the approval of the Lender and the Court; and
- (d) Concurrent with the execution of this Amending Agreement, the Obligors shall execute and deliver to the Lender an irrevocable consent, in the form attached hereto at Schedule "C", to the immediate appointment of a receiver in respect of the CCAA Applicants to be used by the Lender, in its discretion, upon the expiry of the Forbearance Period unless all obligations then owing to the Lender (including without limitation in respect of the DIP Facility) have been paid in full prior to such date. The Obligors shall not, directly or indirectly, oppose the appointment of such receiver.

6. Supplemental

This Amending Agreement is supplemental to and amends the Credit Agreement and Forbearance Agreement. The Credit Agreement and Forbearance Agreement shall henceforth be read in conjunction with, as amended by, this Amending Agreement, and the Credit Agreement, the Forbearance Agreement.

7. Credit Agreement and Forbearance 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 the Forbearance Agreement and each of the other Credit Documents to which each is a party remain in full force and effect un-amended and enforceable against the Obligors in accordance with their respective terms.

8. 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.

9. **Further Assurances**

The Obligors agree to do, execute, deliver or cause to be done, executed and delivered, all such further acts, deeds, assurances, and things as may reasonably be required for more effectually implementing and carrying out the provisions of the Credit Agreement, the Forbearance Agreement and this Amending Agreement.

10. **Governing Law**

The parties agree that this Amending Agreement is governed by and is to be 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.

11. **Counterparts**


This Amending Agreement may be executed in any number of counterparts, each of which is deemed to be an original and all of which taken together is deemed to be an original and all of which taken together is deemed to constitute one and the same instrument. It is not 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]


- 6 -

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: Exec. Chair
I/We have authority to bind the Corporation


TAMERLANE VENTURES USA, INC.

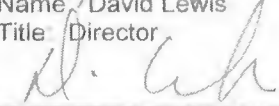
Per: 
Name: Margaret Kent
Title: Director
I/We have authority to bind the Corporation

PINE POINT HOLDING CORP.

Per: 
Name: Margaret Kent
Title: Director
I/We 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 and General
Counsel

I/We have authority to bind the Corporation

Schedule A – Form of Initial Order

See attached.

Schedule B – Form of DIP Term Sheet

See attached.

Schedule C – Form of Irrevocable Consent

See attached.

Tab M

PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
SEARCH RESULTS

Date Search Conducted: 8/21/2013
File Currency Date: 08/20/2013
Family(ies): 2
Page(s): 5

SEARCH : Business Debtor : TAMERLANE VENTURES INC.

The attached report has been created based on the data received by Cyberbahn, a Thomson Reuters business from the Province of Ontario, Ministry of Government Services. No liability is assumed by Cyberbahn regarding its correctness, timeliness, completeness or the interpretation and use of the report. Use of the Cyberbahn service, including this report is subject to the terms and conditions of Cyberbahn's subscription agreement.

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

A COMMISSIONER

PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
SEARCH RESULTS

Date Search Conducted: 8/21/2013
File Currency Date: 08/20/2013
Family(ies): 2
Page(s): 5

SEARCH : Business Debtor : TAMERLANE VENTURES INC.

FAMILY : 1 OF 2 ENQUIRY PAGE : 1 OF 5
SEARCH : BD : TAMERLANE VENTURES INC.

00 FILE NUMBER : 666578034 EXPIRY DATE : 15DEC 2013 STATUS :
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
REG NUM : 20101215 1132 1590 3622 REG TYP: P PPSA REG PERIOD: 3
02 IND DOB : IND NAME:
03 BUS NAME: TAMERLANE VENTURES INC.

OCN :
04 ADDRESS : 1609 BROADWAY ST., SUITE 203
CITY : BELLINGHAM PROV: WA POSTAL CODE: 98225

05 IND DOB : IND NAME:
06 BUS NAME:

OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
GLOBAL RESOURCE FUND C/O RENVEST MERCANTILE BANCORP INC.

09 ADDRESS : 80 RICHMOND STREET WEST, SUITE 1700
CITY : TORONTO PROV: ON POSTAL CODE: M5H 2A4
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X X
YEAR MAKE MODEL V.I.N.

11
12
13
14
15

GENERAL COLLATERAL DESCRIPTION

16 AGENT: LANG MICHENER LLP - TORONTO(SS)
17 ADDRESS : 181 BAY STREET, SUITE 2500
CITY : TORONTO PROV: ON POSTAL CODE: M5J 2T7

FAMILY : 2 OF 2 ENQUIRY PAGE : 2 OF 5

SEARCH : BD : TAMERLANE VENTURES INC.

00 FILE NUMBER : 689409135 EXPIRY DATE : 13AUG 2018 STATUS :
 01 CAUTION FILING : PAGE : 001 OF 004 MV SCHEDULE ATTACHED :
 REG NUM : 20130813 0931 1862 1832 REG TYP: P PPSA REG PERIOD: 5

02 IND DOB : IND NAME:
 03 BUS NAME: TAMERLANE VENTURES INC.

OCN :

04 ADDRESS : 181 BAY STREET, SUITE 4400
 CITY : TORONTO PROV: ON POSTAL CODE: M5J 2T3

05 IND DOB : IND NAME:
 06 BUS NAME: PINE POINT HOLDING CORP.

OCN :

07 ADDRESS : 181 BAY STREET, SUITE 4400
 CITY : TORONTO PROV: ON POSTAL CODE: M5J 2T3

08 SECURED PARTY/LIEN CLAIMANT :

BENNETT JONES LLP

09 ADDRESS : 3400 ONE FIRST CANADIAN PLACE, P.O. BOX
 CITY : TORONTO PROV: ON POSTAL CODE: M5X 1A4
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
 10 X X X X X
 YEAR MAKE MODEL V.I.N.

11

12

GENERAL COLLATERAL DESCRIPTION

13

14

15

16 AGENT: BENNETT JONES LLP (KD/TT)

17 ADDRESS : 3400, 1 FIRST CANADIAN PLACE, PO BOX 130
 CITY : TORONTO PROV: ON POSTAL CODE: M5X 1A4

FAMILY : 2 OF 2 ENQUIRY PAGE : 3 OF 5

SEARCH : BD : TAMERLANE VENTURES INC.

00 FILE NUMBER : 689409135 EXPIRY DATE : 13AUG 2018 STATUS :
 01 CAUTION FILING : PAGE : 002 OF 004 MV SCHEDULE ATTACHED :
 REG NUM : 20130813 0931 1862 1832 REG TYP: REG PERIOD:

02 IND DOB : IND NAME:
 03 BUS NAME:

OCN :

04 ADDRESS :
 CITY : PROV: POSTAL CODE:
 05 IND DOB : IND NAME:
 06 BUS NAME:

OCN :

07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS : 130
 CITY : PROV: POSTAL CODE:
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10 YEAR MAKE MODEL V.I.N.

11

12

GENERAL COLLATERAL DESCRIPTION

13

14

15

16 AGENT:

17 ADDRESS :
 CITY : PROV: POSTAL CODE:

FAMILY : 2 OF 2 ENQUIRY PAGE : 4 OF 5

SEARCH : BD : TAMERLANE VENTURES INC.

00 FILE NUMBER : 689409135 EXPIRY DATE : 13AUG 2018 STATUS :
 01 CAUTION FILING : PAGE : 003 OF 004 MV SCHEDULE ATTACHED :
 REG NUM : 20130813 0931 1862 1832 REG TYP: REG PERIOD:

02 IND DOB : IND NAME:
 03 BUS NAME:

OCN :

04 ADDRESS :
 CITY : PROV: POSTAL CODE:

05 IND DOB : IND NAME:
 06 BUS NAME:

OCN :

07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
 DUFF & PHELPS CANADA RESTRUCTURING INC.

09 ADDRESS : 333 BAY STREET, 14TH FLOOR
 CITY : TORONTO PROV: ON POSTAL CODE: M5H 2R2
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10 YEAR MAKE MODEL V.I.N.

11

12

GENERAL COLLATERAL DESCRIPTION

13

14

15

16 AGENT:

17 ADDRESS :
 CITY : PROV: POSTAL CODE:

FAMILY : 2 OF 2 ENQUIRY PAGE : 5 OF 5

SEARCH : BD : TAMERLANE VENTURES INC.

00 FILE NUMBER : 689409135 EXPIRY DATE : 13AUG 2018 STATUS :
 01 CAUTION FILING : PAGE : 004 OF 004 MV SCHEDULE ATTACHED :
 REG NUM : 20130813 0931 1862 1832 REG TYP: REG PERIOD:

02 IND DOB : IND NAME:

03 BUS NAME:

OCN :

04 ADDRESS :

CITY :

PROV:

POSTAL CODE:

05 IND DOB : IND NAME:

06 BUS NAME:

OCN :

07 ADDRESS :

CITY :

PROV:

POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

GOODMANS LLP

09 ADDRESS : 333 BAY STREET, SUITE 3400

CITY : TORONTO

PROV: ON

POSTAL CODE: M5H 2S7

CONS.

MV

DATE OF OR NO FIXED

GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10

YEAR MAKE

MODEL

V.I.N.

11

12

GENERAL COLLATERAL DESCRIPTION

13

14

15

16 AGENT:

17 ADDRESS :

CITY :

PROV:

POSTAL CODE:

PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
SEARCH RESULTS

Date Search Conducted: 8/21/2013
File Currency Date: 08/20/2013
Family(ies): 2
Page(s): 5

SEARCH : Business Debtor : PINE POINT HOLDING CORP.

The attached report has been created based on the data received by Cyberbahn, a Thomson Reuters business from the Province of Ontario, Ministry of Government Services. No liability is assumed by Cyberbahn regarding its correctness, timeliness, completeness or the interpretation and use of the report. Use of the Cyberbahn service, including this report is subject to the terms and conditions of Cyberbahn's subscription agreement.

PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
SEARCH RESULTS

Date Search Conducted: 8/21/2013
File Currency Date: 08/20/2013
Family(ies): 2
Page(s): 5

SEARCH : Business Debtor : PINE POINT HOLDING CORP.

FAMILY : 1 OF 2 ENQUIRY PAGE : 1 OF 5
SEARCH : BD : PINE POINT HOLDING CORP.

00 FILE NUMBER : 671796522 EXPIRY DATE : 28JUL 2014 STATUS :
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
REG NUM : 20110728 1419 1590 5804 REG TYP: P PPSA REG PERIOD: 3
02 IND DOB : IND NAME:
03 BUS NAME: PINE POINT HOLDING CORP.

OCN :

04 ADDRESS : 1609 BROADWAY ST., SUITE 203
CITY : BELLINGHAM PROV: WA POSTAL CODE: 98225

05 IND DOB : IND NAME:
06 BUS NAME: PINE POINT HOLDING CORP.

OCN :

07 ADDRESS : 181 BAY STREET, SUITE 4400
CITY : TORONTO PROV: ON POSTAL CODE: M5J 2T3

08 SECURED PARTY/LIEN CLAIMANT :

GLOBAL RESOURCE FUND C/O RENVEST MERCANTILE BANCORP INC.

09 ADDRESS : 80 RICHMOND STREET WEST, SUITE 1700

CITY : TORONTO PROV: ON POSTAL CODE: M5H 2A4
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10 X X X X X
YEAR MAKE MODEL V.I.N.

11

12

GENERAL COLLATERAL DESCRIPTION

13

14

15

16 AGENT: MCMILLAN LLP (MS/JS/72308-16)

17 ADDRESS : 181 BAY ST., STE. 4400, BROOKFIELD PLACE
CITY : TORONTO PROV: ON POSTAL CODE: M5J 2T3

FAMILY : 2 OF 2 ENQUIRY PAGE : 2 OF 5
 SEARCH : BD : PINE POINT HOLDING CORP.

00 FILE NUMBER : 689409135 EXPIRY DATE : 13AUG 2018 STATUS :
 01 CAUTION FILING : PAGE : 001 OF 004 MV SCHEDULE ATTACHED :
 REG NUM : 20130813 0931 1862 1832 REG TYP: P PPSA REG PERIOD: 5

02 IND DOB : IND NAME:
 03 BUS NAME: TAMERLANE VENTURES INC.

OCN :

04 ADDRESS : 181 BAY STREET, SUITE 4400
 CITY : TORONTO PROV: ON POSTAL CODE: M5J 2T3

05 IND DOB : IND NAME:
 06 BUS NAME: PINE POINT HOLDING CORP.

OCN :

07 ADDRESS : 181 BAY STREET, SUITE 4400
 CITY : TORONTO PROV: ON POSTAL CODE: M5J 2T3

08 SECURED PARTY/LIEN CLAIMANT :

BENNETT JONES LLP

09 ADDRESS : 3400 ONE FIRST CANADIAN PLACE, P.O. BOX

CITY : TORONTO PROV: ON POSTAL CODE: M5X 1A4

CONS. MV DATE OF OR NO FIXED

GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

	YEAR	MAKE										
10	X	X	X	X	X							

11

12

GENERAL COLLATERAL DESCRIPTION

13

14

15

16 AGENT: BENNETT JONES LLP (KD/TT)

17 ADDRESS : 3400, 1 FIRST CANADIAN PLACE, PO BOX 130

CITY : TORONTO PROV: ON POSTAL CODE: M5X 1A4

FAMILY : 2 OF 2
 SEARCH : BD : PINE POINT HOLDING CORP.

ENQUIRY PAGE : 3 OF 5

00 FILE NUMBER : 689409135 EXPIRY DATE : 13AUG 2018 STATUS :
 01 CAUTION FILING : PAGE : 002 OF 004 MV SCHEDULE ATTACHED :
 REG NUM : 20130813 0931 1862 1832 REG TYP: REG PERIOD:

02 IND DOB : IND NAME:
 03 BUS NAME:

OCN :

04 ADDRESS :
 CITY : PROV: POSTAL CODE:
 05 IND DOB : IND NAME:
 06 BUS NAME:

OCN :

07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS : 130
 CITY : PROV: POSTAL CODE:
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10 YEAR MAKE MODEL V.I.N.

11
 12

GENERAL COLLATERAL DESCRIPTION

13
 14
 15

16 AGENT:

17 ADDRESS :
 CITY : PROV: POSTAL CODE:

FAMILY : 2 OF 2 ENQUIRY PAGE : 4 OF 5
 SEARCH : BD : PINE POINT HOLDING CORP.

00 FILE NUMBER ; 689409135 EXPIRY DATE ; 13AUG 2018 STATUS ;
 01 CAUTION FILING ; PAGE ; 003 OF 004 MV SCHEDULE ATTACHED ;
 REG NUM ; 20130813 0931 1862 1832 REG TYP; REG PERIOD:
 02 IND DOB : IND NAME:
 03 BUS NAME:

OCN :
 04 ADDRESS :
 CITY : PROV: POSTAL CODE:
 05 IND DOB : IND NAME:
 06 BUS NAME:

OCN :
 07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
 DUFF & PHELPS CANADA RESTRUCTURING INC.

09 ADDRESS : 333 BAY STREET, 14TH FLOOR
 CITY : TORONTO PROV: ON POSTAL CODE: M5H 2R2
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
 10 YEAR MAKE MODEL V.I.N.

11

12

GENERAL COLLATERAL DESCRIPTION

13

14

15

16 AGENT:

17 ADDRESS :
 CITY : PROV: POSTAL CODE:

FAMILY : 2 OF 2 ENQUIRY PAGE : 5 OF 5

SEARCH : BD : PINE POINT HOLDING CORP.

00 FILE NUMBER : 689409135 EXPIRY DATE : 13AUG 2018 STATUS :
 01 CAUTION FILING : PAGE : 004 OF 004 MV SCHEDULE ATTACHED :
 REG NUM : 20130813 0931 1862 1832 REG TYP: REG PERIOD:

02 IND DOB : IND NAME:
 03 BUS NAME:

OCN :

04 ADDRESS :
 CITY : PROV: POSTAL CODE:
 05 IND DOB : IND NAME:
 06 BUS NAME:

OCN :

07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

GOODMANS LLP

09 ADDRESS : 333 BAY STREET, SUITE 3400
 CITY : TORONTO PROV: ON POSTAL CODE: M5H 2S7
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10 YEAR MAKE MODEL V.I.N.

11

12

GENERAL COLLATERAL DESCRIPTION

13

14

15

16 AGENT:

17 ADDRESS :
 CITY : PROV: POSTAL CODE:

Tab N

Sale and Investment Solicitation Process

Purpose

1. The purpose of the Sale and Investment Solicitation Process ("SISP") is to identify one or more financiers or purchasers of and investors in the Applicants' business with a completion date of a transaction or transactions no later than January 7, 2014.

Defined Terms

2. All capitalized terms used but not otherwise defined herein have the meanings given to them in the Order granted by the Ontario Superior Court of Justice (the "Court") on August 23, 2013 (the "**Initial Order**") in respect of the Applicants' proceedings commenced under the CCAA.

SISP Procedures

3. The Financial Advisor, with the assistance of the Applicants and the Monitor (collectively, the "**SISP Team**"), will compile a listing of prospective financiers, investors and purchasers (together with others expressing an interest in the business, assets or property of the Applicants, "**Interested Parties**"). The Financial Advisor will make best efforts to contact all parties identified in the list as well as any additional parties that the SISP Team believes could be a potential financier, investor or purchaser.
4. The Financial Advisor, with the oversight of the Monitor (who will assist and monitor the process), will conduct a financing, investor and sale solicitation process whereby Interested Parties will have the opportunity to submit offers to finance the Applicants, to purchase some or all of the Applicants' Property or to make an investment in the Applicants. Input from the Secured Lender will be considered by the Financial Advisor and the Monitor.
5. The SISP Team will determine whether the SISP should include newspaper or other advertising directed at Interested Parties and, if so determined, shall cause a notice of the SISP to be published expeditiously, as determined by the Financial Advisor (in consultation with the Monitor).

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

6. As soon as possible after the date of the Initial Order, the Financial Advisor will distribute to Interested Parties an interest solicitation letter detailing this opportunity. A form of confidentiality agreement ("CA") will be attached to the interest solicitation letter that Interested Persons will be required to sign in order to gain access to confidential information and to commence performing due diligence (each Interested Party who signs a CA being referred to herein as, a "**Prospective Offeror**"). Those parties who have already executed a confidentiality agreement with the Applicants (also a "CA" for the purposes hereof) may not be required to execute a new confidentiality agreement. All CAs shall enure to the benefit of any purchaser of the Applicants' business.
7. The Financial Advisor, with the assistance and oversight of the Monitor, may provide an investment overview document to Prospective Offerors. The document would provide an overview of the Applicants' business, assets and prospects that may be of interest to prospective buyers or investors.
8. A chart summarizing important target dates for the SISP is set out below:

Sale and Investment Solicitation Process	Date
Court Approval of SISP	August 23, 2013
Begin Marketing to Interested Parties	August 23, 2013
Receipt of Non-Binding Letters of Intent	October 22, 2013
Receipt of Offers	November 22, 2013
Clarification of offers and re-submission, if applicable	between November 22, 2013 and December 6, 2013
Execution of Binding Agreement (Financing Agreement, APA, etc.)	December 16, 2013
Court approval of Transaction(s)	as soon as practicable following execution of binding agreement
Closing(s)	as soon as practicable following Court approval of transaction(s)

9. At any time during the SISP, any party may, upon reasonable prior notice to the service list, apply to the Court for advice and directions with respect to the discharge of its power and duties hereunder.

Non-Binding LOIs

10. The Financial Advisor shall seek non-binding letters of intent (each an "LOI") from Interested Parties in accordance with the target date above that include:
 - (a) the identity of the offeror;
 - (b) an indication of the proposed financing, investment terms or purchase price for assets;
 - (c) any anticipated regulatory and other approvals required to close the proposed transaction and the anticipated time frame and any anticipated impediments for obtaining any such approvals;
 - (d) a timeline to closing with critical milestones;
 - (e) such form of financial disclosure and credit-quality support or enhancement that will allow the SISP Team to make a reasonable determination as to the offeror's financial and other capabilities to consummate the proposed transaction; and
 - (f) such other information reasonably requested by the Financial Advisor, in consultation with the Applicants, the Monitor, and the Secured Lender.

11. The SISP Team, in consultation with the Secured Lender, will evaluate the LOIs based on, among other things, the ability of the offeror to complete due diligence and conclude a transaction within the target time frame set out herein. To the extent that the SISP Team determines to pursue a transaction with any Interested Party that submitted an LOI, the SISP Team will provide such Interested Party with access to additional information on the business and the Property, including access to an online data room and an opportunity to meet with senior management of the Applicants, together with the Financial Advisor, and the Monitor if so requested by the Monitor.

Submissions of Offers

12. The Financial Advisor shall seek offers from Interested Parties in accordance with the target date above that:
- (a) provide the identity of the offeror, evidence of corporate authority and proof of such offeror's financial ability to perform the proposed transaction to the satisfaction of the SISP Team, acting reasonably;
 - (c) are in the form of a binding offer capable of acceptance, irrevocable for a period of 10 Business Days;
 - (d) are accompanied by a refundable cash deposit in the form of a wire transfer (to a bank account specified by the Monitor) or such other form of deposit as is acceptable to the Monitor, payable to the order of the Monitor, in trust (the "**Deposit**"), in an amount and on terms acceptable to the SISP Team;
 - (e) in the case of a proposed purchase of the Applicants' Property, includes the following: an acknowledgement and representation that the offeror: (a) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the assets to be acquired and liabilities to be assumed in making its bid; and (b) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the assets to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith, except as expressly stated in the purchase and sale agreement;
 - (f) in the case of an investment in the Applicants' business, includes the following: an acknowledgement and representation that the offeror: (a) has relied solely upon its own independent review, investigation and/or inspection of any documents in making its bid; and (b) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the business of the

Applicants or the completeness of any information provided in connection therewith, except as expressly stated in the investment agreement; and

(g) states any conditions to closing.

13. The SISP Team, in consultation with the Secured Lender, will evaluate the offers based on, among other things, the ability of the offeror to conclude a transaction within the target time frame set out herein. The Financial Advisor, in consultation and working with the Monitor and the Applicants, may seek clarifications with respect to any offers.

Post-Offer Procedure

14. If one or more offers are received, the Applicants, in consultation with the Financial Advisor, the Monitor, and the Secured Lender, may choose to:
- (a) subject to paragraph 15 below, accept one (or more if for distinct transactions) offer(s) (the "**Successful Offer**" and the offeror(s) making the Successful Offer(s) being a "**Successful Offeror**") and take such steps as are necessary to finalize and complete an agreement for the Successful Offer(s) with the Successful Offeror(s); or
 - (b) continue negotiations with a selected number of offerors (collectively, "**Selected Offerors**") with a view to finalizing one (or more if for distinct transactions) agreement(s) with one or more Selected Offerors.
15. The SISP Team shall be under no obligation to accept the highest or best offer or any offer and the selection of the Selected Offers and the Successful Offer(s) shall, subject to the following sentence, be entirely in the discretion of the SISP Team, after consultation with the Secured Lender. For greater certainty, the Secured Lender's prior written approval is required prior to acceptance of any Successful Offer unless it is evident in the opinion of the Secured Lender, acting reasonably, that such Successful Offer shall generate proceeds sufficient to repay by the Outside Date (as defined in the Initial Order) both (i) all outstanding indebtedness of the Secured Lender (including

principal, interest, fees, and costs) (the “**Secured Lender Debt**”) in full and (ii) all outstanding indebtedness ranking in priority to the Secured Lender Debt including, without limitation, amounts secured by the Administration Charge, the Financial Advisor Charge, the DIP Lender’s Charge, and the Directors’ Charge (all as defined in the Initial Order).

Other Terms

16. If a Successful Offeror breaches its obligations under the terms of its offer, its Deposit shall be forfeited to the Applicants as liquidated damages and not as a penalty.
17. The Applicants will apply to the Court (the "**Approval Motion**") for an order approving the Successful Offer(s) and authorizing the Applicants to enter into any and all necessary agreements with respect to the Successful Offer(s) and to undertake such other actions as may be necessary or appropriate to give effect to the Successful Offer(s).
18. The Approval Motion will be held on a date to be scheduled by the Court, which will be sought as expeditiously as possible by the Applicants. The Approval Motion may only be adjourned or rescheduled by the Applicants or the Monitor with the consent of the Secured Lender.
19. For the avoidance of doubt, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by the CCAA or any other statute or as otherwise required at law in order to implement a Successful Offer.
20. The setting of target dates is not intended to preclude the continuation of the SISF with respect to any Interested Parties, or preclude a particular Interested Party from being considered by the SISF Team with respect to a transaction.
21. The SISF Team shall provide the Secured Lender with copies of all LOIs and offers (including Successful Offers), including any amended versions thereof, along with any

summaries of same prepared by the Financial Advisor or Monitor, forthwith upon receipt.

Tab 0

Tamerslane Ventures Inc. and Pine Point Holding Corp.
 Projected Statement of Cash Flow
 For the period August 18, 2013 to January 5, 2014
 (\$C; unaffiliated)

Note	Week Ending																	Total				
	25-Aug-13	1-Sep-13	8-Sep-13	15-Sep-13	22-Sep-13	29-Sep-13	6-Oct-13	13-Oct-13	20-Oct-13	27-Oct-13	3-Nov-13	10-Nov-13	17-Nov-13	24-Nov-13	1-Dec-13	8-Dec-13	15-Dec-13		22-Dec-13	29-Dec-13	5-Jan-14	
Receipts																						
Financing	3	300,000	-	75,000	-	150,000	-	100,000	-	100,000	-	75,000	-	-	75,000	-	75,000	-	75,000	-	47,500	27,693
Disbursements																						
Tamerslane Ventures USA, Inc.	4																					
Management fees	4.1	6,760	31,260	5,363	1,760	1,760	51,260	3,563	1,760	1,760	55,063	1,760	1,760	1,760	55,063	560	560	560	4,363	50,060	300,717	
Office	4.2	8,814	1,045	45	4,133	280	5,145	945	3,483	3,555	5,045	1,045	325	555	5,000	1,045	325	555	-	6,325	-	47,663
Office	4.3	6,199	120	5,928	740	1,656	-	4,544	1,449	525	-	752	4,435	1,191	-	3,912	1,470	1,191	-	-	3,792	37,905
Due diligence	5	-	-	25,000	-	-	-	25,000	-	-	-	-	-	-	-	-	-	-	-	-	-	50,000
Lease Pines	6	15,000	-	7,500	-	-	-	7,500	-	-	-	7,500	-	-	-	-	-	-	-	-	-	37,500
Pine Point lease claims	7	18,448	-	-	-	-	-	-	-	4,526	-	-	-	-	-	-	-	-	-	-	-	22,966
Shareholder services	8	11,297	477	-	-	-	-	477	-	-	477	-	-	-	477	-	-	-	-	-	477	13,684
Total disbursements		66,510	32,002	41,037	6,633	3,696	56,405	36,530	14,192	5,840	11,331	57,338	14,020	3,306	6,760	60,498	2,355	2,306	560	10,688	54,329	310,436
Net cash flow before the undernoted		233,490	(32,902)	30,963	(6,633)	146,304	(56,405)	63,470	13,501	(6,840)	88,669	(57,338)	(60,980)	(8,306)	(6,760)	14,502	(2,355)	(2,306)	54,440	(10,688)	(6,829)	514,757
Professional fees																						
Professional fees	9	52,500	32,500	12,500	7,500	30,000	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	30,000	30,000	30,000	30,836		338,356
Financial Advisor fees	10	-	60,000	-	-	60,000	-	-	-	60,000	-	-	-	-	-	-	-	-	-	-	-	180,000
Total professional fees		52,500	92,500	12,500	7,500	90,000	7,500	7,500	7,500	67,500	7,500	7,500	7,500	7,500	7,500	7,500	30,000	30,000	30,000	30,836		518,356
Net cash flow		180,990	(145,402)	18,463	(14,133)	116,304	(123,905)	55,970	-6,601	(13,340)	21,169	(64,838)	53,480	(11,006)	(14,260)	7,002	(9,855)	(32,306)	44,440	(40,688)	(37,685)	(3,999)
Opening bank balance	11	3,999	184,589	30,187	57,651	43,518	159,822	35,917	91,887	97,888	84,548	105,717	40,879	94,259	83,353	69,093	76,095	66,240	33,934	78,374	37,683	3,999
Net cash flow		180,990	(145,402)	18,463	(14,133)	116,304	(123,905)	55,970	-6,601	(13,340)	21,169	(64,838)	53,480	(11,006)	(14,260)	7,002	(9,855)	(32,306)	44,440	(40,688)	(37,685)	(3,999)
Ending bank balance		184,589	39,187	57,651	43,518	159,822	35,917	91,887	97,888	84,548	105,717	40,879	94,259	83,353	69,093	76,095	66,240	33,934	78,374	37,683	-	-

The above financial projections are based on management's assumptions detailed in Appendix "A-1"
 The note references correspond to the assumption numbers shown in Appendix "A-1"

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

A COMMISSIONER

Tamerlane Ventures Inc. and Pine Point Holding Corp.

Notes to Projected Statement of Cash Flow

For the Period Ending January 5, 2014

(\$C; Unaudited)

Purpose and General Assumptions

1. The purpose of the projection is to present a forecast of the cash flow of Tamerlane Ventures Inc. ("Tamerlane") and its subsidiaries (Tamerlane, and together with its subsidiaries, the "Tamerlane Group") for the period ending January 5, 2014 ("Projection") in respect of its proceedings under the Companies' Creditors Arrangement Act ("CCAA"). Tamerlane and its subsidiary, Pine Point Holding Corp. ("Tamerlane Pine Point", and together with Tamerlane, the "Applicants") are seeking protection under the CCAA.

The projected cash flow statement has been prepared based on hypothetical and most probable assumptions developed and prepared by management of Tamerlane Group.

Tamerlane Group transacts in US dollars and in Canadian dollars. For the purposes of the Projection, US dollar transactions have been converted at par to Canadian dollars.

Hypothetical Assumptions

2. Receipts represent expected Goods and Services Tax refunds. Tamerlane does not currently generate any cash flow from operations.
3. Represents funding under the debtor-in-possession loan facility, net of a structuring fee of \$30,000.
4. Represents advances made from Tamerlane to Tamerlane Ventures USA, Inc. ("Tamerlane USA"), a subsidiary of Tamerlane, to pay expenses for the benefit of Tamerlane and its related entity operations. Timing of advances are for illustrative purposes only and will be governed by the DIP Term Sheet.
 - 4.1 Represents management and consulting fees payable to Tamerlane USA.
 - 4.2 Represents other expenses, including directors' and officers' insurance and storage costs.
 - 4.3 Represents office expenses, including rent and utilities, at the Tamerlane office in Blaine, Washington.
5. Represents potential due diligence fees that may need to be paid in respect of a transaction.
6. Represents fees that are expected to be incurred in respect of the Los Pinos property.
7. Represents annual lease payments in connection with the Tamerlane Pine Point property in the Northwest Territories.
8. Represents the costs of an Annual General Meeting and transfer agent fees.
9. Represents partial payment of the fees and disbursements of the Monitor, its counsel and the Applicants' counsel.
10. Represents the Financial Advisor's work fee.
11. Represents the cash balance of Tamerlane Group as of August 19, 2013.

Tab P

DIP FACILITY TERM SHEET

Dated August 22, 2013

WHEREAS, Tamerlane Ventures Inc. has requested that the DIP Lender (as defined below) provide it funding in order to assist with certain restructuring obligations of Tamerlane Ventures Inc. and its subsidiaries in accordance with the terms set out herein;

NOW THEREFORE, the parties, in consideration of the foregoing and the mutual agreements contained herein (the receipt and sufficiency of which are hereby acknowledged), agree as follows:

DIP BORROWER: Tamerlane Ventures Inc. (the "**Borrower**")

GUARANTORS: All obligations of the Borrower shall be jointly and severally guaranteed by Pine Point Holding Corp. and Tamerlane Ventures USA, Inc. (collectively, the "**Guarantors**").

The Borrower and the Guarantors shall be collectively referred to herein at times as the "**Tamerlane Ventures Group**".

Those members of the Tamerlane Ventures Group that make an application to the Ontario Superior Court of Justice (Commercial List) (the "**Court**") under the *Companies' Creditors Arrangement Act* (the "**CCA**"), being the Borrower and Pine Point Holding Corp., are referred to herein as "**Applicants**" and the proceedings resulting from the granting of the Initial Order (defined below) are referred to herein as the "**CCA Proceedings**".

DIP LENDER: Global Resource Fund shall be the lender under the DIP Facility (as defined below) (the "**DIP Lender**").

STATUS OF EXISTING FACILITY: Effective upon the date upon which the Applicants obtain the Initial Order under the CCA (the "**Filing Date**"), the amount owing to the DIP Lender pursuant to the credit agreement made as of December 16, 2010, as amended from time to time, between the Borrower and the DIP Lender (the "**Existing Credit Agreement**") is USD \$13,277,337.23 (together with interest accrued and accruing thereon and fees, costs, expenses and other charges now or hereafter payable by the Borrower pursuant thereto), which the Borrower and Guarantors acknowledge is, subject to the stay of proceedings contained in the Initial Order, unconditionally immediately due and owing, without offset, right of compensation, defence or counterclaim of any nature, kind or description whatsoever.

THIS IS EXHIBIT P ATTACHED

TO THE AFFIDAVIT OF

Margaret H. Kent

SWORN August 22, 2013

A COMMISSIONER

USE OF PROCEEDS AND PROJECTED CASH FLOWS:

The Borrower has provided to the DIP Lender prior to the execution of this Term Sheet the cash flow projections (as the same may be amended from time to time as described below, the "**Cash Flow Projections**") set out in Schedule A reflecting the projected cash requirements of the Tamerlane Ventures Group from the Filing Date through January 7, 2014, calculated on a weekly basis. Other than a cumulative variance in an amount less than CDN\$10,000 per line item (other than the management fee line item) that has been approved by the Monitor and subject to

the overall limit on Other Expenses (as defined below), the expenditures set out in the Cash Flow Projections may be amended by the Borrower from time to time only with the prior written consent of the DIP Lender.

DIP Advances under the DIP Facility shall only be used to assist with short-term liquidity needs of the Borrower and the Guarantors while under CCAA protection to pay those expenses contemplated in the Cash Flow Projections (the “**Contemplated Expenses**”). The maximum aggregate amount of DIP Advances that may be used to pay Contemplated Expenses shall be limited as follows:

- (a) in respect of the fees and disbursements (inclusive of HST) of the Financial Advisor, the Contemplated Expenses will not exceed the aggregate amount of CDN \$180,000 (“**FA Advisor Expenses**”); and
- (b) in respect of Contemplated Expenses other than in respect of the fees and disbursement of the Monitor, its counsel and counsel to the Applicants (inclusive of HST and other sales taxes), but excluding the Structuring Fee hereunder, the Contemplated Expenses will not exceed the aggregate amount of CDN \$510,436 (“**Other Expenses**”).

Except with the consent of the DIP Lender, the Borrower may deliver a Draw Request for a DIP Advance no more often than once every two weeks, and each such Draw Request will be in the amount that the Borrower (with the approval of the Monitor) reasonably expects will be required to pay those Contemplated Expenses that are to be paid before the next Draw Request is made and funded. Other than a cumulative variance in an amount less than CDN \$10,000 per line item (other than the management fee line item) that has been approved by the Monitor and subject to the overall limit on Other Expenses, a Draw Request (approved by the Monitor) for the purpose of paying Other Expenses and FA Advisor Expenses shall not exceed the amount of such Other Expenses and FA Advisor Expenses contemplated in the Cash Flow Projections for the relevant time period. All Contemplated Expenses must be approved by the Monitor before being paid by the Borrower. Draw Requests, DIP Advances and payments made by the Borrower to pay the professional fees and disbursements of the Borrower’s counsel, the Monitor and the Monitor’s counsel are not limited by the Cash Flow Projections, provided that such Draw Requests, DIP Advances and payments shall be subject in each case to the approval of the Monitor and to the overall limit on the availability of DIP Advances imposed by the Maximum Amount (as defined below).

Notwithstanding anything to the contrary herein, the first DIP Advance shall be made immediately following the granting of the Initial Order in the amount of USD\$328,572.

Notwithstanding anything to the contrary herein, none of the proceeds of the DIP Advances may be used in connection with (a) any investigation (including discovery proceedings), initiation or prosecution of any claims, causes of action, motions, applications, actions, or other litigation against the DIP Lender, whether in its capacity as the lender hereunder, in its capacity as lender under the Existing Credit Agreement, or otherwise, or (b) the initiation or prosecution of any claims, causes of action, motions, applications, actions, or other litigation against the DIP Lender or any of its affiliates including, without limitation, with respect to any loans or other financial accommodations made by such person to any member of the Tamerlane Ventures Group, including, without limitation, in connection with the Existing Credit Agreement or the Term Sheet (defined below).

MAXIMUM AMOUNT:

The maximum amount ("**Maximum Amount**") available under the super priority credit facility (the "**DIP Facility**") will be USD \$978,571. All DIP Advances and repayments will be in US Dollars.

MATURITY DATE:

The earlier of (i) January 7, 2014 (or such later date as may be agreed to in writing by the DIP Lender, in its sole discretion), and (ii) such earlier date (the "**Termination Date**") upon which repayment is required due to the occurrence of an Event of Default (as defined below) which, if applicable, has not been remedied within the time required by the terms of this Term Sheet (the "**Maturity Date**").

The commitment in respect of the DIP Facility shall expire on the Maturity Date and all amounts outstanding under the DIP Facility (including principal, interest, and other amounts in respect of indemnities and expenses) (the "**Obligations**") shall be repaid in full on the Maturity Date without the DIP Lender being required to make demand upon the Borrower or to give notice that the DIP Facility has expired and the obligations are due and payable.

DIP FACILITY:

The DIP Facility will be a non-revolving term multi-draw credit facility up to the Maximum Amount, and will be available until the Maturity Date, subject to and upon the terms and conditions set out in this Term Sheet (the "**Term Sheet**"). All DIP Advances shall be deposited into the Borrower's existing bank accounts at National Bank of Canada bearing account numbers 0006-14021-0085364 USD and 0006-14021-0613620 CAD (the "**Borrower's Accounts**") and withdrawn strictly to pay those Contemplated Expenses specified in the applicable Draw Request and otherwise in accordance with (i) the terms hereof; and (ii) the Initial Order (as defined below), and with the approval of the Monitor.

AVAILABILITY UNDER DIP FACILITY AND PROCEDURE FOR BORROWING:

Prior to receiving an advance under the DIP Facility (a “**DIP Advance**”), other than the first DIP Advance, an officer of the Borrower shall sign and deliver to the DIP Lender an irrevocable notice substantially in the form of Schedule B (a “**Draw Request**”), which Draw Request must have been approved by the Monitor and be received by the DIP Lender before 2:00 pm, Toronto time, three Business Days prior to the requested borrowing date. Provided the Borrower has satisfied all conditions in respect of such DIP Advance as set out herein, then not later than 2:00 p.m., Toronto time, on the borrowing date specified in such Draw Request, the Lender shall wire transfer to the Borrower’s Account specified in the Draw Request the amount requested in the Draw Request.

INTEREST RATE:

The Borrower shall pay the DIP Lender interest (“**Interest**”) on the principal outstanding amount of the DIP Advances and all other Obligations from time to time owing hereunder from the date of each DIP Advance or the date such other Obligation arises, as applicable, both before and after maturity, demand, default, or judgment and until actual payment in full, at the rate of 12% per annum payable on the Maturity Date. Interest shall not compound.

For the purpose of the *Interest Act* (Canada), the yearly rate of interest applicable to amounts owing under this note will be calculated on the basis of a 365 day year.

If any provision of this Term Sheet would obligate the Borrower to make any payment of interest or other amount payable to the DIP Lender in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the DIP Lender of interest at a criminal rate (as construed under the *Criminal Code* (Canada)), then notwithstanding that provision, that amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or result in a receipt by the DIP Lender of interest at a criminal rate, the adjustment to be effected, to the extent necessary, as follows:

- (a) firstly, by reducing the amount or rate of interest required to be paid to the DIP Lender under this provision; and
- (b) thereafter, by reducing any fees, commissions, premiums and other amounts required to be paid to the DIP Lender which would constitute interest for purposes of Section 347 of the *Criminal Code* (Canada).

STRUCTURING FEE:

USD \$30,000 payable to the DIP Lender upon the initial DIP Advance being made available and such amount shall be deducted from the first DIP Advance.

DIP SECURITY:

All Obligations of the Borrower and Guarantors under or in connection with the DIP Facility and any of the DIP Credit Documentation shall be:

- (a) secured by all existing guarantees and security (collectively, the “**Existing Security**”) granted by the Borrower or any other member of the Tamerlane Ventures Group in favour of the DIP Lender under or in connection with the Existing Credit Agreement. For such purposes, all Obligations incurred under the DIP Facility shall be deemed to be indebtedness of the Borrower incurred under the Existing Credit Agreement secured by the Existing Security; and
- (b) with respect to the Applicants, secured by a first super priority charge over all present and after acquired property, assets and undertakings of the Applicants and ahead of and senior to all other creditors, interest holders, lien holders, and claimants of any kind whatsoever other than the Administration Charge (as defined in the Initial Order) in the maximum amount of CDN \$300,000 and the Financial Advisor Charge (as defined in the Initial Order) in a maximum amount of CDN \$300,000.

MANDATORY REPAYMENTS:

- 1. Unless otherwise agreed by the DIP Lender, the Borrower shall make the following mandatory prepayments of the outstanding principal amount of the DIP Advances, if any, at the time of receipt of the net cash proceeds described below:
 - (a) Prepayments in an amount equal to (i) 100% of the net cash proceeds received from the incurrence of indebtedness by the Borrower or any of its subsidiaries which, for greater certainty, may only be incurred with the consent of the DIP Lender, and (ii) 100% of the net cash proceeds from the receipt of any extraordinary receipts (including, without limitation, insurance proceeds, downward purchase price adjustments and similar receipts outside of the ordinary course) by the Borrower or any of its subsidiaries. For greater certainty, the sales tax refunds specifically contemplated in the Cash Flow Projections are not extraordinary receipts and are not required to be used for mandatory prepayments; and
 - (b) Prepayments in an amount equal to 100% of the net cash proceeds of any sale or other disposition (including as a result of casualty or condemnation) by the Borrower or any of its subsidiaries of any assets.

2. All net cash proceeds from any of the events described above shall be applied, except as otherwise agreed to by the DIP Lender in writing, as follows:
 - (a) first, to pay accrued and unpaid interest on, and expenses in respect of, the Obligations under the DIP Facility;
 - (b) second, to repay any principal amounts or other Obligations outstanding in respect of the DIP Facility; and
 - (c) third, the balance to be paid to the Monitor to be held pending distribution to the Borrower's creditors in accordance with their priorities, subject to further order of the Court.

Any repayment of principal hereunder will not increase or decrease the remaining amount available under the DIP Facility then available under this Term Sheet.

**ADDITIONAL CONDITIONS
PRECEDENT TO DIP FUNDING
TO THE BORROWER:**

The DIP Lender's obligation to make any DIP Advance hereunder is subject to, and conditional upon, all of the following conditions precedent being satisfied at the time each such DIP Advance is to be made:

1. The Applicants shall have commenced proceedings under the CCAA and an initial order in the form attached hereto as Schedule C or otherwise in form and substance acceptable to the DIP Lender, acting reasonably, shall have been entered by the Court (the "**Initial Order**") and shall be in full force and effect and shall have not been stayed, reversed, vacated, rescinded, modified or amended in any respect affecting the DIP Lender, unless otherwise agreed by the DIP Lender, acting reasonably.
2. All statements made by the Borrower in each Draw Request shall be true and accurate in all material respects.
3. There shall not exist any continuing Event of Default or Pending Event of Default (including any Event of Default or Pending Event of Default that would result from making the contemplated DIP Advance).
4. Other than the proceedings contemplated by the Initial Order, there shall not exist in Canada in respect of the Borrower or the Guarantors any action, suit, investigation, litigation or proceeding pending or threatened in any court or before any arbitrator or governmental authority which is not stayed by the Initial Order.
5. Each Restructuring Court Order (defined below) shall be in full force and effect and not have been stayed, reversed, vacated, rescinded, modified or amended in any respect affecting the DIP Lender, unless otherwise agreed by the DIP Lender, acting reasonably.
6. The representations and warranties of the Borrower and the Guarantors in the Term Sheet shall be true and correct, in all material respects.
7. Each of the Guarantors shall have executed and delivered a guarantee in the form attached as Schedule "D".
8. (i) the Borrower and the Guarantors shall have complied in all material respects with all applicable laws, regulations and policies in relation to their business and the Initial Order; and (ii) there shall be no Liens ranking ahead of the DIP Security, except for the Administration Charge and the Financial Advisor Charge or as arising by operation of law in the ordinary course of business without any contractual grant of security.

9. The Borrower and each of the Guarantors shall have executed and delivered to the DIP Lender an irrevocable consent, in the form attached hereto as Schedule "E", (the "**Consent**") to the appointment of a receiver of the choosing of the DIP Lender and the granting by the Court of a receivership order (in form and substance attached to the Initial Order and the Consent) in the event of (i) an Event of Default under this Term Sheet or (ii) the failure to repay all obligations owing under the DIP Facility and the Existing Credit Agreement on the Maturity Date.

REPRESENTATIONS AND WARRANTIES:

The Borrower and each Guarantor jointly and severally represents and warrants to the DIP Lender, upon which the DIP Lender relies in entering into this Term Sheet and the other DIP Credit Documentation, that the representations and warranties given in Schedule "F" hereto are true and correct.

AFFIRMATIVE COVENANTS:

The Borrower and each Guarantor covenant and agree, and agree to cause each of their respective affiliates and subsidiaries, to do the following (these covenants may be in the DIP Credit Documentation or in the Initial Order, as appropriate):

1. Allow the DIP Lender and its financial advisor(s) (the "**DIP Advisors**") full access to the books and records of any member of the Tamerlane Ventures Group on reasonable notice and during normal business hours and cause management thereof to fully co-operate with the DIP Advisors.
2. Provide to the DIP Lender an oral or brief written weekly status update and plan regarding the restructuring process (including reports on the progress of the SISP (as defined in the Initial Order)) and information which may otherwise be confidential subject to same being maintained as confidential, by the DIP Lender and the DIP Advisors, subject to usual exceptions).
3. Use reasonable efforts to keep the DIP Lender and the DIP Advisors apprised on a timely basis of all material developments with respect to the business and affairs of the Tamerlane Ventures Group.
4. Deliver to the DIP Lender such information as may from time to time be reasonably requested by the DIP Lender or the DIP Advisors (including any information pertaining to non-debtor affiliates and/or subsidiaries of the Tamerlane Ventures Group), at the reasonable times requested and in form and substance satisfactory to the DIP Lender, all subject to recognition that the Applicants have reduced their staffing as part of the restructuring process and there is limited budget for professional fees.

5. Deliver to the DIP Lender daily screen shots of the transactions in the Borrower's Accounts, and provide any explanations requested by the DIP Lender acting reasonably.
6. Deliver to the DIP Lender draft copies of any court materials in respect of the CCAA Proceeding (including, without limitation, any notices of motion, affidavits, other evidence, monitor reports and forms of orders) which the Borrower intends to file with the Court for review and comment by the DIP Lender no later than 3 Business Days prior to the date in which the Borrower serves and files such court materials (or as soon as possible in exigent circumstances where it is not reasonably practicable to provide copies 3 Business Days in advance).
7. Use the proceeds of the DIP Facility only for the purposes of the short-term liquidity needs of the Borrower and the Guarantors consistent with the restrictions set out herein.
8. Provide to the DIP Lender and DIP Advisors the following:

Once every two weeks (by 12:00 noon on the 3rd business day of each second week for the preceding two weeks):
 - (i) statement of receipts and disbursements for each week, including a variance analysis (with reference to the Projected Cash Flows) for all variances (favourable or unfavourable) of greater than CDN \$10,000 for any one line item (other than the management line item) on a weekly and cumulative basis;
 - (ii) statement of accounts receivable and accounts payable;
 - (iii) revised / updated weekly cash flow forecast (for monitoring purposes only, not for the purpose of re-establishing cash flow covenants under the DIP Facility);
 - (iv) sales process update report from the Financial Advisor (defined below), senior management and/or the Monitor;
 - (v) report by management of any business issues which may unfavourably impact the business of the Borrower and/or the Guarantors, such as issues with suppliers, contractors, employees, or government bodies or regulatory agencies;
9. Maintain all cash and cash equivalents, and deposit all proceeds of receivables of the Tamerlane Ventures Group

in the Borrower's Accounts.

10. Comply with the provisions of the court orders made in the CCAA Proceedings (the "**Restructuring Court Orders**" and each a "**Restructuring Court Order**"); provided that if any such Restructuring Court Order contravenes this Term Sheet or the DIP Credit Documentation in a manner detrimental to the interests of the DIP Lender, the same shall be an Event of Default hereunder.
11. Forthwith notify the DIP Lender and DIP Advisors of the occurrence of any Event of Default or Pending Event of Default, or of any event or circumstance that may constitute a material adverse change from the Cash Flow Projections.
12. Duly and punctually pay or cause to be paid to the DIP Lender all principal, interest, fees and other amounts payable by it under this Term Sheet and under any other DIP Credit Documentation on the dates, at the places and in the amounts and manner set forth herein.
13. Comply in all material respects with all applicable laws, rules and regulations applicable to their businesses, including, without limitation, environmental laws.
14. Retain PricewaterhouseCoopers Corporate Finance Inc., as financial advisor on terms and conditions acceptable to the DIP Lender acting reasonably, to conduct the sale and solicitation process in accordance with the Initial Order.

NEGATIVE COVENANTS:

The Borrower and each Guarantor covenants and agrees, and covenants and agrees to cause their respective affiliates and subsidiaries, not to do the following other than with the prior written consent of the DIP Lender:

1. Transfer, lease or otherwise dispose of all or any part of its property, assets or undertaking except redundant or non-material assets not exceeding CDN 10,000 in any one transaction or CDN \$50,000 in the aggregate without the prior written consent of the DIP Lender. For greater certainty, in the case of any transfer, lease or disposition of any property, assets or undertaking of any of the Borrower or Guarantors, or any affiliates or subsidiaries thereof, all proceeds of such transfer, lease or disposition shall be subject to the provisions herein under "**Mandatory Repayments**" to the extent applicable.
2. Make any payment of principal or interest in respect of existing (pre-Filing Date) obligations or declare or pay any dividends except as contemplated by the Cash Flow

Projections or approved by the DIP Lender.

3. Create or permit to exist indebtedness for borrowed money other than existing (pre-Filing Date) debt and debt contemplated by this DIP Facility.
4. Except for an agreement for employment services in respect of accounting services to be provided to the Tamerlane Ventures Group payment for which has been contemplated in the Cash Flow Projections, enter into or amend any transaction, agreement, contract, guarantee, or arrangement of any kind or nature, or make any payments, except for those transactions, agreements, contracts, arrangements or payments which are either contemplated by the Projected Cash Flows or approved by the DIP Lender.
5. Enter into or agree to enter into any investments or acquisitions of any kind, direct or indirect, in any business.
6. Establish or create any trust accounts or deposit any money into a trust account.
7. Create or permit to exist any Liens on any of its properties or assets other than Liens in respect of existing (pre-filing) debt in favour of the Monitor, its counsel and the Applicants' counsel (which will be discharged forthwith after the granting of the Initial Order), the Administration Charge, the Financial Advisor Charge, the DIP Lender's Charge, the Director's Charge, the Secured Lender Security and the Subordinated Administration Charge (as such terms are defined and used in the Initial Order).
8. Create or permit to exist any other administrative claim which is senior to or *pari passu* with the superpriority claims of the DIP Lender, other than as provided for in the Restructuring Court Orders.
9. Amalgamate, consolidate with or merge into, or enter into any similar transaction with any other entity.
10. Seek or obtain any Restructuring Court Order that affects the DIP Lender except with the prior written consent of the DIP Lender, in its sole discretion, which Restructuring Court Order shall be in form and substance acceptable to the DIP Lender, acting reasonably.

INDEMNITY AND RELEASE:

The Borrower and each Guarantor agrees, on a joint and several basis, to indemnify and hold harmless the DIP Lender and each of its respective directors, officers, employees, agents, lawyers, advisors and affiliates (all such persons and entities being referred to hereafter as "**Indemnified Persons**") from and against

any and all actions, suits, proceedings (including any investigations or inquiries), claims, losses, damages, liabilities or expenses of any kind or nature whatsoever (including indirect or consequential damages and claims for lost profits) which may be incurred by or asserted against or involve any Indemnified Person as a result of or arising out of or in any way related to or resulting from any bankruptcy or insolvency proceedings, this Term Sheet or any other DIP Credit Documentation, and, upon demand, to pay and reimburse any Indemnified Person for any reasonable legal or other out-of-pocket expenses incurred in connection with investigating, defending or preparing to defend any such action, suit, proceeding (including, without limitation, any inquiry or investigation) or claim (whether or not any Indemnified Person is a party to any action or proceeding out of which any such expenses arise); provided that no Indemnified Person will have any right to indemnification for any of the foregoing to the extent resulting from (x) such Indemnified Person's own gross negligence or willful misconduct or (y) a claim brought by the Borrower or any Guarantor against an Indemnified Person for breach in bad faith of such Indemnified Person's funding obligations hereunder, in each case as determined by a court of competent jurisdiction in a final non-appealable judgment. No Indemnified Person will have any liability (whether direct or indirect, in contract or tort, or otherwise) to the Borrower or Guarantors or their affiliates or to their respective equityholders or creditors arising out of, related to or in connection with any aspect of the transactions contemplated hereby, except to the extent such liability to the Borrower or Guarantors is determined in a final, nonappealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Person's own gross negligence or willful misconduct.

The Borrower and each Guarantor, and their respective affiliates, associates, holding bodies corporate and subsidiaries and all of their respective successors and assigns and anyone claiming through or under them (collectively, the "**Releasers**") do hereby release, remise and forever discharge the DIP Lender and its affiliates, associates, holding bodies corporate and subsidiaries and all their respective employees, agents, lawyers, advisors, successors and assigns and anyone claiming through or under any of them (collectively, the "**Releasees**") of and from any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any nature or kind whatsoever (collectively, the "**Claims**") which the Releasers or any one or more of them now have or ever had, can, shall or may have in respect of or in any way arising out of or related to the dealings or transactions in respect of the Existing Credit Agreement, and the DIP Lender's dealings under the Existing Credit Agreement with any of the Releasers, prior to the Filing Date hereof based on facts known, or which reasonably ought to be known, to any of the Releasers as of the date hereof (collectively, the "**Released Claims**"). In addition, the Releasers

jointly and severally covenant and agree not to make any claim or to commence, maintain or continue any action or proceeding against any person or corporation in which any claim could arise against any of the Releasees for contribution or indemnity under the *Negligence Act* or otherwise with respect to the Released Claims.

The indemnities and releases granted under this Term Sheet shall survive any termination of the DIP Facility.

EVENTS OF DEFAULT:

The occurrence of any one or more of the following events shall constitute an event of default ("**Event of Default**") under this Term Sheet:

- (a) breach by the Borrower in the observance or performance of any material provision, covenant (affirmative or negative) or agreement contained in this DIP Term Sheet or other DIP Credit Documentation and such breach shall continue unremedied for more than 3 Business Days after the Borrower becomes aware of such breach (or such other period as may be mutually agreed);
- (b) (i) any order shall be entered reversing, amending, varying, supplementing, staying, vacating or otherwise modifying in any respect in a manner affecting the DIP Lender any Restructuring Court Order without the prior written consent of the DIP Lender, (ii) any Restructuring Court Order shall cease to be in full force and effect, or (iv) either of the Applicants or any subsidiary shall fail to comply in any material respect that has an adverse affect on the interests of the DIP Lender with any Restructuring Court Order;
- (c) this Term Sheet or any DIP Credit Documentation shall cease to be effective or shall be contested by the Borrower or any of the Guarantors;
- (d) the filing of a motion, pleading or proceeding by any of the Borrower or the Guarantors which could reasonably be expected to result in an impairment of the rights or interests of the DIP Lender under the DIP Credit Documentation or the Existing Credit Agreement, or a determination by a court with respect to a motion, pleading or proceeding brought by another party which results in an impairment of the rights or interests of the DIP Lender under the DIP Credit Documentation or the Existing Credit Agreement;
- (e) any Restructuring Court Order is issued by the

Court (or any other court of competent jurisdiction) that affects the DIP Lender without the prior written consent of the DIP Lender in its sole discretion or in form and substance unacceptable to the DIP Lender, acting reasonably;

- (f) the CCAA Proceedings are terminated or dismissed or converted to a receivership, proposal in bankruptcy or bankruptcy proceeding or any order is granted by the Court (or any court of competent jurisdiction) granting relief from the stay of proceedings in the Initial Order, unless agreed by the DIP Lender in its sole discretion;
- (g) the stay of proceedings provided for in the Initial Order (as extended from time to time until the Maturity Date with the consent of the DIP Lender, which the DIP Lender will consent to provided that no Event of Default has occurred hereunder) expires without being extended;
- (h) any plan of compromise or arrangement is proposed, filed or sanctioned by the Court in a form and in substance that is not acceptable to the DIP Lender acting reasonably or in its sole discretion if the plan of compromise or arrangement does not provide for the repayment of the obligations under the DIP Facility and the obligations in respect of the existing Credit Agreement in full by the Maturity Date;
- (i) with the exception of the professional fees for the Monitor, its counsel and counsel to the Applicants, there occurs any negative variance greater than CDN \$10,000 for any one line item (other than the management fee line item), on a weekly or cumulative basis, from the Cash Flows Projections, excluding timing variances;
- (j) the Borrower makes any payments of any kind not permitted by the Initial Order or the Term Sheet.
- (k) there occurs a material non-compliance amendment, waiver, modification or alteration with or to any provision of the SISP (as defined in the Initial Order) without the prior written consent of the DIP Lender acting reasonably;
- (l) if one or more of the Monitor, counsel to the Monitor, counsel to the Applicants, or the Financial Advisor withdraws its services on behalf of the Applicants and/or terminates its engagement with

the Applicants in accordance with paragraph 32 of the Initial Order or otherwise, and an alternative professional is not appointed (which in the case of the Financial Advisor or Monitor, shall be acceptable to the DIP Lender), or if alternative arrangements are not made acceptable to the DIP Lender, in each case, within 5 Business Days;

- (m) failure of the Borrower or any Guarantor to pay (A) interest or fees when due under this Term Sheet or any other DIP Credit Documentation, (B) principal when due under the DIP Facility, or (C) the DIP Lender Expenses;
- (n) any representation or warranty by the Borrower or any Guarantor in this Term Sheet or the other Credit Documentation shall be incorrect or misleading in any material respect when made;
- (o) failure to repay all obligations owing under the Existing Credit Agreement on the Maturity Date; or
- (p) borrowings under the DIP Facility exceed the Maximum Amount.

REMEDIES:

Upon the occurrence of an Event of Default, the DIP Lender may, upon three (3) Business Days' prior written notice to the Borrower and the Monitor, (i) terminate its total DIP commitment, (ii) declare the obligations in respect of the DIP Facility, this Term Sheet, or the DIP Credit Documentation to be immediately due and payable, (iii) apply to a court for the appointment of an interim receiver or a receiver and manager of the undertaking, property and assets of the Borrower and/or the Guarantors, or for the appointment of a trustee in bankruptcy of any of the Borrower and/or the Guarantors, and, in the DIP Lender's sole discretion, file the Consent with the Court in support thereof, (iv) exercise the powers and rights of a secured party under the *Personal Property Security Act* (Ontario) or any legislation of similar effect applicable to the DIP Security, and (v) exercise all such other rights and remedies under the DIP Credit Documentation and the Restructuring Court Orders. The DIP Lender shall have all the remedies under the DIP Credit Documentation without the necessity of obtaining further relief or order from the Court.

FURTHER ASSURANCES:

The Borrower and Guarantors shall at their expense, from time to time do, execute and deliver, or will cause to be done, executed and delivered, all such further acts, documents (including, without limitation, certificates, declarations, affidavits, reports and opinions) and things as the DIP Lender may reasonably request for the purpose of giving effect to this Term Sheet and the DIP Security, perfecting, protecting and maintaining the Liens created by the DIP Security or establishing compliance with the

representations, warranties and conditions of this Term Sheet or any other DIP Credit Documentation.

CURRENCY

Unless otherwise specified herein, all references to dollar amounts (without further description) shall mean Canadian Dollars. All payments hereunder shall be made in U.S. Dollars.

JUDGMENT CURRENCY

For the purpose of this Section:

“Agreed Currency” means the currency in which the Borrower must pay each component of the Obligations.

“Other Currency” means any currency other than the Agreed Currency.

“Rate of Exchange” means the rate of exchange available to the DIP Lender by its bank for converting the Indebtedness Currency into the Judgment Currency for the relevant date.

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 DIP Credit Documentation, that conversion will be made at the Rate of Exchange prevailing on the Business Day immediately preceding the date on which judgment is given.

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 Indebtedness Currency dollars results in the DIP Lender receiving less than the full amount of Indebtedness Currency dollars payable to the DIP Lender, the Borrower or Guarantor, as applicable, agrees to pay the DIP 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 or Guarantor, as applicable, 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 DIP Credit Documentation.

DIP LENDER’S EXPENSES

On the Maturity Date, the Borrower shall pay all of the DIP Lender’s reasonable out-of-pocket expenses (including the reasonable fees and expenses of its legal counsel and advisors), whether or not any of the transactions contemplated hereby are consummated and whether incurred prior to or after the date of the Initial Order, as well as all expenses of the DIP Lender in connection with the ongoing monitoring, interpretation, administration, protection and enforcement of the DIP Facility, the conduct of the SISP (as defined in the Initial Order) and the CCAA Proceeding, and the enforcement of any DIP Credit

Documentation (collectively, the **"DIP Lender Expenses"**).

**ENTIRE AGREEMENT;
CONFLICT:**

This Term Sheet, including the Schedules hereto and the DIP Credit Documentation, constitutes the entire agreement between the parties relating to the subject matter hereof. To the extent that there is any inconsistency between this Term Sheet and any of the other DIP Credit Documentation, this Term Sheet shall govern.

**AMENDMENTS, WAIVERS,
ETC.:**

No waiver or delay on the part of the DIP Lender in exercising any right or privilege hereunder or under any other DIP Credit Documentation will operate as a waiver hereof or thereof unless made in writing and signed by an authorized officer of the DIP Lender.

ASSIGNABILITY

The DIP Lender's rights and obligations under this agreement are fully assignable. The Tamerlane Ventures Group hereby consents to the disclosure of any confidential information in respect of the Tamerlane Ventures Group to any potential assignee provided such potential assignee agrees in writing to keep such information confidential.

SEVERABILITY:

Any provision in any DIP Credit Documentation which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

**COUNTERPARTS AND
FACSIMILE SIGNATURES:**

This Term Sheet may be executed in any number of counterparts and by facsimile or e-mail transmission, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same instrument. Any party may execute this Term Sheet by signing any counterpart of it.

**GOVERNING LAW AND
JURISDICTION:**

This Term Sheet shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Borrower and each Guarantor irrevocably submits to the non-exclusive courts of the Province of Ontario, waives any objections on the ground of venue or forum non conveniens or any similar grounds, and consents to service of process by mail or in any other manner permitted by relevant law.

ADDITIONAL DEFINITIONS:

Capitalized terms not otherwise defined herein shall have the following meanings:

"Business Day" means each day other than a Saturday or Sunday or a statutory or civic holiday that banks are open for business in Toronto, Ontario, Canada.

"DIP Credit Documentation" means this Term Sheet and other

definitive documentation in respect of the DIP Facility that are in form and substance satisfactory to the DIP Lender, acting reasonably, as well as the Existing Security.

“Liens” means all mortgages, charges, encumbrances, hypothecs, liens and security interests of any kind or nature whatsoever.

“Pending Event of Default” means an event that, but for the requirement for the giving of notice, lapse of time, or both, or but for the satisfaction of any other condition after that event, would constitute an Event of Default.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

- 19 -

IN WITNESS WHEREOF, the parties hereby execute this Term Sheet as at August , 2013.

TAMERLANE VENTURES INC., as Borrower

By: Margaret Kent
Name: Margaret Kent
Title: Executive Chair

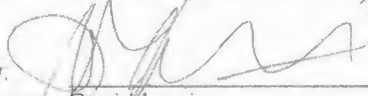
PINE POINT HOLDING INC., as Guarantor


By: Margaret Kent
Name: Margaret Kent
Title: Director

TAMERLANE VENTURES USA, INC., as
Guarantor

By: Margaret Kent
Name: Margaret Kent
Title: Director

GLOBAL RESOURCE FUND by its Manager
RENVEST MERCANTILE BANCORP INC.

By: 
Name: David Lewis
Title: Director

By: 
Name: Daniel Cohen
Title: Vice President and General Counsel

Schedule A – Cash Flow Projections

See attached.

Schedule B - Form of Draw Request

Draw Request

To: Global Resource Fund (the "DIP Lender")

This Draw Request is delivered to you pursuant to the Term Sheet dated the ● day of August, 2013 between Tamerlane Ventures Inc. (the "Borrower") and the DIP Lender (as it may be amended, supplemented, restated, replaced, or otherwise modified from time to time, the "Term Sheet").

- 1. Capitalized terms used in this request and not otherwise defined have the meanings given to them in the Term Sheet.
- 2. The Borrower hereby requests a DIP Advance in the amount USD \$● and that such amount be deposited in the following Borrower's Account:

●[Insert Account Details]

- 3. The Contemplated Expenses in respect of the Applicant's counsel, the Monitor and the Monitor's counsel to be paid from the proceeds of the DIP Advance are CDN \$●
- 4. The Financial Advisor Expenses to be paid from the proceeds of the DIP Advance are CDN \$●
- 5. The Other Expenses to be paid from the proceeds of the DIP Advance are CDN \$●, and attached hereto is a listing the payments to be made.
- 6. Date of Advance: ●
- 7. All of the Borrower's representations and warranties in the Term Sheet (other than those that by their terms are made only as of a specific date) are true and correct as at the date of this request as though made on and as of the date of this request.
- 8. All of the Borrower's covenants contained in the Term Sheet, together with all of the conditions precedent to receiving a DIP Advance pursuant to this Draw Request and all other terms contained in the Term Sheet to be complied with by the Tamerlane Ventures Group that have not been properly waived in writing by or on behalf of the DIP Lender, have been fully complied with.
- 9. 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 making of the DIP Advance requested herein.

Dated as of _____, 2013.

TAMERLANE VENTURES INC.

By: _____

Name:

Title:

Schedule C – CCAA Order

See attached.

Schedule D – Form of Guarantee

See attached.

Schedule E – Form of Consent

See attached.

Schedule F – Representations and Warranties

Each capitalized term used below and not otherwise defined in the Term Sheet, shall have the meaning given thereto in the Existing Credit Agreement.

1.1 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 Obligors 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).

1.2 Non Arm's Length Transactions

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 any Applicant), on the other hand, is in existence at the date hereof except as set forth in any disclosure Schedule attached to the Existing Credit Agreement (the "**Disclosure Schedules**").

1.3 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 Disclosure Schedules); and
 - (ii) good and marketable title to all of its other material Property, in each case subject to no Encumbrances other than the Charges (as defined in the Initial Order) and 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 Obligors, 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 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. The Disclosure Schedules 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.

1.4 Insurance

Other than as disclosed in the Disclosure Schedules, each Obligor maintains insurance which is in full force and effect and which complies with all of the requirements of the Existing Credit Agreement. The details of all existing insurance policies maintained by the Obligors are outlined as to carrier, policy number, expiration date, type and amount in the Disclosure Schedules.

1.5 Relevant Jurisdictions

- (a) The Relevant Jurisdictions for each Obligor are set out in the Disclosure Schedules
- (b) All other locations where the Obligors keep, store or maintain any Property are set out in the Disclosure Schedules. Also, set out in the Disclosure Schedules 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;

1.6 Contracts and Licences

- (a) The Disclosure Schedules accurately set 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 DIP Lender and each Material Contract and Material Licence is in full force and effect, unamended except as disclosed in the Disclosure Schedules.

- (c) No event has occurred and is continuing which would constitute a breach of, or a default under, any Material Contract or Material Licence, except as disclosed in the Disclosure Schedules.
- (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, except as disclosed in the Disclosure Schedules.
- (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, except as disclosed in the Disclosure Schedules.

1.7 Environmental

Except as disclosed in the Disclosure Schedules:

- (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.
- (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.

The following are all deemed to be included in the Disclosure Schedules:

- 1) The lease agreement with Karst Investments LLC in respect of the office in Blaine, Washington
- 2) The royalty agreement with Karst Investments LLC in respect of Pine Point
- 3) The failure to pay the Pine Point lease payments on August 25, 2013

- 4) The three uninsured (and not in an operating condition) trucks at Hay River property
- 5) The employments agreements with John Key, Margaret Kent and Judy Dudley
- 6) The agreements with Jennings Capital Inc. in respect of the sale of the Los Pinos and Pine Point assets
- 7) The agreement with D'Angelo International LLC in respect of the sale of flotation equipment
- 8) The security of counsel to the Borrower, the Monitor and the Monitor's counsel, which will be discharged forthwith after the Initial Order is granted

Appendix “B”

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE REGIONAL SENIOR)
JUSTICE MORAWETZ)

THURSDAY, THE 30th
DAY OF JANUARY, 2014



IN THE MATTER OF THE *COMPANIES CREDITORS'*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF TAMERLANE VENTURES INC. and
PINE POINT HOLDING CORP.

CCAA TERMINATION ORDER

THIS MOTION, made by Tamerlane Ventures Inc. and Pine Point Holding Corp. (collectively, the "**Applicants**") for an order (the "**CCAA Termination Order**"), among other things: (a) terminating the proceedings (the "**CCAA Proceedings**") of the Applicants under the *Companies' Creditors Arrangement Act* (the "**CCAA**"); (b) discharging Duff & Phelps Canada Restructuring Inc. ("**Duff & Phelps**") as the Court-appointed monitor of the Applicants (in such capacity, the "**Monitor**"); and (c) providing for the transition of the CCAA Proceedings to a receivership of the Applicants by further order of this Court (the "**Receivership Order**") made in Ontario Superior Court of Justice (Commercial List) File No. CV-14-10417-00CL (the "**Receivership**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, filed, the Affidavit of John L. Key sworn January 27, 2014 and the Exhibits thereto, filed, and the Third Report of the Monitor, Duff & Phelps Canada Restructuring Inc., dated January 27, 2014 (the "**Third Report**"), filed, and on hearing the submissions of counsel for each of the Applicants, the Monitor, and Global Resource Fund, no one appearing for any other person on the service list, although properly served as appears from the affidavit of service of Annie Kwok sworn January 28, 2014, filed:

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion, the Third Report and the Motion Record in respect of this Motion be and are hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

APPROVAL OF MONITOR'S REPORT AND ACTIVITIES

2. THIS COURT ORDERS that the Third Report, and the activities and conduct of the Monitor described in the Third Report, are hereby approved.

DISCHARGE OF THE MONITOR

3. THIS COURT ORDERS AND DECLARES that the Monitor has satisfied all of its duties and obligations pursuant to the CCAA and the Orders of the Court in respect of the CCAA Proceedings.

4. THIS COURT ORDERS AND DECLARES that Duff & Phelps is hereby discharged as Monitor effective immediately and shall have no further duties, obligations, or responsibilities as Monitor, save and except as set out in paragraphs 10 and 12 hereof.

5. THIS COURT ORDERS that, notwithstanding any provision of this Order and the termination of the CCAA Proceedings, nothing herein shall affect, vary, derogate from, limit or amend any of the protections in favour of the Monitor at law or pursuant to the CCAA, the Initial Order dated August 23, 2013 (the "**Initial Order**") or any other Order of this Court in the CCAA Proceedings, all of which are expressly continued and confirmed.

RELEASES

6. THIS COURT ORDERS that the Monitor, counsel to the Monitor, and each of their respective affiliates and officers, directors, partners, employees and agents (collectively, the "**Released Parties**") are hereby released and discharged from any and all claims that any person may have or be entitled to assert against the Released Parties, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on

or prior to the date of this Order in any way relating to, arising out of, or in respect of, the CCAA Proceedings or with respect to their respective conduct in the CCAA Proceedings (collectively, the "**Released Claims**"), and any such Released Claims are hereby released, stayed, extinguished and forever barred, and the Released Parties shall have no liability in respect thereof, provided that the Released Claims shall not include any claim or liability arising out of any gross negligence or wilful misconduct on the part of the applicable Released Party.

7. THIS COURT ORDERS that no action or other proceeding shall be commenced against any of the Released Parties in any way arising from or related to the CCAA Proceedings, except with prior leave of this Court on at least seven days' prior written notice to the applicable Released Parties.

TERMINATION OF CCAA PROCEEDINGS

8. THIS COURT ORDERS that the CCAA Proceedings and the Stay Period (as defined in the Initial Order and as amended from time to time) are hereby terminated.

9. THIS COURT ORDERS that:

- (a) notwithstanding the termination of the CCAA Proceedings, except as expressly provided in this CCAA Termination Order, all Orders issued in the CCAA Proceedings shall continue to be in full force and effect;
- (b) nothing in this CCAA Termination Order shall diminish or alter the rights or obligations of any person arising under the Initial Order which had vested or accrued prior to the granting of this CCAA Termination Order; and
- (c) any pleadings, motions, evidence and reports filed in the CCAA Proceedings (and which were not sealed) shall be available for use in the Receivership as though the same were filed in the Receivership, without the necessity of having such documents filed again in the Receivership.

10. THIS COURT ORDERS that, notwithstanding the discharge of Duff & Phelps as Monitor and the termination of the CCAA Proceedings, Duff & Phelps shall have the authority from and after the date of this CCAA Termination Order to complete any matters that may be

incidental to the termination of the CCAA Proceedings (including, without limitation, the filing of Monitor's Certificates in accordance with paragraph 12 below) and the transition to the Receivership pursuant to the Receivership Order. In completing any incidental matters, the Monitor shall continue to have the benefit of the provisions of all Orders made in the CCAA Proceedings, including all approvals, protections and stays of proceedings in favour of Duff & Phelps in its capacity as the Monitor, and nothing in this Order shall affect, vary, derogate from or amend any of the protections in favour of the Monitor pursuant to paragraphs 27, 28, 29, and 30 of the Initial Order, which paragraphs shall continue to apply in the receivership, *mutatis mutandis*.

COURT-ORDERED CHARGES

11. THIS COURT ORDERS that, notwithstanding any provisions of this CCAA Termination Order or the termination of the CCAA Proceedings, each of the Charges (as defined in the Initial Order) shall continue to constitute a charge on the Property (as defined in the Initial Order), in accordance with the terms, limitations, and priority set out in the Initial Order, and, as among them and the charges (and the priority thereof) created by the Receivership Order, the priority set out in the Receivership Order, until such time as the Monitor files a Monitor's Certificate (defined below) with this Court in respect of such Charge; provided, however, that no further amounts shall accrue under the Charges following the granting of this CCAA Termination Order, except those fees and expenses of the Monitor and its counsel which relate to

- (a) obtaining the approval(s) or other relief from this Court as set out in paragraph 52 of the Initial Order; or
- (b) the transition from the CCAA Proceedings to the Receivership.

12. THIS COURT ORDERS that once all outstanding obligations covered by a Charge have been paid in full, the Monitor shall file a Monitor's certificate with this Court certifying that there are no outstanding obligations under such Charge (each a "**Monitor's Certificate**"). Upon the filing of a Monitor's Certificate with this Court, the Charge to which the Monitor's Certificate relates shall be discharged and shall no longer constitute a charge on the Property.

COMPLETION OF EXISTING TRANSACTIONS AND PAYMENTS

13. THIS COURT ORDERS that, notwithstanding any provision of this CCAA Termination Order or the issuance of the Receivership Order, the Applicants, the Monitor and/or the receiver are authorized and directed to pay the following on behalf of, or in the name of, the Applicants:

- (a) amounts that may be payable as post-filing obligations, including payroll obligations, in the CCAA Proceedings which have accrued up to the time that this CCAA Termination Order becomes effective; and
- (b) cheques that have been issued by the Applicants in respect of valid post-filing obligations which have accrued up to the time that this CCAA Termination Order becomes effective, but which are outstanding and have not cleared the Applicants' bank accounts as of the date of this CCAA Termination Order.

EFFECTIVENESS OF THIS CCAA TERMINATION ORDER

14. THIS COURT ORDERS that this CCAA Termination Order shall become effective at the date and time the Receivership Order is granted.

EFFECT RECOGNITION AND ASSISTANCE

15. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, Peru, or in any other foreign jurisdiction, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

16. THIS COURT ORDERS that each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative

body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.



A handwritten signature in black ink, appearing to read "R. J. J.", is written above a horizontal line.

ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:



A small, stylized handwritten mark or signature, possibly initials, is located below the registration text.

JAN 3 1 2014

**IN THE MATTER OF THE *COMPANIES CREDITORS' ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED AND IN
THE MATTER OF A PLAN OR COMPROMISE OR ARRANGEMENT OF TAMERLANE VENTURES INC. and PINE
POINT HOLDING CORP.**

Court File No. CV-13-10228-00CL

***ONTARIO*
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced in Toronto

CCAA TERMINATION ORDER

BENNETT JONES LLP

One First Canadian Place
Suite 3400, P.O. Box 130
Toronto, Ontario
M5X 1A4

S. Richard Orzy (LSUC #23181I)

Sean H. Zweig (LSUC #57307I)

Tel: 416-863-1200

Fax: 416-863-1716

Lawyers for the Applicants

Appendix “C”

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.

THE HONOURABLE MR.) THURSDAY, THE 30th
JUSTICE MORAWETZ) DAY OF JANUARY, 2014

BETWEEN:

(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

ORDER

THIS APPLICATION made by Global Resource Fund ("**Global**") for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing Duff & Phelps Canada Restructuring Inc. ("**Duff & Phelps**") as receiver (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of Tamerlane Ventures Inc. and Pine Point

Holding Corp. (collectively, the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Application, the Affidavit of David Lewis sworn January 24, 2014 and the provisions of the Initial Order of Mr. Justice Newbould dated August 23, 2013 made in Commercial List File No. CV-13-10228-00CL (the "**Initial Order**") which provide that a Receiver be appointed over the Debtor immediately after the Outside Date (as defined in the Initial Order), upon hearing the submissions of counsel for Global Resource Fund, and upon the Debtor consenting to this order, no one else appearing although duly served as appears from the affidavit of service of John Birch sworn January 27, 2014 and the affidavit of service of Patricia Hoogenband sworn January 28, 2014 and on reading the consent of Duff & Phelps to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

Duff & Phelps
counsel for the Debtor and
counsel for Karst Investments LLC

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, Duff & Phelps is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "**Property**").

RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;

- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (l) with the consent of Global Resource Fund, to continue the retention of PricewaterhouseCoopers Corporate Finance Inc. ("PwCCFI") as financial advisor on the terms contained in an agreement between PwCCFI and Tamerlane Ventures Inc. dated August 22, 2013 (the "**Retention Agreement**"), in which case PwCCFI shall be deemed to be the financial advisor to the Receiver and the Retention Agreement shall be deemed amended *mutatis mutandis*;
- (m) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$100,000, provided that the

aggregate consideration for all such transactions does not exceed \$500,000; and

- (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, section 31 of the Ontario *Mortgages Act*, or equivalent statutory provisions of other provinces or territories, as the case may be, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

- (n) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (o) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (p) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (q) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;

- (r) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (s) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (t) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall

provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

7. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

8. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way

against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

9. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

10. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

11. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are

paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

12. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

13. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

14. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed

shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

16. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its

obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

17. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA but provided, however, that the Receiver's Charge shall rank *pari passu* with the Administration Charge granted pursuant to the Initial Order.

18. THIS COURT ORDERS that, if requested by Global, this Court, or any other interested party, the Receiver and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

19. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

20. THIS COURT ORDERS that, with the prior written consent of Global, the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit

or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the Administration Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

21. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

22. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

23. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

PRIORITY OF CCAA AND RECEIVERSHIP CHARGES

24. THIS COURT ORDERS that the priorities among (i) the Charges (as defined in the Initial Order) created by the Initial Order, to the extent that any of the Charges remain in effect and (ii) the Receiver's Charge and the Receiver's Borrowing Charge

(collectively, the “**Receivership Order Charges**”) as created by this Receivership Order shall be as follows:

- (a) First, the Administration Charge (as defined in the Initial Order) to the maximum amount of \$300,000 and the Receiver’s Charge, on a *pari passu* basis;
- (b) Second, the Financial Advisor Charge (as defined in the Initial Order), to the maximum amount of \$300,000;
- (c) Third, the DIP Lender’s Charge (as defined in the Initial Order);
- (d) Fourth, the Receiver’s Borrowing Charge;
- (e) Fifth, the Directors’ Charge (as defined in the Initial Order);
- (f) Sixth, the Secured Lender Security (as defined in the Initial Order);
and
- (g) Seventh, the Subordinated Administration Charge.

GENERAL

25. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

26. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.


27. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, and Peru to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable

to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

28. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

29. THIS COURT ORDERS that Global shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of Global's security or, if not so provided by Global's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

30. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.



ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:



JAN 3 1 2014

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Duff & Phelps Canada Restructuring Inc., the receiver (the "Receiver") of the assets, undertakings and properties of Tamerlane Ventures Inc. and Pine Point Holding Corp. (the "Debtor") (acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the 30th of January, 2014 (the "Order") made in an action having Court file number CV-14-_____-00CL, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of MONTH, 20YR.

DUFF & PHELPS CANADA
RESTRUCTURING INC., solely in its
capacity as Receiver of the Property, and
not in its personal capacity

Per: _____

Name:

Title:

GLOBAL RESOURCE FUND
Applicant

and
TAMERLANE VENTURES INC. et al.
Respondents

Court File No. CV-14-10417-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
PROCEEDING COMMENCED AT
TORONTO

ORDER

Cassels Brock & Blackwell LLP
2100 Scotia Plaza
40 King Street West
Toronto, ON M5H 3C2

John N. Birch LSUC #: 38968U
Tel: 416.860.5225
Fax: 416.640.3057
jbirch@casselsbrock.com

Lawyers for the applicant

Appendix “D”

SCHEDULE "A"

LADNER CREEK PROPERTY

PROPERTY OPTION AGREEMENT

Dated for reference February 13, 2004

Between:

TAMERLANE VENTURES INC.

And:

CENTURY MINING CORPORATION

INDEX

PROPERTY OPTION AGREEMENT1
PROPERTY OPTION AGREEMENT1
1. GRANT OF OPTION3
2. OPTION ONLY3
3. REGULATORY APPROVAL3
4. ATHABASKA GOLD RESOURCES LTD.4
5. EXERCISE OF OPTION - (JOINT VENTURE)4
6. EXERCISE OF ADDITIONAL OPTION5
7. APPLICABLE SECURITIES LAWS AND CONDITIONS5
8. RIGHT OF ENTRY6
9. REPRESENTATIONS AND WARRANTIES OF THE OPTIONOR7
10. REPRESENTATIONS AND WARRANTIES OF THE OPTIONEE8
11. COVENANTS OF THE OPTIONOR9
12. COVENANTS OF THE OPTIONEE10
13. TERMINATION11
14. INDEPENDENT ACTIVITIES12
15. CONFIDENTIALITY OF INFORMATION13
16. ARBITRATION13
17. DELAYS14
18. ASSIGNMENT14
19. AREA OF COMMON INTEREST15
20. NOTICES16
21. GENERAL TERMS AND CONDITIONS17

SCHEDULE "A": The Property

SCHEDULE "B": List of Encumbrances

LADNER CREEK PROPERTY
PROPERTY OPTION AGREEMENT

THIS AGREEMENT is dated for reference as of the 13th day of February, 2004.

AMONG:

TAMERLANE VENTURES INC., a company duly incorporated under the laws of the Province of British Columbia, and having its Registered Office at 10th Floor – 595 Howe Street, Vancouver, B.C., V6C 2T5

(hereinafter called the "Optionor")

OF THE FIRST PART

AND:

CENTURY MINING CORPORATION, a company duly incorporated under the laws of the Yukon, and having its executive office at 6025 Portal Way, P.O. Box 2369, Ferndale, Washington, 98248

(hereinafter called the "Optionee")

OF THE SECOND PART

WHEREAS:

A. The Optionor holds an option to purchase a 90% interest in certain located mineral claims situated in the New Westminster Mining District, and the surface rights to certain Crown Granted mineral claims situated in the Kamloops Land District, Province of British Columbia, more particularly described in Schedule "A" attached hereto and made a part hereof (such located and Crown Granted mineral claims being hereinafter collectively called the "Property");

B. The Optionor has agreed to grant to the Optionee the exclusive option to acquire a 70% undivided and beneficial interest in and to the Property.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the mutual covenants and agreements herein contained and subject to the terms and conditions hereafter set out, the parties hereto agree as follows:

1. GRANT OF OPTION

1.01 The Optionor, in consideration of the sum of \$10.00, the receipt and sufficiency of which is hereby acknowledged, hereby grants to the Optionee the exclusive right and option (the "Option") to acquire a 70% undivided, recorded and beneficial interest in and to the

Property, and all of the Optionor's rights, licences and permits appurtenant thereto or held for the specific use and enjoyment thereof by issuing and delivering to the Optionor 300,000 common shares in the capital of the Optionee, paying \$75,000 in cash, incurring \$700,000 in Exploration Expenditures (as hereinafter defined), and by issuing an Irrevocable Letter of Credit to the Minister of Finance c/o Ministry of Energy and Mines, British Columbia, in the sum of \$200,000, to be respectively issued, paid and incurred as follows:

- (a) 300,000 common shares in the capital of the Optionee (the "Shares"), \$75,000 in cash, to be delivered to the Optionor, and the Minister of Finance for British Columbia returning to the Optionor its Irrevocable Letter of Credit Number GTENVC200219 dated June 20, 2003 as issued by HSBC Bank Canada (the "Letter of Credit"), on or before the later of (i) the expiry of five Business Days of the Optionee receiving notice from the TSX Venture Exchange (the "TSX") that the TSX has accepted this Agreement for filing, and (ii) April 30, 2004 ("Business Day" means a day on which the Canadian chartered banks are open for the transaction of regular business in the City of Vancouver, British Columbia);
- (b) Exploration Expenditures of not less than \$230,000 to be incurred on or before April 30, 2005;
- (c) cumulative Exploration Expenditures of not less than \$460,000 to be incurred on or before April 30, 2006; and
- (d) cumulative Exploration Expenditures of not less than \$700,000 to be incurred on or before April 30, 2007.

1.02 In this Agreement, "Exploration Expenditures" means and includes monies expended in prospecting, exploring, geological, geophysical and geochemical surveying, sampling, examining, diamond and other types of drilling, developing, dewatering, assaying, testing, constructing, maintaining and operating roads, trails and bridges, upon or across the mineral claims, buildings, equipment, plant and supplies, salaries and wages (including fringe benefits) of employees and contractors directly engaged therein, insurance premiums; and all other expenses ordinarily incurred in prospecting, exploring and developing mining lands, permitting costs, the cost of environmental remedial work, feasibility study, including direct head office supervision and engineering expenses, and an allowance for indirect head office overhead expenses of not more than 10% of all other expenses described above in this paragraph 1.02.

1.03 If the Optionee fails to incur any of the Exploration Expenditures listed in subparagraphs 1.01(b), (c) and (d) by the end of the last day on which the same was due to be incurred by reason of paragraph 1.01 or as deferred by reason of paragraph 17, the Optionee may, at any time within 15 days of such day, make a cash payment to the Optionor in an amount equal to the deficiency in the Exploration Expenditures. Any cash payment so made shall be deemed to have been Exploration Expenditures duly, timely and properly incurred in an amount equal to the cash payment.

1.04 In this Agreement, a written notice, together with copies of all supporting invoices and reports not previously delivered to the Optionor, delivered by the Optionee to the Optionor by no later than 30 days after any date listed in subparagraphs 1.01(b), (c) and (d) on or before

which Exploration Expenditures are to be incurred, and accompanied by a statement of a representative of the Optionee to the effect that the amount of Exploration Expenditures has been incurred by the applicable date shall be conclusive evidence of the making thereof unless the Optionor questions the accuracy of such statement within 30 days of receipt. If the Optionor questions the accuracy of the statement, the matter shall be referred to a national firm of Chartered Accountants for final determination. If such firm determines, after having consulted with the Optionee, that the Exploration Expenditures incurred were less than those reported by the Optionee, the Optionee shall not lose any of its rights hereunder provided the Optionee pays to the Optionor within 30 days of the receipt of the determination 100% of the deficiency in such Exploration Expenditures. If the Optionee makes such payment, it shall be deemed to have timely incurred Exploration Expenditures equal to such payment. If the firm of Chartered Accountants determines that the Exploration Expenditures incurred were less than 95% of those reported by the Optionee, the Optionee shall pay the entire cost of the determination; if they were 95% to 105% of those reported by the Optionee, the cost of the determination shall be paid by the Optionee and the Optionor equally; if in excess of 105% of the Exploration Expenditures reported by the Optionee, the Optionor shall pay the entire cost of the Chartered Accountant's determination.

1.05 If any third party asserts any right or claim to the Property or to any amounts payable to the Optionor, the Optionee may deposit any amounts otherwise due the Optionor in escrow with a suitable agent until the validity of such right or claim has been finally resolved. If the Optionee deposits said amounts in escrow, the Optionee shall be deemed not in default under the agreement for failure to pay such amounts to the Optionor.

2. OPTION ONLY

2.01 After the Optionee has delivered to the Optionor the Shares, has paid to the Optionor \$75,000, and the Minister of Finance has returned the Letter of Credit to the Optionor, the Optionee shall be under no further obligation to the Optionor, and this Agreement shall represent an option only. No act done or payment made by the Optionee hereunder shall obligate the Optionee to do any further act or make any further payment and, except as provided herein to the contrary, in no event shall this Agreement or any act done or any payment made be construed as an obligation of the Optionee to do or perform any work or make any payments on or with respect to the Property.

3. REGULATORY APPROVAL

3.01 The Optionor acknowledges that this Agreement and the issuance of the Shares by the Optionee under this Agreement is subject to the acceptance by the TSX.

3.02 Upon the execution of this Agreement, the Optionee shall forthwith file the same with the TSX, and shall use its best efforts to have the TSX accept this Agreement by April 30, 2004.

4. ATHABASKA GOLD RESOURCES LTD.

4.01 Athabaska Gold Resources Ltd. ("Athabaska") is the beneficial owner of the Property and, pursuant to the provisions of an option agreement with the Optionor (the

"Athabaska Option"), Athabaska has the right to retain a 10% interest in the Property by funding 10% of each exploration program carried out on the Property during each of the years 2004, 2005 and 2006. On or before April 30th in each year during the currency of this Agreement, the Optionee shall notify Athabaska in writing at 10th Floor – 595 Howe Street, Vancouver, British Columbia, V6C 2T5, or such other address as Athabaska may advise (with a copy of such notice to the Optionor) of the Optionee's proposed exploration program in respect to the Property for the period ending December 31st of such year requesting Athabaska to confirm in writing, within 30 days of such notice, whether Athabaska will fund 10% of the proposed program. If Athabaska responds in the affirmative, the Optionee will make such arrangements with Athabaska as the Optionee shall deem appropriate to obtain the committed funds from Athabaska in a timely fashion. The Optionor agrees that any funds provided by Athabaska and spent as Exploration Expenditures shall be deemed to be Exploration Expenditures for the purposes of this Agreement.

4.02 If Athabaska fails to provide its proportionate share of each exploration program undertaken for two out of the three years 2004, 2005 and 2006, and Athabaska's proportionate share of such exploration program is paid for by the Optionee on behalf of the Optionor, the Optionor will have the right, on or before December 31, 2006, to acquire an additional 10% interest in the Property, and the Optionor covenants and agrees to exercise such right if this Agreement has not been terminated as at December 1, 2006.

4.03 The Optionor covenants and agrees that it will not provide or arrange for any monies to Athabaska to fund Athabaska's proportionate share of any exploration program in respect to the Property.

5. EXERCISE OF OPTION - (JOINT VENTURE)

5.01 The Optionee shall have exercised the Option and shall have acquired a 70% undivided recorded and beneficial interest in and to the mining rights in respect to the located mineral claims and the surface rights in respect to the Crown Granted mineral claims that comprise the Property by incurring \$700,000 in Exploration Expenditures, by issuing the Shares to the Optionor, by paying to the Optionor \$75,000, and causing the Letter of Credit to be returned to the Optionor all in accordance with paragraph 1.01 hereof. The Optionee shall immediately give the Optionor written notice of the exercise of the Option. At the time of the exercise of the Option, the Optionee covenants that the Property shall be in good standing with respect to the performance of assessment work and the payment of property taxes, as applicable, in respect to the Property for a period of one year from the date of the exercise of the Option.

5.02 Upon the exercise of the Option, a joint venture shall be formed between the Optionor and the Optionee, and all further work on and with respect to the Property, and the subsequent relationship between the Optionor and the Optionee in relation to the Property, shall be governed by a joint venture agreement to be prepared by the Optionee, which shall designate the Optionee as the operator, shall grant to the Optionee the casting vote in respect to all decisions of the joint venture, and the remaining terms and conditions of the joint venture shall be mutually agreed by the Optionor and the Optionee, and shall contain the provisions usually contained in a Canadian mining joint venture agreement, including provision for the dilution of a

party's interest for failure to contribute its proportionate share of the exploration, development or mining costs.

5.03 On formation of the joint venture, expenditures will thereafter be shared by the parties in accordance with their respective ownership interests as such may exist from time to time. If a party fails to contribute its proportionate share of the joint venture's expenditures, then such party's interest will be reduced on a proportionate basis. For the purposes of the proportionate calculation, as at the time of the Optionee earning its 70% interest in the Property, the Optionee will be deemed to have spent \$700,000 and the Optionor and, if applicable, Athabaska, if they make further contributions to exploration programs proposed by the Optionee after the date hereof, will be deemed to have spent \$300,000 in total.

6. EXERCISE OF ADDITIONAL OPTION

6.01 The Optionor, in consideration of the exercise of the Option, hereby grants to the Optionee the exclusive right and option (the "Additional Option") to acquire all of the Optionor's remaining interest in and to the Property, and all of the Optionor's rights, licences and permits appurtenant thereto or held for the use and enjoyment thereof, on the basis that the Optionee shall pay to the Optionor \$6,667 for each 1% interest then held by the Optionor, in immediately available funds, or, at the Optionee's option, the issuance to the Optionor of such number of fully paid common shares of the Optionee as have a fair market value equal to such purchase price (based upon the average closing price of the Optionee's common shares on the TSX on the five trading days ended on the date prior to issuance of such shares).

7. APPLICABLE SECURITIES LAWS AND CONDITIONS

7.01 For the purposes hereof, "Securities Laws" means the *Securities Act* (British Columbia) and the rules thereunder, and all instruments, policies, policy statements, blanket orders and interpretation notes adopted or applied by the British Columbia Securities Commission.

The fulfilment of the Optionor's obligations under paragraph 1.01 to grant the Option is conditional upon the fulfilment at or before the time of delivery of the Shares of the following conditions, which the Optionee covenants to exercise its best efforts to cause to be satisfied at or prior to such time and which conditions the Optionor may waive in whole or in part:

- (a) the representations and warranties of the Optionee shall be true and correct as of such time and the Optionee's covenants contained herein shall have been performed and all necessary regulatory approvals shall have been obtained in respect to this Agreement;
- (b) the Optionor shall have received a certificate signed by the President and the Vice-President of the Optionee, or such other officers or directors of the Optionee as the Optionor may approve, to the effect that the matters represented and warranted by the Optionee herein are true and correct as of such time on such date after giving effect to the transactions contemplated hereby with the same force and effect as if made at such time on such date (except as such representations

and warranties may be affected by the occurrence of events and transactions specifically contemplated and permitted hereby);

- (c) the TSX, or other principal stock exchange on which the shares of the Optionee are listed for trading, shall have accepted notice of the issuance of the Shares to be issued to the Optionor hereunder and approved the listing of such Shares; and
- (d) the Optionor has entered into an agreement with Kent Burns Group LLC.

7.02 The fulfilment of the Optionee's obligations under paragraph 1.01 is conditional upon the fulfilment on or before April 30, 2004 of the following conditions:

- (a) the representations and warranties of the Optionor shall be true and correct as of such time and the Optionor's covenants contained herein shall have been performed and all necessary regulatory approvals shall have been obtained in respect to this Agreement;
- (b) the Optionee shall have received a certificate signed by the President and the Vice-President of the Optionor, or such other officers or directors of the Optionor as the Optionee may approve, to the effect that the matters represented and warranted by the Optionor herein are true and correct as of such time on such date after giving effect to the transactions contemplated hereby with the same force and effect as if made at such time on such date (except as such representations and warranties may be affected by the occurrence of events and transactions specifically contemplated and permitted hereby);
- (c) the TSX, or other principal stock exchange on which the shares of the Optionor are listed for trading, shall have accepted notice of the issuance of the Shares to be issued to the Optionee hereunder and approved the listing of such Shares;
- (d) the Optionee is satisfied with respect to the regulations pertaining to the Old Growth Management Areas in respect to the Property; and
- (e) the *Corporate Capital Tax Act* lien filed against the surface rights to the seven Crown Granted mineral claims be discharged and removed from the Certificates of Title of the said claims as filed in the Kamloops Land Title Office or such other arrangements satisfactory to the Optionee.

8. RIGHT OF ENTRY

8.01 Upon the Optionee issuing and delivering to the Optionor the Shares and cash referred to in subparagraph 1.01(a) hereof and the return to the Optionor of the Letter of Credit, thereafter during the currency of this Agreement prior to the exercise of the Option, the Optionee, its servants, agents and workmen and any persons duly authorized by the Optionee, shall have the unrestricted right of access to and from the Property, and, subject to subparagraph 12.01(f) hereof, the exclusive right to enter upon and occupy the Property for all purposes reasonably incidental to exploring the Property in such manner as the Optionee, in its sole discretion, may deem advisable, including the removal from the Property of material for the purpose of obtaining assays or making other tests, and including the preparation of a feasibility

study and including the right to remove from the Property and sell any unusable structures situate thereon, and the Optionee shall be entitled to retain all sale proceeds.

9. **REPRESENTATIONS AND WARRANTIES OF THE OPTIONOR**

9.01 The Optionor hereby represents and warrants to the Optionee, now and as at each date upon which the Optionee exercises the Option and the Additional Option, that:

- (a) it holds an option to acquire a 90% interest in the Property, which option is in good standing;
- (b) the located mineral claims described in Part III to Schedule "A" hereto have been validly issued, recorded and in good standing in accordance with the laws of the Province of British Columbia, and, to the best of the Optionor's knowledge, the located and Crown Granted mineral claims comprising the balance of the Property and referred to under Parts I and II of Schedule "A" hereto have been validly issued, duly recorded, and in good standing in accordance with the laws of the Province of British Columbia;
- (c) it has full power and authority to enter into this Agreement;
- (d) the entering into this Agreement does not conflict with any applicable laws or with its charter documents nor does it conflict with, or result in a breach of or accelerate the performance required by any contract or other commitment to which it is party or by which it is bound;
- (e) it has the exclusive right to enter into this Agreement and all necessary authority to assign to the Optionee a 70% interest and additional interests pursuant to the Additional Option in and to the Property in accordance with the terms and conditions of this Agreement;
- (f) to the best of the Optionor's knowledge, no person, firm or corporation is entitled to any royalty or other payment in the nature of rent or royalty on such materials removed from the Property or is entitled to take such materials in kind, except as set out in Schedule "B" hereto;
- (g) to the best of the Optionor's knowledge, there are no direct Native Land Claims in respect to the Property;
- (h) the Supreme Court of British Columbia issued an Order approving the Optionor's proposal to Athabaska, such Order having been issued on the 17th day of April, 2003; and
- (i) the Property is free and clear of all liens, charges and encumbrances created as a result of acts of the Optionor.

9.02 The representations and warranties hereinbefore set out are conditions upon which the Optionee has relied in entering into this Agreement and shall survive the exercise of the Option and, if applicable, the Additional Option, and the Optionor hereby forever indemnifies and saves the Optionee harmless from all loss, damage, costs, actions and suits arising out of or

in connection with any breach of any representation or warranty made by it and contained in this Agreement. The representations and warranties contained in paragraph 9.01 are provided for the exclusive benefit of the Optionee and a breach of any one or more of them may be waived by the Optionee in writing in whole or in part at any time without prejudice to its rights in respect of any other breach of the same or any other representation or warranty.

10. REPRESENTATIONS AND WARRANTIES OF THE OPTIONEE

10.01 The Optionee hereby represents and warrants to the Optionor, now and as at each date upon which Shares are delivered to the Optionor hereunder, that:

- (a) no order ceasing or suspending trading in securities of the Optionee or prohibiting the sale or issuance and delivery of such securities is outstanding and no proceedings for such purpose are pending or, to the best of the knowledge of the Optionee, threatened;
- (b) on the date upon which Shares are delivered to the Optionor hereunder, the Optionee will have obtained all necessary regulatory, stock exchange and other approvals and consents with respect to the issue and delivery of the Shares to the Optionor;
- (c) on the date upon which Shares are delivered to the Optionor hereunder, the Shares will be duly authorized and validly allotted and issued as fully paid and non-assessable shares in the capital of the Optionee;
- (d) there is no material fact or material change (as such terms are defined in the Securities Laws) respecting the Optionee which has not been disclosed as required by the Securities Laws;
- (e) it has been incorporated and organized, and is a valid and subsisting corporation continuing under the laws of the Yukon, and has all requisite corporate power and authority to carry on its business and to explore the Property, and has full corporate power and authority to enter into this Agreement, and to carry out its obligations hereunder;
- (f) the Optionee is authorized to issue 100,000,000 common shares without par value, of which 8,671,143 common shares are issued and outstanding as fully paid and non-assessable as at the date hereof;
- (g) the entering into of this Agreement does not conflict with any applicable laws or with its charter documents nor does it conflict with, or result in a breach of, or accelerate the performance required by any contract or other commitment to which it is party or by which it is bound;
- (h) it is eligible to acquire and hold exploration permits in the jurisdiction in which the Property is situated;
- (i) the issue of the Shares by the Optionee is exempt from the registration and prospectus requirements of the Securities Laws and no prospectus is required nor

are any other documents required to be filed, proceedings taken or approvals, permits, consents or authorizations of regulatory authorities obtained under the Securities Laws to permit the issuance and delivery of the Shares by the Optionee to the Optionor other than a Form pursuant to Multi-Lateral Instrument 45-102F;

- (j) the Shares will be subject to restrictions on resale in the Province of British Columbia for a 4 month period following the date of distribution, such date to be set out in a legend on the certificate representing the Shares, but such securities will not be subject to any other restriction on resale;
- (k) its common shares are listed and called for trading on the TSX, the Optionee is a reporting issuer in the Provinces of British Columbia and Alberta and is not in default of any requirement of the securities legislation of those Provinces, and, upon issuance of the Shares of the Optionee pursuant to subparagraph 1.01(a) hereof and any additional common shares of the Optionee pursuant to paragraph 6 hereof, will be a "Qualifying Issuer" within the meaning of Multi-Lateral Instrument 45-102 of the Canadian Securities Administrators and such shares will not be subject to a restricted period or statutory hold period under the Securities Laws or to any resale restrictions under the Policies of the TSX which extend beyond four months and one day from the date of issue; and
- (l) it is in compliance with its listing agreement with the TSX.

10.02 The representations and warranties hereinbefore set out are conditions upon which the Optionor has relied in entering into this Agreement and shall survive the exercise of the Option and, if applicable, the Additional Option, and the Optionee hereby forever indemnifies and saves the Optionor harmless from all loss, damage, costs, actions and suits arising out of or in connection with any breach of any representation or warranty made by it and contained in this Agreement. The representations and warranties contained in paragraph 10.01 are provided for the exclusive benefit of the Optionor and a breach of any one or more of them may be waived by the Optionor in writing in whole or in part at any time without prejudice to its rights in respect of any other breach of the same or any other representation or warranty.

11. COVENANTS OF THE OPTIONOR

11.01 The Optionor hereby covenants with and to the Optionee that:

- (a) it will, within 10 days of the execution and delivery of this Agreement, provide the Optionee with all of the data and information in its possession or under its control relating to the mineral potential of the Property and to the Optionor's exploration activities on and in the vicinity of the Property including but not limited to all reports, maps and surveys; and
- (b) until such time as the Option and the Additional Option are exercised or otherwise terminates, it will not sell, transfer or assign, or attempt to sell, transfer or assign, its right, title and interest in and to the Property in any way that would or might affect the right of the Optionee to become absolutely vested in a up to 100% undivided interest in and to the Property, free and clear of any liens, charges and

encumbrances (it being acknowledged and agreed that the exercise by the Optionor of its rights under paragraph 18 shall not contravene its foregoing covenant).

12. COVENANTS OF THE OPTIONEE

12.01 The Optionee covenants and agrees with the Optionor that until the Option is exercised or otherwise terminates it shall:

- (a) carry out and record or cause to be carried out and recorded all such assessment work upon the Property and pay such rentals and property taxes as may be required in order to maintain the Property in good standing at all times during the term of this Agreement and for a period of at least one year following the date of the exercise of the Option or the termination of this Agreement;
- (b) keep the Property clear of liens and other charges arising from acts or omissions of the Optionee or its servants, agents or representatives;
- (c) carry on all operations on the Property in compliance with the Athabaska Option and all applicable governmental regulations and restrictions;
- (d) pay or cause to be paid any rates, taxes, duties, royalties, assessments or fees levied with respect to the Property or the Optionee's operations thereon;
- (e) indemnify and save harmless the Optionor from and against any and all claims, debts, demands, suits, actions and causes of action whatsoever which may be brought or made against the Optionor by any person, firm or corporation and all loss, cost, damages, expenses and liabilities which may be suffered or incurred by the Optionor arising out of or in connection with or in any way referable to, whether directly or indirectly, the entry on, presence on, or activities in, on or under the Property or the approaches thereto by the Optionee or its servants, agents or representatives, including, without limitation, bodily injuries or death at any time resulting therefrom or damage to property (it being acknowledged and agreed that the provisions of this subparagraph 12.01(e) shall survive the termination of this Agreement or the exercise of the Option);
- (f) allow the Optionor or any duly authorized agent or representative of the Optionor to inspect the Property upon giving the Optionee 48 hours written notice; PROVIDED HOWEVER that it is agreed and understood that the Optionor or any such agent or representative shall not interfere with the Optionee's activities on the Property and shall be at his own risk and that the Optionee shall not be liable for any loss, damage or injury incurred by the Optionor or its agent or representative arising from its inspection of the Property, however caused;
- (g) allow the Optionor access at all reasonable times and intervals to all maps, drill cores, logs, surveys, reports, assay results and all other data and information prepared or obtained by the Optionee in connection with its operations on the Property;

- (h) provide to the Optionor on or before December 1st in each year reports showing in reasonable detail all of the work performed in connection with the Property during the preceding year, with copies of all of the reports, maps, plans, photographs, electromagnetic surveys, drill logs and other information and data, including electronic data (which shall be in a format that is accessible to the Optionor utilizing then commercially available computer software and shall be provided to the highest level to which it may have actually been processed by or on behalf of the Optionee) and results from the performance of such work, and the Exploration Expenditures incurred;
- (i) will file with the British Columbia Securities Commission all required forms and pay all applicable fees in connection with the issuance of the Shares within the time periods prescribed under the Securities Laws;
- (j) will maintain its reporting issuer status under the securities laws of British Columbia for at least 18 months following each date of issuance of Shares hereunder;
- (k) will fulfil forthwith all requirements of the TSX or other recognized stock exchange in North America or trading facility in connection with the listing of the Shares on such exchange;
- (l) will maintain its listing on the TSX or other recognized stock exchange or trading facility in North America in good standing, and will ensure that the Shares are at all times qualified for sale thereon; and
- (m) subject to applicable Securities Laws, not do anything or omit to do anything if as a consequence the period during which the Optionor is restricted from reselling the Shares to the public would be extended beyond 4 months from the date on which such Shares are acquired by the Optionor.

13. TERMINATION

13.01 The Optionee may terminate this Agreement at any time upon giving written notice thereof to the Optionor provided that the Optionee has issued to the Optionor the Shares, the Optionee has paid to the Optionor \$75,000, and the Optionor has received the return of its Letter of Credit.

13.02 In addition to termination of this Agreement pursuant to paragraph 13.01, if the Optionee fails to make any payment or fails to do any thing on or before the last day provided for such payment or performance under this Agreement, the Optionor may terminate this Agreement but only if:

- (a) it shall have first given to the Optionee written notice of the failure containing particulars of the payment or the share issuance and delivery which the Optionee has not made or the act which the Optionee has not performed; and

- (b) subject always to the provisions of paragraph 17.01 hereof, the Optionee has not, within five Business Days following delivery of the Optionor's notice, if the default relates to a cash payment or the issuance and delivery of the Shares, or 30 days for all other defaults, given notice to the Optionor that it has cured such default, such notice to set out particulars of the remedial steps taken by the Optionee which shall be deemed to have been accepted to the satisfaction of the Optionor unless the Optionor notifies the Optionee in writing to the contrary within 10 Business Days of the receipt by the Optionor of the Optionee's notice.

Should the Optionee fail to deliver the notice provided for in subparagraph 13.02(b) within the time provided above, this Agreement shall be deemed to have terminated on the day following the last day provided for the payment or performance the failure of which by the Optionee caused the Optionor to issue the notice referred to in subparagraph 13.02(a) hereof.

13.03 This Agreement shall terminate in the event the Option shall not have been duly exercised on or before March 1, 2007.

13.04 Upon termination of this Agreement:

- (a) the Optionee shall deliver to the Optionor, within 60 days of the effective date of termination, copies of all maps, reports, assay results and other data and documentation relating to its operations on the Property;
- (b) the Optionee forfeits any and all interest in the Property hereunder and shall cease to be liable to the Optionor in debt, damages or otherwise save for the performance of those of its obligations which were not fulfilled on the effective date of termination, any damages suffered by the Optionor as a result of a breach of the representations and warranties of the Optionee hereunder, and the obligation of the Optionee to indemnify the Optionor pursuant to the provisions of paragraph 12.01(e) hereof; and
- (c) the Optionee shall vacate the Property within a reasonable time after such termination, but shall have the right of access to the Property for a period of six months thereafter for the purpose of removing its chattels, machinery, equipment and fixtures therefrom, and any chattels, machinery, equipment and fixtures not removed within six months shall become the property of the Optionor.

14. INDEPENDENT ACTIVITIES

14.01 Except as expressly provided herein, each party shall have the free and unrestricted right to independently engage in and receive the full benefit of any and all business endeavours of any sort whatsoever, whether or not competitive with the endeavours contemplated herein without consulting the other or inviting or allowing the other to participate therein. No party shall be under any fiduciary or other duty to the other which will prevent it from engaging in or enjoying the benefits of competing endeavours within the general scope of the endeavours contemplated herein. The legal doctrines of "corporate opportunity" sometimes applied to persons engaged in a joint venture or having fiduciary status shall not apply in the case

of any party. In particular, without limiting the foregoing, no party shall have an obligation to any other party as to:

- (a) any opportunity to acquire, explore and develop any mining property, interest or right presently owned by it or offered to it outside the Property at any time; and
- (b) the erection of any mining plant, mill, smelter or refinery, whether or not such mining plant, mill, smelter or refinery treats ores or concentrates from the Property.

15. **CONFIDENTIALITY OF INFORMATION**

15.01 Except as otherwise provided in this paragraph, all parties shall treat all data, reports, records and other information relating to this Agreement and the Property as confidential, other than information that, at the time of disclosure is or thereafter becomes, through no fault of the recipient, part of the public domain. The text of any news release or any other public statements, other than those required by law or regulatory bodies or stock exchanges, which a party desires to make shall be sent to the other parties for their comments prior to publication and shall not include references to any other party unless such party has given its prior consent in writing. The text of any disclosure which a party is required to make by law, by regulatory bodies or stock exchanges shall be sent to each other party as much in advance of filing as is practical in the circumstances in order that each other party may have the opportunity to comment thereon. For all public disclosure, whether required to be made or not, any reasonable changes requested by the non-disclosing party shall be incorporated into the disclosure document.

16. **ARBITRATION**

16.01 If there is any disagreement, dispute or controversy (hereinafter collectively called a "dispute") between the parties with respect to any matter arising under this Agreement or the construction hereof, then the dispute shall be determined by arbitration in accordance with the following procedures:

- (a) the parties to the dispute shall appoint a single mutually acceptable arbitrator. If the parties cannot agree upon a single arbitrator, then the party on one side of the dispute shall name an arbitrator, and give notice thereof to the party on the other side of the dispute;
- (b) the party on the other side of the dispute shall within 14 days of the receipt of notice, name an arbitrator; and
- (c) the two arbitrators so named shall, within seven days of the naming of the later of them, name a third arbitrator.

If the party on either side of the dispute fails to name its arbitrator within the allotted time, then the arbitrator named may make a determination of the dispute. Except as expressly provided in this paragraph, the arbitration shall be conducted in Vancouver, British Columbia, and in accordance with the *Commercial Arbitration Act* (British Columbia). The decision shall be made within 30 days following the naming of the latest of them, shall be based exclusively on the advancement of exploration, development and production work on the

Property and not on the financial circumstances of the parties, and shall be conclusive and binding upon the parties. The costs of arbitration shall be determined by the arbitrator(s).

17. DELAYS

17.01 If any party should be delayed in or prevented from performing any of the terms, covenants or conditions of this Agreement by reason of a cause beyond the control of such party, whether or not foreseeable, excluding lack of funds but including fires, floods, earthquakes, subsidence, ground collapse or landslides, interruptions or delays in transportation or power supplies, strikes, lockouts or other labour disruptions, wars, acts of God, government regulation (including currency control) or interference or the inability to secure on reasonable terms any private or public permits or authorizations, unusually harsh or adverse weather conditions, native land claims and legal proceedings, then any such failure on the part of such party to so perform shall not be deemed to be a breach of this Agreement and the time within which such party is obliged to comply with any such term, covenant or condition of this Agreement shall be extended by the total period of all such delays. In order that the provisions of this article may become operative, such party shall give notice in writing to the other party, forthwith and for each new cause of delay or prevention and shall set out in such notice particulars of the cause thereof, and the day upon which the same arose, and shall take all reasonable steps to remove the cause of such delay or prevention, and shall give like notice forthwith following the date that such cause ceased to subsist.

18. ASSIGNMENT

18.01 The Optionor, at any time, and the Optionee, at any time after the exercise of the Option, may dispose of all or any part of its interest in and to the Property and this Agreement to any third party (the "Assignee") provided that, as a condition precedent to any such assignment if the Optionee is exercising its rights under this paragraph 18.01 and does not then own a 100% interest in the Property, the Optionor shall have approved the disposition and, in all circumstances, the Assignee shall have delivered to the non-assigning party its covenant with and to the non-assigning party that:

- (a) to the extent of the disposition, the Assignee agrees to be bound by the terms and conditions of this Agreement or the joint venture agreement, if applicable, as if it had been an original party hereto; and
- (b) it will subject any further disposition of the interest acquired to the restrictions contained in this paragraph.

18.02 If the Optionor (hereinafter in this paragraph referred to as the "Owner"):

- (a) receives a bona fide offer from an independent third party (the "Proposed Purchaser") dealing at arm's length with the Owner to purchase all or any part all of the Owner's interest in this Agreement, which offer the Owner desires to accept; or
- (b) if the Owner intends to sell all or any part of its interest in this Agreement,

the Owner shall first offer (the "Offer") such interest in writing to the Optionee upon terms no less favourable than those offered by the Proposed Purchaser or intended to be offered by the Owner, as the case may be. The Offer, which offer must be a cash only offer, shall specify the price and terms and conditions of such sale, the name of the Proposed Purchaser (which term shall, in the case of an intended offer by the Owner, mean the person or persons to whom the Owner intends to offer its interest), and the offer received by the Owner from the Proposed Purchaser must be for cash only payable to the Owner. If within a period of 30 days of the receipt of the Offer, the Optionee notifies the Owner in writing that it will accept the same, the Owner shall be bound to sell such interest to the Optionee on the terms and conditions of the Offer. The Optionee shall in such case pay to the Owner, against receipt of an absolute transfer of clear and unencumbered title to the interest of the Owner being sold, the total purchase price which it specified in its notice to the Owner. If the Optionee fails to notify the Owner before the expiration of the time limited therefor that it will purchase the interest offered, the Owner may sell and transfer such interest to the Proposed Purchaser at the price and on the terms and conditions specified in the Offer for a period of 30 days, provided that the terms of this paragraph shall again apply to such interest if the sale to the Proposed Purchaser is not completed within the said 30 days. Any sale hereunder shall be conditional upon the Proposed Purchaser delivering a written undertaking to the Optionee, in form and content satisfactory to its counsel, to be bound by the terms and conditions of this Agreement.

19. AREA OF COMMON INTEREST

19.01 In this Agreement, "Area of Common Interest" means that area within a one kilometre radius of the perimeter of the Property.

19.02 If at any time during the subsistence of this Agreement the Optionee (the "Acquiring Party") stakes or otherwise acquires, directly or indirectly, any right to or interest in, or any right to receive proceeds of production from, any mining claim, licence, lease, grant, concession, permit, patent, or other form of mineral tenure located wholly or partly within the Area of Common Interest, the Acquiring Party shall forthwith give notice to the Optionor of that staking or acquisition, the total cost thereof and all details in the Acquiring Party's possession with respect to the details of the acquisition, the nature of the property acquired and the known mineralization. The Optionor may, within 30 days of receipt of the Acquiring Party's notice, elect, by notice to the Acquiring Party, to require that the mineral properties and the right or interest acquired be included in and thereafter form part of the Property for all purposes of this Agreement other than for the purposes of defining the Area of Common Interest. If the Optionor does not make the election aforesaid within that period of 30 days, the right or interest acquired shall not form part of the Property and the Acquiring Party shall be solely entitled thereto.

19.03 The Acquiring Party shall pay 100% of the costs of the acquisition referred to in paragraph 19.02, but if the Optionor does make the election set out therein within the said period of 30 days, 100% of the acquisition cost shall be deemed to be included in Exploration Expenditures.

19.04 If at any time prior to the exercise of the Option the Optionor is considering the staking or other form of acquisition, directly or indirectly, of any right to or interest in, or any right to receive proceeds of production from, any mining claim, licence, lease, grant, concession,

permit, patent, or other form of mineral tenure located wholly or partly within the Area of Common Interest, it shall consult with the Optionee and provide the Optionee by notice with all the material facts concerning the proposed acquisition, the reasons for the proposed acquisition, and the anticipated purchase price. The Optionee may, within 30 days of the Optionor's notice, elect, by notice to the Optionor, to acquire the interest upon the terms, conditions and for the purchase price set out in the notice. If the Optionee does not make the election within the said period of 30 days, the Optionor shall be free to acquire the said interest upon terms materially no more favourable to the Optionor than those set out in the Optionor's notice to the Optionee and upon acquisition the Optionor shall be solely entitled to the said interest. If the Optionee does make the said election and the interest is subsequently acquired, it shall be included in and thereafter form part of the Property for all purposes of this Agreement other than for the purposes of defining the Area of Common Interest. The Optionee, if it makes the election to acquire the said interest, shall pay 100% of the costs of the acquisition, and 100% of the cash portion of the acquisition cost shall be deemed to be included in Exploration Expenditures.

19.05 The Optionor and the Optionee hereby confirm each to the other that as at the date of this Agreement neither has any rights or interest within the Area of Common Interest which could result in the application of the provisions of Article 19 hereof.

20. NOTICES

20.01 Any notice, election, consent or other writing required or permitted to be given hereunder shall be deemed to be sufficiently given if delivered or if mailed by registered air mail or by fax, addressed as follows:

In the case of the Optionor:

Tamerlane Ventures Inc.
2466 Bellevue Avenue
West Vancouver, B.C., V7V 1E2

Attention: Cowan McKinney

Fax No.: 604-922-3062

With a copy to:

DuMoulin Black
Barristers & Solicitors
10th Floor - 595 Howe Street
Vancouver, B.C., V6C 2T5

Attention: George R. Brazier

Fax No.: 604-687-8772

In the case of the Optionee:
 Century Mining Corporation
 P.O. Box 2369
 6025 Portal Way
 Ferndale, Washington, 98248
Attention: Margaret Kent
 Fax No.: 360-312-8549

With a copy to:
 Lang Michener
 Barristers & Solicitors
 BCE Place, P.O. Box 747
 Suite 2500, 181 Bay Street
 Toronto, Ontario, M5J 2T7
Attention: William Sheridan
 Fax No.: 416-304-3766

and any such notice given as aforesaid shall be deemed to have been given to the parties hereto if delivered, when delivered, or if mailed, on the third Business Day following the date of mailing, or, if faxed, on the next succeeding Business Day following the faxing thereof PROVIDED HOWEVER that during the period of any postal interruption in either the country of mailing or the country of delivery, any notice given hereunder by mail shall be deemed to have been given only as of the date of actual delivery of the same. Any party may from time to time by notice in writing change its address for the purpose of this paragraph.

21. GENERAL TERMS AND CONDITIONS

21.01 The parties hereto hereby covenant and agree that they will execute such further agreements, conveyances and assurances as may be requisite, or which counsel for the parties may deem necessary to effectually carry out the intent of this Agreement.

21.02 This Agreement represents the entire understanding between the parties with respect to the subject matter hereof and replaces and supersedes all previous agreements between them with respect to the subject matter hereof. No representations or inducements have been made save as herein set forth. No changes, alterations, or modifications of this Agreement shall be binding upon either party until and unless a memorandum in writing to such effect shall have been signed by both parties hereto.

21.03 This Agreement may be recorded in the records of the Mining Recorder and/or Land Title Office in which the Property is located by either of the parties hereto, provided however, if the Optionee does not exercise the Option and this Agreement is terminated, the Optionee shall execute and deliver to the Optionor a recordable discharge or release of this Agreement.

21.04 The titles to the articles to this Agreement shall not be deemed to form part of this Agreement but shall be regarded as having been used for convenience of reference only.

21.05 The schedules to this Agreement shall be construed with and as an integral part of this Agreement to the same extent as if they were set forth verbatim herein.

21.06 All references to dollar amounts contained in this Agreement are references to Canadian funds. All payments of cash shall be made by certified cheque or money order made payable to the Optionor.

21.07 This Agreement shall be governed by and interpreted in accordance with the laws in effect in British Columbia, and is subject to the exclusive jurisdiction of the Courts of British Columbia.

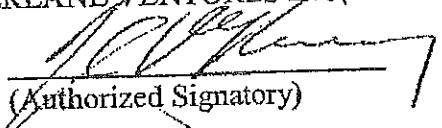
21.08 This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

21.09 This Agreement may be executed in any number of counterparts and any party hereto may execute any counterpart, each of which when executed and delivered will be deemed to be an original and all of which counterparts of this Agreement taken together will be deemed to be one and the same instrument. The execution of this Agreement by any party hereto will not become effective until all counterparts hereof have been executed by all the parties hereto.

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto as of the day and year first above written.

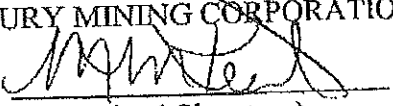
TAMERLANE VENTURES INC.

Per:


(Authorized Signatory)

CENTURY MINING CORPORATION

Per:


(Authorized Signatory)

MOD A 100 CCC

2 March 2006

AMENDING AGREEMENT

THIS AMENDING AGREEMENT is made as of the 2nd day of March, 2006, between Tamerlane Ventures Inc. ("Tamerlane" or the "Optionor"), a corporation existing under the laws of British Columbia and Century Mining Corporation ("Century" or the "Optionee"), a corporation existing under the laws of Canada;

WHEREAS:

- A. Tamerlane and Century entered into a property option agreement (the "Option Agreement") dated for reference as of February 13, 2004 in respect of the grant by Tamerlane to Century of an option (the "Option") to acquire a 70% undivided, recorded and beneficial interest in and to certain located mineral claims situated in the New Westminster Mining District, and the surface rights to certain Crown Granted mineral claims situated in the Kamloops Land District, Province of British Columbia (collectively, the "Property").
- B. Concurrent with the entering into of this agreement, Tamerlane and Athabaska Gold Resources Ltd. ("Athabaska") intend to enter into a purchase agreement under which Tamerlane agrees to purchase from Athabaska and Athabaska agrees to sell, assign and transfer to Tamerlane its 100% undivided right, title and interest in and to the Property.
- C. The parties hereto wish to amend the Option Agreement in accordance with the terms and conditions hereof.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the mutual covenants, agreements and payments hereinafter set forth and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by the parties) the parties hereto agree as follows:

1. Tamerlane and Century hereby agree to revise and amend the consideration (the "Existing Consideration") payable by Century to Tamerlane for the Option as set-out in paragraph 1.01 of the Option Agreement by:

- (a) deleting and replacing paragraph 1.01 thereof with the following:

"1.01 The Optionor, in consideration of the sum of \$10.00, the receipt and sufficiency of which is hereby acknowledged, hereby grants to the Optionee the exclusive right and option (the "Option") to acquire a 70% undivided, recorded and beneficial interest in and to the Property, and all of the Optionor's rights, licences and permits appurtenant thereto or held for the specific use and enjoyment thereof upon payment by or on behalf of the Optionee to the Optionor, or as it may otherwise direct, of Cdn\$40,000.00 by certified cheque, bank draft or wire transfer, or such other form of payment as agreed to between the parties."; and

- (b) deeming all such other references to the Existing Consideration in the Option Agreement of no further force or effect.

2. The provisions set out in section 1 hereof shall supersede and replace all conflicting provisions and subject matter otherwise contained in the Option Agreement, and in the event of any contradiction or conflict between the Option Agreement and this Amending Agreement, this Amending Agreement shall

entirely prevail and govern the contractual relations and all other obligations and rights between the parties hereto.

3. Except as provided in sections 1 and 2, this Amending Agreement shall not amend or modify any other provisions of the Option Agreement, including the formation of a joint venture as set out in paragraphs 5.02 and 5.03 of the Option Agreement and the grant by the Optionor to the Optionee of the "Additional Option" as set out in paragraph 6.01 of the Option Agreement.

4. This Amending Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia.

5. This Amending Agreement may be signed in counterparts and all such counterparts, taken together, will be deemed to constitute one and the same instrument. This Agreement may be signed and accepted by facsimile.

IN WITNESS WHEREOF this Amending Agreement has been executed by the parties effective the date first above written.

TAMERLANE VENTURES INC.

By: 

Ross F. Burns
President and CEO

I have authority to bind the corporation

CENTURY MINING CORPORATION

By: 

Margaret M. Kent
President and CEO

I have authority to bind the corporation