OPTION AGREEMENT

THIS AGREEMENT is made as of this 1st day of March, 2013 (the "**Agreement**")

BETWEEN:

BOLD VENTURES INC.
a company continued under the laws of the Province of Ontario

(hereinafter referred to as "**Bold**")

OF THE FIRST PART

- and -

KWG RESOURCES INC.
a company incorporated under the laws of Quebec

(hereinafter referred to as "**KWG**")

OF THE SECOND PART

(each of Bold and KWG individually referred to as "**Party**" or collectively as the "**Parties**")

WHEREAS:

A. Bold is a party to an option agreement with Fancamp Exploration Ltd. ("**Fancamp**") dated as of May 2, 2012, as amended as of July 25, 2012, January 4, 2013 and February 22, 2013 attached as Schedule "A" hereto (the "**Fancamp Option Agreement**") pursuant to which Bold has the right to acquire from Fancamp up to a 100% working interest in the Property (as defined below), subject to a 2% net smelter returns royalty held by Richard Nemis (the "**Nemis Royalty**"), (the "**Fancamp Option**") as follows:

(1) the first stage of the Fancamp Option ("**Stage One of the Fancamp Option**") entitles Bold to acquire from Fancamp a 50% working interest in the Property (as defined below);

(2) the second stage of the Fancamp Option ("**Stage Two of the Fancamp Option**") entitles Bold to acquire from Fancamp a further 10% working interest in the Property;

(3) the third stage of the Fancamp Option ("**Stage Three of the Fancamp Option**") entitles Bold to acquire from Fancamp a further 20% working interest in the Property; and

(4) the fourth stage of the Fancamp Option ("**Stage Four of the Fancamp Option**") entitles Bold to acquire from Fancamp a further 20% working interest in the Property;

B. KWG wishes to acquire an 80% interest in respect of chromite and a 20% interest in respect of other minerals in Bold's interest in the Fancamp Option from Bold on the terms and conditions herein contained and in furtherance of this intent, KWG entered into a binding letter agreement with Bold dated January 31, 2013 and signed by Bold on February 4, 2013 (the "**Letter Agreement**");

C. Bold has obtained Aboriginal Consent as required (and defined) under the Fancamp Option Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT, in consideration of the premises and the mutual covenants herein contained, the Parties agree as follows:

1. THE CLAIMS

1.1 The Fancamp Option covers those mining claims more particularly described in Schedule "B" attached hereto (hereinafter collectively called the "**Property**").

2. GRANT OF OPTION TO EARN INTEREST AND CLOSING

2.1 Bold hereby grants to KWG, subject to the provisions of this Agreement, the exclusive and irrevocable right and option (the "**Option**") to acquire an 80% interest in respect of chromite (the "**Chromite Interest**") and a 20% interest in respect of other minerals (the "**Other Minerals Interest**") in the Fancamp Option, free and clear of all Encumbrances and all royalties, profit interests or other payments in the nature of a rent or royalty or other interests of whatsoever nature or kind, excepting potential Aboriginal Rights Claims (as defined in the Fancamp Agreement), the Nemis Royalty, the Gross Metal Royalty (as defined below) and except as set out in Schedule "E" hereto.

2.2 Closing of this transaction (the "**Closing**") shall occur on the signing of this Option Agreement.

3. EXERCISE OF OPTION

3.1 Stage One: KWG may earn the Chromite Interest and the Other Minerals Interest in Bold's 50% working interest in the Property acquired pursuant to Stage One of the Fancamp Option ("**Bold's Stage One Interest**") by funding the following option payments and exploration expenditures in respect of the Property:

(a) at the Closing, release from escrow to Bold $300,000 as reimbursement for the first option payment;

(b) at the Closing, release to Bold from escrow the sum of $3,000,000 to be used to fund the proposed exploration program on the Property to be undertaken in the winter of 2013 with Bold as Operator and allocated as to $1,000,000 to explore and drill the nickel copper target and $2,000,000 to explore and drill the chromite deposit;

(c) pay to Fancamp 100% of the remaining $1,200,000 in option payments payable to Fancamp at least 60 days prior to the date the payments are due under the Fancamp Option; and

(d) expend 100% of the balance of the exploration expenses of five million dollars ($5,000,000) over a three-year period.

KWG's funding commitments pursuant to Section 3.1(a) and (b) in the aggregate amount of $3,300,000 are firm commitments of KWG. KWG's funding commitments pursuant to Section 3.1(c) and (d) in the aggregate amount of $6,200,000 are optional commitments, provided, however that KWG must give written notice ("**Binding Notice 1**") to Bold prior to September 30, 2013 or thirty (30) days after the last analysis has been received from the results from the Section 3.1(b) program, provided that KWG has used commercially reasonable efforts to obtain such results in a timely manner, whichever is later, that KWG intends to fund the commitments in respect of the option obligations under section 3.3(a)(ii) of the Fancamp Option Agreement, being the payment of $500,000 by February 7, 2014 and the expenditure of an aggregate $5,000,000 by March 31, 2014 (the "**Second Option Program**"), failing which this Option shall be terminated. Upon KWG's giving the Binding Notice 1, the Second Option Program commitments shall thereafter be binding commitments of KWG, save that KWG's election to fund successive annual 3.1(d) programs continue to be optional, provided, however that KWG must give written notice ("**Binding Notice 2**") to Bold prior to September 30, 2014 or thirty (30) days after the last analysis has been

received from the results from the Second Option Program, provided that KWG has used commercially reasonable efforts to obtain such results in a timely manner, whichever is later, that KWG intends to fund the commitments in respect of the option obligations under section 3.3(a)(iii) of the Fancamp Option Agreement, being the payment of $700,000 by February 7, 2015 and the expenditure of an aggregate of $8,000,000 by March 31, 2015, failing which this Option shall be terminated. Upon KWG's giving the Binding Notice 2, the Section 3.1(c) and (d) commitments shall thereafter be binding commitments of KWG.

Upon completion of the funding of the payments set out in Section 3.1(a) to (d), KWG shall have automatically acquired the Chromite Interest and the Other Minerals Interest in Bold's Stage One Interest.

The Parties hereby appoint Bold as Operator (as defined below) for Stage One of the Fancamp Option, provided that Bold shall be required as Operator to carry out the programs and budgets attached as Schedule "C" hereto. However, Bold covenants to use its commercially reasonable efforts to obtain the consent of the Marten Falls First Nation ("**MFFN**") to KWG's becoming Operator in respect of the Chromite Interest as soon as reasonably practicable. Upon receipt of such consent from the MFFN, KWG shall be entitled to elect to become the Operator, and if KWG so elects KWG shall pay to Bold 10% of all remaining exploration expenditures in respect of the Chromite Interest during Stage One of the Fancamp Option as such expenditures are incurred.

3.2 Stage Two: After KWG has fulfilled its funding commitments in respect of earning the Chromite Interest and the Other Minerals Interest in Bold's Stage One Interest, KWG may by giving written notice to Bold require Bold to exercise Bold's option to acquire an additional 10% working interest in the Property pursuant to Stage Two of the Fancamp Option ("**Bold's Stage Two Interest**"). KWG may then acquire the Chromite Interest and the Other Minerals Interest in Bold's Stage Two Interest by funding the following option payments and additional expenditure obligations, as follows:

(a) $700,000 in respect of the option payment in respect of Stage Two of the Fancamp Option;

(b) 100% of all the costs of any feasibility study in respect of the Chromite Interest; and

(c) 20% of all the costs of a feasibility study in respect of the Other Minerals Interest.

Upon completion of the funding of the payments set out in Section 3.2(a) to (c), KWG shall have automatically acquired the Chromite Interest and the Other Minerals Interest in Bold's Stage Two Interest.

3.3 Stage Three: After KWG has fulfilled its funding commitments in respect of earning the Chromite Interest and the Other Minerals Interest in Bold's Stage Two Interest, KWG may by giving written notice to Bold require Bold to exercise Bold's option to acquire an additional 20% working interest in the Property pursuant to Stage Three of the Fancamp Option ("**Bold's Stage Three Interest**"). KWG may then acquire the Chromite Interest and the Other Minerals Interest in Bold's Stage Three Interest by paying a portion of the $15,000,000 exercise amount required to be expended pursuant to the Fancamp Option as follows:

(a) if a Chromite Interest feasibility study is the first feasibility study to be produced in respect of the Property, 100% of such $15,000,000 amount and the expenses associated with Fancamp having a 20% carried interest in the Property; or

(b) if an Other Minerals Interest feasibility study is the first feasibility study to be produced in respect of the Property, 20% of such amount and 20% of the expenses associated with Fancamp having a 20% carried interest in the Property.

In either case, and except for the expenses associated with Fancamp having a 20% carried interest, which expenses shall be payable as they become due, such amount would be payable in equal instalments over three years, half of which may be satisfied by the issuance of shares of KWG valued at the then current share price, at the option of KWG. Each certificate representing such shares:

(c) shall bear the following legend:

"Unless permitted under securities legislation, the holder of this security must not trade the security before **[insert the date that is 4 months and a day after the distribution date]**."; and

(d) may bear the following legend, if applicable:

"Without prior written approval of TSX Venture Exchange and compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until **[insert the date that is 4 months and a day after the distribution date]**."

Upon completion of the funding of its funding obligations and, if applicable, share issuance obligations, set out in Section 3.1(a) to (d), KWG shall have automatically acquired the Chromite Interest and the Other Minerals Interest in Bold's Stage Three Interest.

3.4 Stage Four: After KWG has fulfilled its funding commitments in respect of earning the Chromite Interest and the Other Minerals Interest in Bold's Stage Three Interest, KWG may by giving written notice to Bold require Bold to exercise Bold's option acquire the final 20% working interest in the Property pursuant to Stage Four of the Fancamp Option ("**Bold's Stage Four Interest**"). KWG may then acquire the Chromite Interest and the Other Minerals Interest in Bold's Stage Four Interest by assuming the obligation to pay a portion of the gross metal royalty contemplated by the Fancamp Option (the "**Gross Metal Royalty**"), as follows:

(a) if a Chromite Interest feasibility study is the first feasibility study to be produced in respect of the Property, 80% of the Gross Metal Royalty; or

(b) if an Other Minerals Interest feasibility study is the first feasibility study to be produced in respect of the Property, 20% of the Gross Metal Royalty.

Upon assuming the obligation to pay a portion of the Gross Metal Royalty as set out in Section 3.4(a) or (b), KWG shall have automatically acquired the Chromite Interest and the Other Minerals Interest in Bold's Stage Four Interest.

3.5 The Parties agree that, except for the obligations of KWG contemplated in Section 3.1(a) and (b), and, if KWG gives the Binding Notice, Section 3.1(c) and (d), this Agreement constitutes only an option to acquire an interest in Bold's interest in the Property pursuant to the Fancamp Option and, notwithstanding anything to the contrary herein, KWG shall not be obligated to fund exploration expenditures, costs of any feasibility study or other expenses unless KWG wishes to maintain its Option in good standing. Bold, however, at its sole option, may extend the time limits called for in Article 3.

3.6 The Parties agree that if KWG gives advance written notice to Bold pursuant to Sections 3.2, 3.3 or 3.4 requiring Bold to exercise Bold's option to acquire the Bold Stage Two Interest, the Bold Stage Three Interest or the Bold Stage Four Interest, as applicable, Bold shall timely exercise its option to acquire such interest.

4. REPRESENTATIONS AND WARRANTIES BY BOLD

4.1 Bold represents and warrants to KWG that:

(a) Bold has exercised its option to acquire the Bold Stage One Interest.

(b) Bold has the right to conduct mineral exploration activities on the Property, subject to the provisions of the *Mining Act* (Ontario), aboriginal and treaty rights of applicable First

Nations groups and ongoing consultation with Aboriginal communities, and the right to earn a 100% undivided working interest in the Property pursuant to the Fancamp Option Agreement;

(c) The Fancamp Option Agreement is valid, binding and in full force and effect and Bold is not, and except in relation to the Cliff's Easement (as referred to in Schedules "B" and "E"), to Bold's knowledge Fancamp is not, in breach or violation of, or default under, the terms of the Fancamp Option Agreement, and no event has occurred which constitutes or, with the lapse of time or the giving of notice, or both, would constitute, such a breach, violation or default by Bold or, to Bold's knowledge, Fancamp;

(d) The "Effective Date" and the "Closing Date", both as defined in the Fancamp Option Agreement, have occurred;

(e) the Property is accurately described in Schedule "A" attached hereto;

(f) the claims set out in Schedule "A" attached hereto are in good standing until April 22, 2015;

(g) it is a body corporate existing and in good standing in its jurisdiction of incorporation and that it is qualified to do business and is in good standing in those jurisdictions where necessary in order to carry out the purposes of this Agreement;

(h) other than Dundee, no person, firm or corporation other than KWG has any written or oral agreement, option, right of first refusal, understanding or commitment, or any right or privilege capable of becoming an agreement, option, right of first refusal, understanding or commitment, for the purchase of all or any part of Bold's interest in the Fancamp Option Agreement;

(i) the execution and delivery of this Agreement by Bold and the performance of this Agreement and consummation of the transactions contemplated herein by Bold do not and will not result in or constitute a default, breach or violation (or an event that, with notice or lapse of time or both, would constitute a default, breach or violation) of any of the terms, conditions or provisions of the constating documents or by-laws of Bold or of any agreement to which Bold is a party or by which it or its property is bound;

(j) it has the capacity to enter into and perform its obligations under this Agreement and all transactions contemplated herein and that all corporate and other actions required to authorize it to enter into and perform its obligations under this Agreement have been properly taken;

(k) to the best of Bold's knowledge and belief after due inquiry, the mining claims comprising the Property have been properly staked or otherwise properly constituted, as applicable, and are valid, in good standing and free and clear of all defects, liens, encumbrances, leases, agreements, royalties and adverse claims of any nature and quality whatsoever, save and except for the Cliffs Easement as referred to in Schedules "B" and "E";

(l) all information and data pertaining to prior exploration and development work on the Property in the possession of Bold has been provided to KWG;

(m) it has not directly or indirectly caused, permitted or allowed any contaminants as defined in the *Environmental Protection Act* (Ontario), pollutants, wastes or toxic substances (collectively "**Hazardous Substances**") to be released, discharged, placed, escaped, leached or disposed of on, into, under or through the lands (including watercourses, improvements thereon and contents thereof) comprising the Property or nearby areas and, so far as Bold is aware, no Hazardous Substances or underground storage tanks

are contained, harbored or otherwise present in or upon such lands (including watercourses, improvements thereon and contents thereof) or nearby areas;

(n) to its knowledge, at this time there are no obligations or commitments for reclamation, closure or other environmental corrective, clean up or remediation action directly or indirectly relating to the Property except as reflected in the Summons (the "**Summons**") and the letter from the Ministry of Natural Resources (the "**MNR Letter**") referred to in Schedule "E";

(o) to its knowledge, there are no actions, suits, investigations or proceedings before any court, arbitrator, administrative agency or other tribunal or governmental authority, whether current, pending or threatened, which directly or indirectly relate to or affect the Property (including the ownership and existing or past uses thereof and the compliance with Laws applicable to the Property) nor is it aware of any facts which would lead it to believe that the same might be initiated or threatened;

(p) the activities conducted by it directly in relation to the Property and use of the lands comprising the Property by it have been in compliance with all Laws and it has not received any notice nor is it aware of any such breach or violation having been alleged; and

(q) no environmental audit, assessment, study or test has been conducted in relation to the lands comprising the Property by or on behalf of it nor is it aware of any of the same having been conducted by or on behalf of any other person (including any governmental authority).

4.2 Bold shall indemnify KWG from all liability, however arising, in respect of all debts, liabilities, costs and obligations of every kind and nature, including damage to property and personal injury, arising out of or related to the conduct by Bold of activities on the Property, which were incurred or arose during the term of this Agreement. For further clarity, the Parties intend that, pursuant to the preceding sentence, Bold shall be liable for its liabilities, known or unknown, contingent or otherwise, which were incurred or arose during the term of this Agreement, relating to or arising out of:

(a) the conduct of activities by it or on its behalf in, on or under the Property; and

(b) the environmental protection, clean-up, remediation, and reclamation of the Property resulting from or relating to its activities including, but not limited to, the obligations and liabilities arising out of or related to:

(i) the disturbance or contamination of land, water (above or below surface) or the environment by exploration, mining, processing or waste disposal activities;

(ii) any failure to comply with all past, current or future governmental or regulatory authorizations, licenses, permits, and orders and all non-governmental prohibitions, covenants, contracts and indemnities; and

(iii) any act or omission causing or resulting in the spill, discharge, leak, emission, ejection, escape, dumping or release of hazardous or toxic substances, materials, or wastes as defined in any federal, provincial, or local Law or regulation in connection with or emanating from the Property.

4.3 Notwithstanding anything in this Agreement, Bold makes no representations and warranties as to and assumes no liability for the completeness or accuracy, validity or correctness of any geological data or interpretations or reports provided to KWG by Bold or its agents concerning the Property, as to the validity of the Property or the ability of KWG or any other person to derive commercial value of any type whatsoever from the Property.

4.4 The representations and warranties contained in Section 4.1 are provided for the exclusive benefit of KWG and shall survive the execution of this Agreement for a period of six months or until termination of the Option, whichever shall last occur, and KWG shall be entitled to rely upon the same, unless specifically waived by KWG. The breach of any representation, warranty or covenant contained in this Agreement may be waived by KWG, either in whole or in part, at any time without prejudice to KWG's rights in respect of any other or continuing breach of the same or any other representation, warranty or covenant. No waiver by KWG of any breach of any representation, warranty or covenant shall be binding unless in writing. Any waiver shall be limited to the specific purpose for which it is given.

4.5 For the purposes of this Agreement, "**Laws**" means all federal, provincial, territorial, municipal or local statutes, regulations and by laws applicable to the Parties hereto or to the Property or to any activities thereon, including all orders, notices, rules, decisions, codes, guidelines, policies, directions, permits, approvals, licenses and similar authorizations issued, rendered or imposed by any level of government including any ministry, department or administrative or regulatory agency or authority.

4.6 KWG acknowledges that Fancamp has agreed to indemnify Bold in respect of any claims relating to environmental liabilities pursuant to Section 2.6(b) of the Fancamp Option Agreement and any claims relating to the Summons and the MNR Letter pursuant to Section 2.6(e) of the Fancamp Option Agreement (the "**Fancamp Indemnity**") and Bold agrees to indemnify and save KWG harmless from any such environmental claims and claims relating to the Summons and the MNR Letter and to enforce its rights against Fancamp, as required, in respect of the Fancamp Indemnity.

5. CARVE-OUT PROPERTIES

5.1 The parties may carve out areas of the Property for separate exploration and development pursuant to the provisions of Section 5.3(c) of the Fancamp Option Agreement.

6. REPRESENTATIONS AND WARRANTIES BY KWG

6.1 KWG represents and warrants to Bold that:

(a) it is a body corporate existing and in good standing in its jurisdiction of incorporation and that it is qualified to do business and is in good standing in those jurisdictions where necessary in order to carry out the purposes of this Agreement;

(b) it has the capacity to enter into and perform its obligations under this Agreement and all transactions contemplated herein and that all corporate and other actions required to authorize it to enter into and perform its obligations under this Agreement have been properly taken;

(c) this Agreement has been duly executed and delivered by KWG and is valid, binding and enforceable against KWG in accordance with its terms;

(d) KWG has not committed an act of bankruptcy, is not insolvent, has not proposed a compromising arrangement to its creditors generally, has not had any petition for a receiving order in bankruptcy filed against it, has not made a voluntary assignment in bankruptcy, has not taken any proceedings with respect to a compromise or arrangement, has not taken any proceeding to have itself declared bankrupt or wound-up, has not taken any proceeding to have a receiver appointed of any part of its assets, has not had any encumbrancer take possession of any of its property and has not had any execution or distress become enforceable or become levied upon any of its property; and

(e) there is no person acting or purporting to act at KWG's request who is entitled to any brokerage or finder's fee in connection with the transactions contemplated herein.

6.2 KWG shall indemnify Bold from all liability, however arising, in respect of all debts, liabilities, costs and obligations of every kind and nature, including damage to property and personal injury, arising out of or related to the conduct by KWG of activities on the Property, which were incurred or arose during the term of this Agreement. For further clarity, the Parties intend that, pursuant to the preceding sentence, KWG shall be liable for its liabilities, known or unknown, contingent or otherwise, which were incurred or arose during the term of this Agreement, relating to or arising out of:

(a) the conduct of activities by it or on its behalf in, on or under the Property; and

(b) the environmental protection, clean-up, remediation, and reclamation of the Property resulting from or relating to its activities including, but not limited to, the obligations and liabilities arising out of or related to:

(i) the disturbance or contamination of land, water (above or below surface) or the environment by exploration, mining, processing or waste disposal activities;

(ii) any failure to comply with all past, current or future governmental or regulatory authorizations, licenses, permits, and orders and all non-governmental prohibitions, covenants, contracts and indemnities; and

(iii) any act or omission causing or resulting in the spill, discharge, leak, emission, ejection, escape, dumping or release of hazardous or toxic substances, materials, or wastes as defined in any federal, provincial, or local Law or regulation in connection with or emanating from the Property.

The representations and warranties contained in Section 6.1 are provided for the exclusive benefit of Bold and shall survive the execution of this Agreement for a period of six months or until termination of the Option, whichever shall last occur, and Bold shall be entitled to rely upon the same, unless specifically waived by Bold. The breach of any representation, warranty or covenant contained in this Agreement may be waived by Bold, either in whole or in part, at any time without prejudice to Bold's rights in respect of any other or continuing breach of the same or any other representation, warranty or covenant. No waiver by Bold of any breach of any representation, warranty or covenant shall be binding unless in writing. Any waiver shall be limited to the specific purpose for which it is given.

7. POSSESSION OF CLAIMS AND PROGRAMS

7.1 The Operator shall:

(a) have the sole and exclusive possession, supervision, management and control of the Property including any access, water, surface or other rights appurtenant thereto or associated therewith with full power and authority to its servants, agents and contractors to sample, survey, examine, diamond drill, prospect, explore, and do other investigative work on the Property in search of minerals in such manner as:

(i) in respect of the Chromite Interest, KWG after consultation with Bold, may in its sole discretion determine, including the right to erect, bring and install thereon and remove therefrom all such buildings, machinery, equipment and supplies as KWG shall deem reasonable and proper and to remove therefrom reasonable quantities of ores, minerals or metals for assay and testing purposes; and

(ii) in respect of the Other Minerals Interest, Bold after consultation with KWG, may in its sole discretion determine, including the right to erect, bring and install thereon and remove therefrom all such buildings, machinery, equipment and supplies as Bold shall deem reasonable and proper and to remove therefrom reasonable quantities of ores, minerals or metals for assay and testing purposes;

(b) do all work on the Property in a good and miner-like fashion in accordance with recognized industry practices and in accordance with all applicable Laws;

(c) permit the Parties, or their representatives duly authorized in writing, at their own risk and expense, upon reasonable notice, access to the Property and to all data prepared by the Operator in connection with work done on or with respect to the Property and to all drill core produced by or on behalf of the Operator from the Property;

(d) prepare and deliver to the Parties:

(i) written quarterly progress reports of the work completed in the last calendar quarter and presently in progress and results obtained, along with reconciliation of expenditures, within forty-five (45) days from the end of such quarter;

(ii) copies of all comprehensive assessment reports on an annual basis and as required from time to time to meet assessment filing commitments as required under Article 7 hereof, for submission to the Government of Ontario in a form acceptable for assessment filing purposes. Copies of these assessment reports may also be delivered to affected First Nation communities as may be required for ongoing communication with same. These reports will include the total amount of expenditures incurred on the Property and results obtained during the calendar year ending on December 31st immediately preceding, within one hundred and twenty (120) days from the end of such calendar year, accompanied by copies of all data, reports and other information on or with respect to the Property not already provided to Bold; and

(iii) during periods of active field work, timely current reports and information on any material results obtained, accompanied by copies of all relevant data, reports and other information concerning such results.

8. EXECUTION AND DELIVERY OF TRANSFERS

8.1 Until KWG has completed all of its obligations under this Agreement, including without limitation, those contained in Articles 3 and 20 hereof to earn its Chromite Interest and Other Minerals Interest in Bold's Stage Four Interest pursuant to this Agreement, Bold shall hold its interest in claims in trust for KWG in accordance with their respective interests pursuant to this Agreement. Once the Option has been exercised in full by KWG, the claims shall be transferred to KWG, and upon transfer, KWG shall hold all claims in trust for the Parties in accordance with their respective interests from time to time.

9. NO ENCUMBRANCE OR TRANSFER OF CLAIMS

Bold shall not:

(a) mortgage, hypothecate, charge or otherwise encumber; or

(b) sell, assign, transfer or otherwise dispose of its interest in or title to the Property without the prior written consent of KWG, which consent shall not be unreasonably withheld.

10. INFORMATION AND CONFIDENTIALITY

10.1 The terms of this Agreement and all information obtained in connection with the performance of this Agreement, including information relating to the Property (the "**Confidential Information**"), and, except as expressly permitted by this Article 10, shall be the exclusive property of the Parties, shall not be disclosed, directly or indirectly, by any Party (the **"Disclosing Party"**) to any third party or the public without the prior written consent of the other Parties, which consent shall not be unreasonably withheld.

As to any disclosure pursuant to this Section 10.1, only such Confidential Information as such third party shall have a legitimate business need to know shall be disclosed and such third party shall first agree in writing to protect the confidentiality of the Confidential Information from further disclosure to the same extent as the Parties are obligated pursuant to the provisions of this Article 10.

10.2 Each Party agrees that it shall maintain such Confidential Information in confidence for a period of two years after the date hereof, and that such Confidential Information shall not be used other than in furtherance of the purposes of this Agreement; provided that this confidentiality obligation shall not apply to (a) information in the public domain prior to the date hereof, (b) information that becomes public after the date hereof, provided that such disclosure does not result from a breach by a Party hereto of its obligations hereunder, (c) information disclosed to a Party hereto by a third party that was not subject to any obligation of confidentiality in respect of such information, (d) information that is required by law to be disclosed, or (e) the disclosure by a Party hereto of confidential information to its directors, officers, consultants, advisors, counsel, and employees (collectively, "**Representatives**") on a "need to know" basis, as such Party deems necessary or appropriate; provided that such Representatives are advised that such information is confidential and agree to keep such information confidential in accordance with the terms hereof, and provided that, in addition to any remedies that each Party may have against any such Representatives in respect of any disclosure of confidential information, each Party shall indemnify the other Party in respect of any costs, expenses and liabilities incurred by the other Party as a result of any breach of this confidentiality obligation by any of such Party's Representatives. Each Party acknowledges that any violation of any of the provisions hereof or any violation of any similar agreements with its Representatives may result in immediate and irreparable damage to the other Parties and that monetary damages would not be a sufficient remedy for any such violation and therefore agrees that, in the event of any such violation, the other Parties shall, in addition to any other right, relief or remedy available at law, be entitled to specific performance and injunctive relief or other equitable relief as a remedy for any such violation.

10.3 Each Party hereby agrees not to use the Confidential Information to the detriment of the other Parties.

10.4 All Parties shall cooperate in respect to press releases and other dissemination of information. Subject to the requirements of applicable Law, there shall be a minimum of 24 hours provided to all Parties for review and comment before release of information with respect to the subject matter of this Agreement by any Party.

11. MAINTENANCE AND ABANDONMENT OF THE CLAIMS

11.1 The Operator shall maintain the Property in good standing during the currency of its Option.

11.2 Bold will be responsible for all environmental liabilities and obligations resulting from any work conducted on the Property prior to KWG becoming the Operator and KWG shall be responsible for all environmental liabilities and obligations resulting from any work that it conducts on the Property while it is the Operator.

11.3 During the term of this Agreement, the Operator shall provide, maintain and pay for the following insurance which shall be placed with an insurance company or companies and in a form as may be acceptable to Bold (acting reasonably):

(a) comprehensive general liability insurance protecting all of the Parties and their respective employees, agents, contractors, invitees and licencees against damages arising from personal injury (including death) and from claims for property damage which may arise directly or indirectly out of the operations of the Operator under this Agreement; and

(b) automobile insurance on the Operator's owned and non-owned vehicles, if any, protecting the Operator and its employees, agents, contractors, invitees and licencees

against damages arising from bodily injury (including death) and from claims for property damage arising out of the operations of the Operator under this Agreement.

11.4 Each policy of insurance contemplated in this Article 11 shall be in an amount not less than $1,000,000 inclusive of any one occurrence. The policy of insurance referred to in Section 11.3(a) shall:

(a) include a standard form of cross-liability clause;

(b) contain a clause waiving the insurer's right of subrogation against Bold; and

(c) indicate that the insurer will give Bold thirty (30) days' prior written notice of cancellation or termination of the coverage.

11.5 The Operator shall provide the Parties with such evidence of insurance as the Parties may request.

11.6 Bold shall not amend or terminate the Fancamp Option Agreement or waive or abandon any of its rights thereunder without the prior written consent of KWG, which consent shall not be unreasonable withheld.

12. FORCE MAJEURE

12.1 The obligations of a Party shall be suspended to the extent and for the period that performance is prevented by any cause, whether foreseeable or unforeseeable, beyond its reasonable control, including, without limitation, labour disputes (however arising and whether or not employee demands are reasonable or within the power of the party to grant); acts of God; laws, regulations, orders, proclamations, instructions or requests of any government or governmental entity; judgments or orders of any court; inability to obtain on reasonably acceptable terms any public or private licence, permit or other authorization, curtailment or suspension of activities to remedy or avoid an actual or alleged, present or prospective violation of federal, provincial, or local environmental standards; inability to obtain required aboriginal consent to proceed with development and mining of the Properties; acts of war or conditions arising out of or attributable to war, whether declared or undeclared; riot, civil strike, insurrection or rebellion; fire, explosion, earthquake, storm, flood, sink holes, drought or other adverse weather condition; delay or failure by suppliers or transporters of materials, parts, supplies, services, or equipment or by contractors' or subcontractors' shortage of, or inability to obtain, labour, transportation, materials, equipment, supplies, utilities or services; accidents; breakdown of equipment, machinery or facilities; or any other cause where similar or dissimilar to the foregoing. The affected Party shall promptly give notice to the other Parties of the suspension of performance, stating therein the nature of the suspension, the reasons therefor, and the expected duration thereof. The affected Party shall resume performance as soon as reasonably possible.

12.2 A lack of available capital shall not constitute a sufficient basis for suspending the obligations of a Party to this Agreement.

13. OBLIGATIONS AFTER TERMINATION OF OPTION

13.1 If this Agreement is terminated for any reason whatsoever prior to the time that KWG has earned the Chromite Interest and the Other Minerals Interest in Bold's Stage One Interest in accordance with Article 3, then this Agreement, including the Option, but excluding this Article 13 (which will continue in full force and effect for so long as is required to give full effect to the same) will be of no further force and effect and KWG shall have no further interest in any information concerning the Property, including, without limitation, the information delivered to the other Parties during the term of this Agreement.

14. ARBITRATION

14.1 All disputes which arise between the Parties hereto in connection with this Agreement which, in the opinion of any Party, cannot be resolved informally between them, shall be settled by arbitration pursuant to the provisions of the *Arbitration Act* (Ontario) except as otherwise provided in this section. Any Party desiring arbitration shall make a written demand for the same and within thirty (30) days after such written demand is received by the other Parties, the Parties hereto shall agree upon and appoint a single arbitrator. In the event the Parties shall fail to agree upon and appoint a single arbitrator within the time period set forth herein, each of Bold and KWG shall, within seven (7) days thereafter, designate an arbitrator and both arbitrators shall, within thirty (30) days after their designation, jointly designate a third arbitrator satisfactory to them who shall be chairman of the arbitration panel. If a Party fails to appoint an arbitrator, or the arbitrators designated by the Parties are unable to agree upon the selection of the third arbitrator within the time periods set forth above, such arbitrator shall be appointed by a Justice of the Ontario Court of Justice. The expenses of the arbitrators shall be paid as the arbitrators shall decide in the award. All arbitration proceedings shall be conducted in the English language in the City of Toronto, Ontario, Canada, or elsewhere as the arbitrators shall decide. The decision of the arbitrators shall be final and binding on the Parties hereto and judgment upon any award rendered may be entered in any court of competent jurisdiction.

15. FIRST NATIONS

Notwithstanding anything else contained in this Agreement, Bold shall not be entitled to negotiate or conclude any agreement whether in writing or otherwise with a First Nations which is an Indian Band under the *Indian Act*, R.S.C., 1985, c. I-5, as amended or a Traditional House which is part of a First Nation in respect of the Property or in relation thereto, without the prior written consent of the other Parties hereto which consent shall not be unreasonably withheld.

16. FURTHER ASSURANCES

Each Party hereto shall promptly do and provide all acts and things and shall promptly execute and deliver such deeds, bills of sale, assignments, endorsements and instruments and evidences of transfer and other documents and shall give such further assurances as shall be necessary or appropriate in connection with the performance of this Agreement.

17. AMENDMENTS

No amendment, supplement, restatement or termination of any provision of this Agreement is binding unless it is in writing and signed by each Party to this Agreement at the time of the amendment, supplement, restatement or termination.

18. BUSINESS DAYS

In the event that any date on or by which any notice is required to be given or any action is required to be taken hereunder by any of the Parties hereto is not a "Business Day", being a day other than a Saturday, Sunday or a day on which banks in Toronto, Ontario are generally authorized or obligated by law to close, such advice shall be required to be given or such action shall be required to be taken on the next succeeding day which is a Business Day.

19. OPERATORSHIP

(a) For purposes of this Agreement, "**Operator**" means the person or entity responsible for conducting and managing exploration activities in respect of the Chromite Mineral Interest or the Other Minerals Interest, as applicable, from time to time.

(b) Subject to Section 3.1, prior to Bold's acquisition of Bold's Stage One Interest, exploration budgets for further exploration of the Property shall be initially as set out in Schedule "C" hereto and thereafter established by KWG in consultation with the Operator (if KWG is not then the Operator). Bold shall retain Moe Lavigne, or such other nominee of KWG acceptable to Bold, acting reasonably, at a competitive market rate, as project geologist on the chromite exploration. KWG shall pay the amounts referred to under subparagraph 3.1(d) above, to the Operator as to 50% of an approved program and budget at least 30 days prior to commencement of a program with the balance payable pursuant to cash calls established under the program and budget. All expenditures pursuant to subparagraph 3.1(d) above shall be in respect of chromite unless KWG agrees to allocate funds to explore and develop the nickel copper target.

(c) Upon the earlier of the completion of the eight million dollar ($8,000,000) work program and the receipt of MFFN consent pursuant to Section 3.1, Bold shall assign operatorship in respect of the Chromite Interest to KWG or its nominee and such assignee shall be deemed to be the Operator in respect of the Chromite Interest and Bold shall remain Operator in respect of the Other Minerals Interest and all decisions concerning exploration budgets and programs shall thereafter be made in accordance with the respective Joint Venture Agreements.

(d) The Operator of the applicable exploration programs shall be paid a 15% management fee for all expenditures other than third party service contracts exceeding $100,000, for which the Operator will receive a 10% management fee.

(e) The Operator shall maintain proper books and records to reflect all exploration expenditures, costs of any feasibility study or other expenses funded by KWG pursuant to Article 3 hereof and same shall be available for inspection by the Operator, its servants and agents, during normal business hours at the Operator's normal place of business.

20. JOINT VENTURE

Upon completion of KWG's obligations set out in Article 3 of this Agreement, and compliance with all other terms and conditions required of KWG under this Agreement, and provided that KWG has earned the Chromite Interest and the Other Minerals Interest in Bold's Stage One Interest as provided herein, the Parties shall be deemed to have formed a joint venture and shall execute two joint venture agreements (one in respect of the Chromite Interest and the other in respect of the Other Mineral Interest (the "**Joint Venture Agreements**"), both substantially in the form attached as Schedule "D" hereto except that, in respect of the Chromite Interest, the joint venture agreement shall be modified to reflect the following:

(a) KWG having the sole authority with respect to all decisions concerning exploration budgets and programs and feasibility studies, subject to the rights of Bold as the Non-Operator);

(b) Subject to the payment of the Gross Metal Royalty and the Nemis Royalty, Bold shall have a carried interest to production of a chromite deposit and share in profits of chromite deposit as to 20% for Bold and 80% for KWG. The amount expended by KWG after delivery of the feasibility study for the Chromite Interest to carry Bold to production in respect of the chromite deposit will bear interest at TD Prime plus 1%, compounded annually, and shall be recovered by KWG out of the net cash flow from first production.

The Other Minerals Joint Venture Agreement shall provide that, subject to the payment of the Gross Metal Royalty and the Nemis Royalty, initially Bold shall have 80% participating interest, pro rata, in the Other Minerals Interest and be Operator pursuant to the Other Minerals Joint Venture Agreement and initially KWG shall have a 20% participating interest, pro rata, in the Other Minerals Interest.

The interests of the Parties in the Joint Venture Agreements and the Property may be adjusted by dilution calculations as set out in the Joint Venture Agreements and a Party's obligation to pay a proportion of any royalties to which the Property is subject shall be adjusted accordingly.

21. TERMINATION

This Agreement may be terminated:

(a) at any time by the mutual written consent of KWG and Bold;

(b) at any time by either KWG or Bold if there has been a material breach of this agreement by the other Party which has remained uncured for a period of 60 days after written notice of such breach has been given to the other Party;

(c) by either Bold or KWG, upon written notice to the other Parties, upon failure by KWG to comply with the provisions of Article 3 hereof within the time periods required thereby; or

(d) at any time upon KWG electing not to incur or failing to incur the Exploration Expenditures in accordance with the terms of this Agreement.

Unless earlier terminated in accordance with this Section 21, this Agreement shall continue in force following the execution of the Joint Venture Agreements until KWG has acquired the Chromite Interest and Other Minerals Interest in Bold's Stage Four Interest, the Parties acknowledging that Sections 7, 9, 11, 12, and 20 of this Agreement shall be superseded by the provisions of the executed Joint Venture Agreement and to the extent that there is a conflict between any provision of this Agreement and the Forms of Joint Venture Agreements prior to the execution of the definitive Joint Venture Agreements, this Agreement shall prevail.

22. NOTICES

Any notice, commitment, election, consent or any communication required or permitted to be given hereunder by either Party hereto to the other Party, in any capacity (hereinafter called a "**Notice**") shall be in writing and shall be deemed to have been well and sufficiently given if mailed by prepaid registered mail return receipt requested, telefaxed or delivered, to the address of such other Party hereinafter set forth:

If to Bold:

Suite 1000
15 Toronto Street
Toronto, ON M5C 2E3

Attention: President
Facsimile: (416) 864-1443

to KWG at:

Suite 1000
141 Adelaide Street West
Toronto ON M5H 3L5

Attention: President
Facsimile: (514) 866-6193

or to such substitute address as such Party may from time to time direct in writing, and any such Notice shall be deemed to have been received, if mailed, on the date noted on the return receipt, if telefaxed, on the first day after the date of transmission, and if delivered, upon the day of delivery.

23. SCHEDULES

All Schedules attached to this Agreement are deemed to form part of this Agreement.

24. COUNTERPARTS AND HEADINGS

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument. Section headings and subheadings are inserted for convenience only and are not to be taken into account in interpreting this Agreement.

25. GOVERNING LAW

This Agreement is governed by and is to be construed and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable in the Province of Ontario.

26. TIME OF ESSENCE

For every provision of this Agreement, time is of the essence.

27. ENUREMENT

This Agreement shall enure to and be binding upon the Parties hereto and their respective successors and assigns.

28. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter and supersedes all prior agreements, negotiations, discussions, undertakings, representations, warranties and understandings, whether written or verbal, including, without limitation, the Letter Agreement.

29. RELATIONSHIP OF PARTIES

Nothing contained herein, nor the holding of any interest acquired hereunder, shall be deemed to constitute KWG or Bold the partner, agent or legal representative of the other or to create any fiduciary relationship between them for any purpose whatsoever.

30. SEVERABILITY/LEGALITY

If any provision of this Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction, the illegality, invalidity or unenforceability of the provision will affect neither:

(i) the legality, validity or enforceability of the remaining provisions of this Agreement; nor

(ii) the legality, validity or enforceability of that provision in any other jurisdiction.

31. ASSIGNMENT

The rights and obligations of the Parties hereto shall not be assigned, in whole or in part, to any other person without the prior written consent of the other Party hereto, such consent not to be unreasonably withheld; provided that, notwithstanding the foregoing, either party will be entitled to assign all or any part of its obligations hereunder to an affiliate (as defined in the *Business Corporations Act* (Ontario)) without the consent of the other.

The Parties hereto acknowledge that the Property lies within the area of interest under an option agreement (the "**Dundee OJV**") between Bold and 2282726 Ontario Ltd., a subsidiary of Dundee Corporation ("**Dundee Subco**") dated May 31, 2011. KWG acknowledges and agrees that Bold may at any time allow Dundee Subco to participate in the Agreement and Joint Venture Agreements pursuant to the terms of the Dundee OJV whereby Dundee Subco may acquire up to one-third (1/3) of Bold's interest in the Property, the Chromite Interest, the Other Minerals Interest and the Joint Venture Agreements, as the case may be, (subject to adjustments under the Dundee OJV) and the provisions of this Article 31 shall not apply to any sale, assignment or transfer of any part of the rights or interests of Bold in this Agreement and the Property, the Chromite Interest, the Other Minerals Interest and the Joint Venture Agreements to Dundee Subco or any Affiliate of Dundee Subco ("**Dundee**"). For the purposes of this Agreement, the interests of Dundee and Bold collectively shall be deemed to be the interests of Bold. Dundee shall be deemed to be a permitted assign of Bold for the purposes of this Agreement.

IN WITNESS WHEREOF the Parties hereto have caused this Agreement to be executed by their proper officers duly authorized in that behalf.

BOLD VENTURES INC.

By: _____

Name: DAVID GRAHAM

Title: Exec. V.P.

I have the authority to bind the corporation

KWG RESOURCES INC.

By: _____

Name: _____

Title: _____

I have the authority to bind the corporation

31. ASSIGNMENT

The rights and obligations of the Parties hereto shall not be assigned, in whole or in part, to any other person without the prior written consent of the other Party hereto, such consent not to be unreasonably withheld; provided that, notwithstanding the foregoing, either party will be entitled to assign all or any part of its obligations hereunder to an affiliate (as defined in the *Business Corporations Act* (Ontario)) without the consent of the other.

The Parties hereto acknowledge that the Property lies within the area of interest under an option agreement (the "**Dundee OJV**") between Bold and 2282726 Ontario Ltd., a subsidiary of Dundee Corporation ("**Dundee Subco**") dated May 31, 2011. KWG acknowledges and agrees that Bold may at any time allow Dundee Subco to participate in the Agreement and Joint Venture Agreements pursuant to the terms of the Dundee OJV whereby Dundee Subco may acquire up to one-third (1/3) of Bold's interest in the Property, the Chromite Interest, the Other Minerals Interest and the Joint Venture Agreements, as the case may be, (subject to adjustments under the Dundee OJV) and the provisions of this Article 31 shall not apply to any sale, assignment or transfer of any part of the rights or interests of Bold in this Agreement and the Property, the Chromite Interest, the Other Minerals Interest and the Joint Venture Agreements to Dundee Subco or any Affiliate of Dundee Subco ("**Dundee**"). For the purposes of this Agreement, the interests of Dundee and Bold collectively shall be deemed to be the interests of Bold. Dundee shall be deemed to be a permitted assign of Bold for the purposes of this Agreement.

IN WITNESS WHEREOF the Parties hereto have caused this Agreement to be executed by their proper officers duly authorized in that behalf.

BOLD VENTURES INC.

By: _____

Name: _____

Title: _____

I have the authority to bind the corporation

KWG RESOURCES INC.

By: _____

Name: Frank Smeenk

Title: President

I have the authority to bind the corporation

A

Schedule "A"
FANCAMP OPTION AGREEMENT

EARN-IN OPTION AGREEMENT

Between:

Fancamp Exploration Ltd.

and

Bold Ventures Inc.

For
Mineral Exploration Activities

in the Ring of Fire,
Ontario, Canada

Dated as of:
May 2, 2012.

EARN-IN OPTION AGREEMENT

THIS AGREEMENT is made as of May 2, 2012.

BETWEEN:

FANCAMP EXPLORATION LTD., a corporation governed by the Laws of British Columbia,

("**Fancamp**")

– and –

BOLD VENTURES INC., a corporation governed by the Laws of Ontario,

(the "**Bold**")

RECITALS:

A. **WHEREAS**, Fancamp is the legal holder of certain mineral claims and mineral rights located in the Ring of Fire of Ontario, Canada, duly described in **Schedule "A"** (herein called the "**Mineral Rights**");

B. **WHEREAS**, Bold is a Canadian mineral exploration and development company that is focused on the acquisition and development of high-quality mineral assets; and

C. **WHEREAS**, Fancamp has agreed to grant to Bold the right to conduct mineral exploration activities on the Mineral Rights and to earn-in a fifty percent (50%) undivided working interest in the Mineral Rights plus an additional ten percent (10%) undivided working interest in the Mineral Rights on the terms and conditions set out herein.

NOW, THEREFORE, in consideration of the respective covenants and agreements contained in this exploration and option agreement (the "**Agreement**"), and for other good and valuable consideration, the Parties hereto agree with each other as follows:

ARTICLE 1
DEFINITIONS AND PRINCIPLES OF INTERPRETATION

1.1 Definitions

Whenever used in this Agreement, the following words and terms have the meanings set out below:

"**Aboriginal Consent**" has the meaning given it in Section 1.6.

"**Additional 10% Earn-In**" has the meaning given it in Section 5.3(a).

"**Affiliate**" of any Person means, at the time such determination is being made, any other Person who has control or who is controlled by or under common control with such first Person, where "**control**" means the possession, directly or indirectly, of the power to direct the management and policies of a Person

through the legal or beneficial ownership of voting securities, the right to appoint directors or management, by contract, voting trust, or otherwise; and the terms "**controlling**" and "**controlled**" have meanings correlative to the foregoing.

"**Agreement**" means this agreement, including all schedules, and all written amendments or restatements as permitted, and references to "**Article**" or "**Section**" hereof mean the specified Article or Section of this Agreement.

"**AMI**" has the meaning given to it in Section 7.1.

"**Anniversary Date**" means an anniversary of the Closing Date (twelve (12) months after the Closing Date).

"**Bold's Initial Contribution**" has the meaning given to it in Section 5.4(b).

"**Bold's JV Expenditures**" has the meaning given to it in Section 5.4(b).

"**Business Day**" means any day, other than a Saturday or Sunday, on which banks in Toronto, Ontario, Canada are open for commercial banking business during normal banking hours.

"**Carved-Out Mineral Rights**" has the meaning given to it in Section 5.3(c).

"**Closing**" has the meaning given to it in Section 8.1(b).

"**Closing Date**" has the meaning given to it in Section 8.1(a).

"**Confidential Information**" means all information, data, knowledge and know-how (including, but not limited to, formulas, patterns, compilations, programs, devices, methods, techniques and processes) that derives independent economic value, actual or potential, as a result of not being generally known to, or readily ascertainable by, third parties and which is the subject of efforts that are reasonable under the circumstances to maintain its secrecy, including without limitation all analyses, interpretations, compilations, studies and evaluations of such information, data, knowledge and know-how generated or prepared by or on behalf of either Party.

"**Development**" means all preparation for the removal and recovery of mineral products from the Property including the construction or installation of a mine, mill, processing plant, leach pads or any other improvements to be used for the mining, handling, milling, treatment, processing or other beneficiation of Products and includes the preparation of pre-feasibility studies, feasibility studies and financing plans.

"**Dundee**" has the meaning given to it in Section 6.2.

"**Dundee OJV**" has the meaning given to it in Section 6.2.

"**Dundee Subco**" has the meaning given to it in Section 6.2.

"**Effective Date**" means the first day following the later of (i) the date on which the TSXV approves of Bold entering into this Agreement and (ii) the date on which Bold shall enter into memoranda of understanding or other agreements with the Martin Falls aboriginal band or council and any other First Nation or aboriginal band or council necessary to ensure that Bold can proceed with Exploration Activities on the Mineral Rights.

"**Election to Earn an Additional 10%**" has the meaning given to it in Section 5.3(a).

"**Encumbrance**" means any mortgage, deed of trust, pledge, lien, security interest, adverse interest, net profits interest, royalty, overriding royalty interest, other payment out of production, claim, off-take agreement, third party right of first refusal or pre-emptive right, other third person interest or other encumbrance or burden of any nature, whether contingent or absolute, and any agreement to grant any of the foregoing.

"**Environmental Damage**" has the meaning given to it in Section 2.2(k).

"**Environmental Laws**" means Laws aimed at (i) reclamation or restoration of the Properties; (ii) abatement of pollution; (iii) protection of the environment; (iv) protection of wildlife, including endangered species; (v) ensuring public safety from environmental hazards; (vi) protection of cultural or historic resources; (vii) management, storage or control of hazardous materials and substances; (viii) releases or threatened releases of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances as wastes into the environment, including without limitation, ambient air, surface water and groundwater; and (ix) all other Laws relating to the manufacturing, processing, distribution, use, treatment, storage, disposal, handling or transport of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances or wastes.

"**Environmental Liabilities**" means any and all claims, actions, causes of action, damages, losses, liabilities, obligations, penalties, judgments, amounts paid in settlement, assessments, costs, disbursements, or expenses (including, without limitation, attorneys' fees and costs, experts' fees and costs, and consultants' fees and costs) of any kind or of any nature whatsoever that are asserted against either Party, by any person or entity other than the other Party, alleging liability (including, without limitation, liability for studies, testing or investigatory costs, cleanup costs, response costs, removal costs, remediation costs, containment costs, restoration costs, corrective action costs, closure costs, reclamation costs, natural resource damages, property damages, business losses, personal injuries, penalties or fines) arising out of, based on or resulting from (i) the presence, release, threatened release, discharge or emission into the environment of any hazardous materials or substances existing or arising on, beneath or above the Properties and/or emanating or migrating and/or threatening to emanate or migrate from the Properties to off-site properties; (ii) physical disturbance of the environment; or (iii) the violation or alleged violation of any Environmental Laws.

"**Expenditure Commitment**" has the meaning given to it in Section 3.3(a).

"**Expenditures**" for all purposes of this Agreement means all moneys expended in connection with the Mineral Rights or the Properties by a Party authorized to do so by the terms of this Agreement (an "**Authorized Party**") in prospecting, exploration, development, preproduction, mining and processing work on or in connection with the Mineral Rights or Properties or any part of them. Without limiting the generality of the foregoing, Expenditures shall include all costs and expenses associated with negotiating and executing agreements with First Nations and aboriginals in respect of traditional lands and traditional rights, including, but not limited to, up to 10% of the Expenditures as donations and/or gifts to the local First Nations and aboriginal communities and all direct and indirect charges and all other expenses ordinarily incurred in exploring, developing and operating a mining property and shall include a ten percent (10%) overhead charge payable to the Authorized Party in respect of all exploration and development expenditures on or in connection with the Mineral Rights or Properties or any part of them. The certificate of the Authorized Party which has incurred Expenditures in connection with the Mineral Rights shall be accepted as prima facie evidence of the making of Expenditures. Except as provided in this Agreement, the other Party shall be given access to the documentation used by the Authorized Party

to certify Expenditures and shall be entitled at its own cost and expense to audit the amount of Expenditures certified to by the Authorized Party.

"**Exploration Activities**" means all activities directed toward ascertaining the existence, location, quantity, quality or commercial value of deposits of minerals, including such activities as prospecting, geological mapping, drilling, geophysics and geochemistry, including, but not limited to the activities necessary to conduct a preliminary economic assessment, a pre-feasibility study and a feasibility study, conforming to generally accepted mining industry standards and/or National Instrument 43-101 of the Canadian Securities Administrators.

"**Failure to Obtain AC Notice**" has the meaning given to it in Section 1.6.

"**Feasibility Study**" has the meaning given to it in Section 5.3(a).

"**First Option Period**" has the meaning given to it in Section 3.3(a).

"**FS Costs**" has the meaning given to it in Section 5.4(b).

"**Further Option Payment**" has the meaning given to it in Section 5.3(a).

"**Governmental Authority**" means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, court, board, tribunal, dispute settlement panel or body or other law, rule or regulation-making entity: (a) having or purporting to have jurisdiction on behalf of any nation, province, state or other geographic or political subdivision thereof; or (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power.

"**Indemnified Party**" has the meaning given to it in Section 2.6(a).

"**Indemnifying Party**" has the meaning given to it in Section 2.6(a).

"**Initial Option Payments**" has the meaning given to it in Section 3.3(a).

"**Joint Venture**" means the unincorporated joint venture established pursuant to Section 5.2.

"**JV Agreement**" has the meaning given to it in Section 5.1.

"**JV Assets**" has the meaning given to it in Section 5.3.

"**Laws**" means applicable laws (including common law), statutes, by-laws, rules, regulations, orders, ordinances, protocols, codes, guidelines, treaties, policies, notices, directions, decrees and judicial, arbitral, administrative, ministerial or departmental judgments, awards or requirements of any Governmental Authority.

"**Market Value**" means the value of a Share determined by reference to the weighted average closing price of the Shares for the ten (10) days on which the Shares traded, immediately preceding the relevant Anniversary Date or date on which Shares are to be issued on notice prior to an Anniversary Date, on a recognized Stock Exchange on which the Shares are listed for trading, and for purposes of determining the actual number of Shares to satisfy the Share value, the dollar value shall be divided by the Share value and rounded up to the next whole Share.

"**Material Loss**" has the meaning given to it in Section 2.6(a).

"**Mineral Act**" means the *Ontario Mining Act* and the Regulations thereunder in force on the date this Agreement is entered into together with all amendments enacted thereto from time to time.

"**Mineral Rights**" has the meaning given to it in the Recital "A" of this Agreement, as duly described in **Schedule "A"**.

"**Mining**" shall include all of the mining, extracting, producing, treating, transporting, handling, milling and other processing of Products.

"**Negative Notice of Acceptance to Earn-in a 50% Interest**" has the meaning given to it in Section 3.4(b).

"**Notice of Completion to Earn-In a 50% Interest**" has the meaning given to it in Section 3.4(a).

"**Notice of Change of Operator**" has the meaning given to it in Section 5.5.

"**Notice of Effective Date**" has the meaning given to it in Section 1.6.

"**Notices**" has the meaning given to it in Section 11.2.

"**NSR**" means the 2% Net Smelter Returns Royalty held by Richard Nemis pursuant to the agreement dated June 17, 2003 between Fancamp and Richard Nemis, a true copy of which is annexed hereto as **Schedule "B"**.

"**Offeror**" has the meaning given to it in Section 6.1.

"**Offeree**" has the meaning given to it in Section 6.1.

"**Operations**" shall mean Exploration Activities, Development, Mining and all other activities carried out pursuant to this Agreement.

"**Operator**" has the meaning given to in Section 5.5.

"**Option to Earn-In a 50% Interest**" has the meaning given to it in Section 3.1(a)(ii).

"**Option to Earn-In an Additional 10% Interest**" has the meaning given to it in Section 3.1(a)(iii).

"**Options**" has the meaning given to it in Section 3.1(a)(iii).

"**Option Period**" means the First Option Period.

"**Parties**" means Fancamp and Bold and their respective successors or permitted assigns and "**Party**" means either one of them.

"**Permitted Encumbrances**" means any and all existent Encumbrances as indicated in this Agreement, including the NSR.

"**Person**" means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, Governmental Authority, and where the context requires any of the foregoing when they are acting as trustee, executor, administrator or other legal representative.

"**Positive Notice of Acceptance to Earn-In a 50% Interest**" has the meaning given to it in Section 3.4(b).

"**Products**" shall mean all ores, minerals and mineral products located on, in or under or derived from the Property and all beneficiated and other products produced or derived therefrom.

"**Property**" means the applicable area of land (at and below surface) covered by the Mineral Rights and "**Properties**" has a corresponding meaning.

"Provisional Period" has the meaning given to it in Section 1.6.

"**Purchase Price**" has the meaning given to it in Section 6.1(a).

"**Release Notice**" has the meaning given to it in Section 3.7.

"**Released Mineral Right**" has the meaning given to it in Section 3.7.

"**Remaining Mineral Rights**" has the meaning given to it in Section 5.3(c).

"**Right to Explore**" has the meaning given to it in Section 3.1(a)(i).

"**Rights and Options**" means the rights and options granted Bold pursuant to Article 3.

"**Sale Interest**" has the meaning given to it in Section 6.1.

"**Second Option**" has the meaning given to it in Section 5.3(a).

"**Shares**" means fully paid and non-assessable common shares in the capital stock of Bold.

"**Summons**" means the Summons annexed hereto as **Schedule "C"**.

"**Tax Act**" means the *Income Tax Act* (Canada), as amended.

"**Term**" has the meaning given to it in Section 10.1.

"**Transfer**" means directly or indirectly, in total or in part, sell, grant, assign, create an Encumbrance over, declare oneself a trustee of or a party with the benefit of, arrange for substitute performance by an Affiliate or third party, pledge, sublet, sublease, or otherwise convey, commit or dispose of and the word used as a noun shall have a corresponding meaning.

"**TSXV**" means the TSX Venture Exchange.

1.2 Certain Rules of Interpretation

In this Agreement:

(a) Consent. Whenever a provision of this Agreement requires an approval or consent and such approval or consent is not delivered within the applicable time limit, then, unless otherwise specified, the Party whose consent or approval is required shall be conclusively deemed to have withheld its approval or consent.

(b) Currency. Unless otherwise specified, all references to money amounts are to the lawful currency of Canada.

(c) Governing Law. This Agreement is a contract made under and shall be governed by and construed in accordance with the Laws of the Province of Ontario and the federal Laws of Canada applicable in the Province of Ontario,

(d) Headings. Headings of Articles and Sections are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

(e) Including. Where the word "including" or "includes" is used in this Agreement, it means "including (or includes) without limitation".

(f) No Strict Construction. The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

(g) Number and Gender. Unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders.

(h) Severability. If, in any jurisdiction, any provision of this Agreement or its application to any Party or circumstance is restricted, prohibited or unenforceable, such provision shall, as to such jurisdiction, be ineffective only to the extent of such restriction, prohibition or unenforceability without invalidating the remaining provisions of this Agreement and without affecting the validity or enforceability of such provision in any other jurisdiction or without affecting its application to other Parties or circumstances.

(i) Statutory references. A reference to a statute includes all regulations made pursuant to such statute and, unless otherwise specified, the provisions of any statute or regulation which amends, supplements or supersedes any such statute or any such regulation.

(j) Time. Time is of the essence in the performance of the Parties' respective obligations.

(k) Time Periods. Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of the period is not a Business Day.

1.3 Knowledge

Any reference to the knowledge of any Party shall mean to the best of the knowledge, information and belief of such Party after reviewing all relevant records and making due inquiries regarding the relevant matter of all relevant directors, officers and employees of the Party.

1.4 Entire Agreement

This Agreement and the agreements and other documents required to be delivered pursuant to this Agreement, constitute the entire agreement between the Parties and set out all the covenants, promises, warranties, representations, conditions, understandings and agreements between the Parties pertaining to the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and

discussions, whether oral or written. There are no covenants, promises, warranties, representations, conditions, understandings or other agreements, oral or written, express, implied or collateral between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement and any document required to be delivered pursuant to this Agreement.

1.5 Schedules

The schedules to this Agreement, as listed below, are an integral part of this Agreement:

Schedule	Description
A	Mineral Rights
B	NSR
C	Summons

1.6 Rights and Obligations Before Effective Date

The Parties hereto acknowledge that the obligation of Bold to make any of the Initial Option Payments or any Expenditure Commitment to earn an interest in the Mineral Rights is conditional upon Bold obtaining both (a) TSXV approval to this Agreement; and (b) Bold entering into memoranda of understanding or other agreements with the Martin Falls aboriginal band or council and any other First Nation or aboriginal band or council necessary to ensure that Bold can proceed with Exploration Activities on the Mineral Rights ("**Aboriginal Consent**"). From the date of execution of this Agreement, Bold shall have the right to consult with any aboriginal band or council or any First Nation on its behalf and on the behalf of Fancamp with a view to obtaining Aboriginal Consent. Fancamp hereby grants Bold access to the Mineral Rights to facilitate obtaining Aboriginal Consent. Fancamp agrees to execute all deeds, agreements and documentation as deemed necessary by Bold to obtain Aboriginal Consent. The date upon which Bold has obtained both TSXV and Aboriginal Consent is deemed to be the Effective Date. Within three (3) business days following the Effective Date, Bold shall deliver to Fancamp notice that it has obtained Aboriginal Consent (the "**Notice of Effective Date**"). Any Expenditures incurred by Bold directly related to obtaining Aboriginal Consent shall be deemed to be Expenditures pursuant to the Expenditure Commitment herein and shall be credited to the Expenditure Commitment following Closing. If Bold is unable to obtain Aboriginal Consent within one (1) year from the date of the execution of this Agreement (the "**Provisional Period**"), either Party shall have the right to terminate this Agreement on thirty (30) days notice to the other Party (the "**Failure to Obtain AC Notice**"). Upon receipt of the Failure to Obtain AC Notice by a Party to this Agreement, this Agreement shall be at an end and each Party shall bear its own costs in relation to this Agreement and the efforts to obtain Aboriginal Consent. During the Provisional Period, and until the earlier of the Closing Date and delivery of the Failure to Obtain AC Notice, the provisions of Articles 7, 9, 10 and 11 shall apply.

ARTICLE 2
REPRESENTATIONS, WARRANTIES AND COVENANTS

2.1 Capacity

Each Party represents and warrants to the other Party the matters set out below and acknowledges the other Party is relying upon all such representations and warranties for the purposes of this Agreement:

(a) it is a corporation incorporated, continued or amalgamated under the Laws of the jurisdiction of its incorporation, continuation or amalgamation, as the case may be, and it

is duly organized and existing under such Laws and is qualified to do business and is in good standing in all applicable jurisdictions;

(b) it has all necessary corporate power, authority and capacity to enter into and perform its obligations under this Agreement, and all corporate and other actions required to authorize it to enter into and perform its obligations under this Agreement have been properly taken;

(c) except as otherwise provided herein, it is not a party to, bound or affected by or subject to any agreement, instrument, charter or by-law provision or Law that would be violated, contravened or breached by entering into or performing under this Agreement;

(d) this Agreement has been duly executed and delivered by it and is valid, binding and enforceable against it in accordance with its terms; and

(e) the Party is not a non-resident of Canada for the purposes of the Tax Act.

2.2 **Representations and Warranties of Fancamp**

Fancamp hereby represents and warrants to Bold the matters set out below and acknowledges that Bold is relying upon all such representations and warranties for the purposes of this Agreement:

(a) to the best of Fancamp's knowledge, the information set forth in **Schedule "A"** relating to the Mineral Rights is true, complete and correct, and accurately depicts and describes the information therein, including geographic location, Mineral Right identification, registered holder, number of units, date recorded and date of expiry;

(b) except as otherwise provided herein, with respect to those Mineral Rights in which Fancamp holds an interest under mining claim, exploration licence or similar right, unless otherwise indicated in this Agreement, such Mineral Rights are currently registered and recorded in the name of Fancamp as to a 100% undivided legal and beneficial interest, free and clear of all Encumbrances (except for the Permitted Encumbrance) and, so far as Fancamp is aware, such licences are valid and in good standing. Fancamp is paying all maintenance fees and carrying out all obligations required to maintain such Mineral Rights. With respect to those Mineral Rights in which Fancamp has filed exploration reports, such reports were filed within the legal deadline and have all required information;

(c) save and except for the Aboriginal Consent and except as otherwise provided in this Agreement, Fancamp has complete authority to deal with the Mineral Rights and has obtained all necessary third party consents required for performance of its obligations under this Agreement, and, other than this Agreement and as disclosed in this Agreement, there are no other agreements affecting title or mineral rights to the Mineral Rights or material to Fancamp's interest therein or which may be an Encumbrance, save and except for the NSR;

(d) to the best of Fancamp's knowledge, all of the Mineral Rights have been validly and properly located, applied for, marked out and recorded in accordance with the Laws of the jurisdiction in which the included Property is located and, to the best of Fancamp's knowledge, there are no disputes, threatened or now existing as to title to or applying for or recording of the Mineral Rights or included Properties;

(e) all municipal, provincial, state, territorial and federal taxes and levies of any kind whatsoever in respect of the ownership and use of all of the Mineral Rights which were due and payable by Fancamp as of the date of this Agreement or prior to such date have been paid and satisfied as of such date;

(f) there is no proposal to revoke, suspend or modify any authorisation under any Environmental Laws relating specifically to the Mineral Rights;

(g) there are no proceedings or litigation or claims or granted claims for native title under any legislation concerning or potentially effecting the whole or any part of the Mineral Rights pending or threatened in any court or tribunal of which it is aware;

(h) Fancamp and its Affiliates are not engaged in any litigation or arbitration proceedings in respect of the Mineral Rights or Properties or any part thereof or arising out of claims for personal injuries or property damage of a material nature relating thereto;

(i) Fancamp has no notice of any caveats, objections or complaints affecting any of the Properties or Mineral Rights except those which have been registered against the same prior to the date hereof and is not aware of any circumstances currently in existence which can give rise to such a caveat, objection or complaint, except for the Summons;

(j) to the best of Fancamp's knowledge and except as otherwise disclosed in this Agreement, there are no arrangements or agreements granting third party rights which would prevent Fancamp from acting in the manner contemplated by this Agreement; and

(k) to the best of Fancamp's knowledge, there have been no past violations by it or by any of its predecessors in title of any Environmental Laws affecting or pertaining to the Mineral Rights, nor any past creation of damage or threatened damage to the air, soil, surface waters, groundwater, flora, fauna, or other natural resources on, about or in the general vicinity of the Properties ("**Environmental Damage**"); and Fancamp has not received inquiry from or notice of a pending investigation from any governmental agency or of any administrative or judicial proceeding concerning the violation of any such Environmental Laws.

2.3 **Representations and Warranties of Bold**

Bold hereby represents and warrants to Fancamp the matters set out below and acknowledges that Fancamp is relying upon all such representations and warranties for the purposes of this Agreement:

(a) Bold has the ability to discharge or perform its duties, obligations, and responsibilities under this Agreement; and

(b) Bold has an issued capital consisting solely of 61,302,271 Shares. All of such Shares are duly authorized, validly issued, fully paid and non-assessable. Bold has 16,920,351 Shares reserved for issuance under outstanding options and share purchase warrants. The Shares which may be issued pursuant to this Agreement will, subject to regulatory approval, be issued free and clear of all Encumbrances, liens and claims, option, calls, pledges, trusts and other commitments, agreements or arrangements, save and except for applicable hold periods in accordance with Laws.

2.4 Disclosures

Fancamp has disclosed to Bold all information it believes to be relevant concerning the Mineral Rights and has provided to or made available for inspection by Bold all such information, but does not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or as to the boundaries or value of the Mineral Rights and the Properties. Each Party represents to the other that in negotiating and entering into this Agreement it has relied solely on its own appraisals and estimates as to the value of the Mineral Rights and the Properties and upon its own geologic and engineering interpretations related thereto.

2.5 Survival of Representations and Warranties

Representations and warranties shall survive the execution and delivery of this Agreement for a period of two (2) years from the date of execution of this Agreement, subject to the provisions of Article 8.

2.6 Indemnities

(a) Each Party shall indemnify the other Party, its officers, directors, agents, employees and its Affiliates (collectively, the "**Indemnified Party**") from and against any Material Loss. A "**Material Loss**" shall mean all costs, expenses, losses, claims, demands, damages or liabilities, of any nature or kind including attorneys' fees and other costs of litigation (either threatened or pending) arising out of or based on a breach by a Party ("**Indemnifying Party**") of this Agreement, including the breach of representation, warranty or covenant contained in this Agreement and any and all actions, suits, proceedings, claims, legal and other expenses related or incidental thereto. For the avoidance of doubt, the Parties hereby clarify that Bold shall also indemnify Fancamp's Indemnified Party from and against any Material Loss arising out of or based on any of Bold's activities, operations, actions and/or omissions in relation to the Properties and/or to the Mineral Rights during the Term of this Agreement.

(b) Fancamp shall indemnify Bold's Indemnified Parties from and against all Environmental Liabilities determined to be existing or incurred on the Properties prior to the Effective Date and not attributable to the conduct of Bold.

(c) Bold shall be solely and exclusively responsible for all Liabilities, including but not limited to Environmental Liabilities, incurred on or in respect of the Properties during the term of this Agreement. Bold shall indemnify Fancamp's Indemnified Parties from and against all Liabilities, including but not limited to Environmental Liabilities, determined to be existing or incurred at the Properties after the Effective Date or to be the result of activities or operations of Bold on or in respect of the Properties after the Effective Date.

(d) If any claim or demand is asserted against an Indemnified Party in respect of which such Indemnified Party may be entitled to indemnification under this Agreement, written notice of such claim or demand shall promptly be given to the Indemnifying Party. The Indemnifying Party shall have the right, but not the obligation, by notifying the Indemnified Party within thirty (30) days after its receipt of the notice of the claim or demand, to assume the entire control of (subject to the right of the Indemnified Party to participate, at the Indemnified Party's expense and with counsel of the Indemnified Party's choice) the defence, compromise or settlement of the matter. Any damages to the assets or business of the Indemnified Party caused by a failure by the Indemnifying Party to defend, compromise, or settle a claim or demand in a reasonable and expeditious

manner, after the Indemnified Party has given notice of such claim, shall be included in the damages for which the Indemnifying Party shall be obligated to indemnify the Indemnified Party. Any settlement or compromise of a matter by the Indemnifying Party shall include a full release of claims against the Indemnified Party, satisfactory to counsel for the Indemnified Party acting reasonably, that have arisen out of the claim or demand for which indemnification is sought.

(e) Fancamp will indemnify and save Bold harmless from any claims relating to the Summons. Fancamp shall use its reasonable commercial efforts to resolve the dispute that is the subject matter of the Summons.

ARTICLE 3
SCOPE AND MAINTENANCE OF OPTION

3.1 Grant of Right to Explore and Options

(a) Right to Explore and Options to Earn-In. Subject to the terms and conditions set forth in this Agreement, Fancamp hereby gives and grants to Bold:

(i) Right to Explore. The sole, exclusive and immediate right and authorization to enter upon and to conduct mineral Exploration Activities, according to the terms and conditions set forth in this Agreement, in all parts of the Properties during the Option Period (the "**Right to Explore**");

(ii) Option to Earn-In a 50% Interest. The sole and exclusive right and option to earn-in a fifty percent (50%) undivided working interest in and to the Mineral Rights free of all Encumbrances (except for the Permitted Encumbrances) during the First Option Period, but subject to the provisions of this Agreement (the "**Option to Earn-In a 50% Interest**"); and

(iii) Option to Earn-In an Additional 10% Interest. The sole and exclusive right and option to earn-in an additional ten percent (10%) undivided working interest in and to the Mineral Rights free of all Encumbrances (except for the Permitted Encumbrances) during the Joint Venture, but subject to the provisions of this Agreement (the "**Option to Earn-In an Additional 10% Interest**" and, together with the Option to Earn-In a 50% Interest herein, are referred to as the "**Options**").

3.2 Payments for the Grant of the Right to Explore and the Options

For the Right to Explore and the Options granted to Bold by Fancamp under this Agreement in relation to the Mineral Rights, Bold hereby agrees as follows:

(a) Initial Payment for the Grant of the Right to Explore and the Options. Bold shall pay on the Closing Date to Fancamp Three Hundred Thousand dollars ($300,000) by certified cheque or bank draft, or at the option of Fancamp deliver to Fancamp Shares registered in the name of Fancamp representing that number of Shares having a Market Value of Three Hundred Thousand dollars ($300,000); and

(b) If Fancamp wishes to receive Shares in lieu of the cash option payment referred to above, it shall provide Bold with written notice at least three (3) business days prior to Closing

and the date of such notice shall be deemed to be the anniversary date for purposes of determining Market Value.

3.3 **Requirements to Maintain the Right to Explore and the Options**

The Parties hereby agree that to maintain the Right to Explore and the Options hereunder the following provisions shall apply:

(a) Option Payments and Expenditure Commitments during First Option Period. During the period from the Closing Date to the third (3rd) anniversary of the Closing Date (the "**First Option Period**") Bold shall make an aggregate of One Million Five Hundred Thousand dollars ($1,500,000) in cash option payments (the "**Initial Option Payments**") and spend an aggregate of Eight Million dollars ($8,000,000) on Expenditures on the Mineral Rights (the "**Expenditure Commitment**") to earn a fifty percent (50%) undivided working interest in the Mineral Rights on the following schedule:

(i) during the period of one (1) year commencing on the Closing Date, conduct or cause to be conducted on the Mineral Rights Expenditures having a cost to Bold of not less than Two Million dollars ($2,000,000); and

(ii) provided Bold has satisfied in full the requirements in Section 3.3(a)(i) above, Bold shall, if it wishes to proceed:

(A) pay to Fancamp the sum of Five Hundred Thousand dollars ($500,000) by certified cheque or at the option of Bold, deliver to Fancamp, within the first seven (7) days of the start of the second (2nd) year, Shares registered in the name of Fancamp representing that number of Shares with a Market Value of Five Hundred Thousand dollars ($500,000); and

(B) conduct or cause to be conducted during the one (1) year period following directly upon the expiration of the one (1) year period provided for in Section 3.3(a)(i) above on the Mineral Rights Expenditures having a cost to Bold of not less than Three Million dollars ($3,000,000) which sum shall include any excess Expenditures made by Bold in the preceding year; and

(iii) provided Bold has satisfied in full the requirements in Section 3.3(a)(ii) above, Bold shall, if it wishes to proceed:

(A) pay to Fancamp the sum of Seven Hundred Thousand dollars ($700,000) by certified cheque or at the option of Bold, deliver to Fancamp, within the first seven (7) days of the start of the third (3rd) year, Shares registered in the name of Fancamp representing that number of Shares with a Market Value of Seven Hundred Thousand dollars ($700,000); and

(B) conduct or cause to be conducted during the one (1) year period following directly upon the expiration of the one (1) year period provided for in Section 3.3(a)(ii) above on the Mineral Rights Expenditures having a cost to Bold of not less than Three Million dollars

($3,000,000) which sum shall include any excess Expenditures made by Bold in the preceding year(s).

At the end of the one (1) year period provided for in Section 3.3(a)(iii) the cost of Bold's Expenditures on the Mineral Rights shall aggregate not less than Eight Million dollars ($8,000,000) and Bold shall have earned a fifty percent (50%) interest in the Mineral Rights subject to the provisions of Section 3.4 and the Parties shall thereafter enter into the Joint Venture pursuant to the terms of the JV Agreement in accordance with the provisions of Article 5.

(b) Restriction on Shares. The Shares issuable pursuant to subparagraphs 3.2(a), 3.3(b)(ii)(A) or 3.3(b)(iii)(A) shall be legended and restricted from trading for a period of four (4) months and one day from issuance, subject to TSXV approval.

(c) Compliance with this Agreement. Conduct all of its activities in accordance with the terms and conditions set forth in this Agreement, all applicable Laws and in accordance with the best mining practice and not to be in default with any of its obligations and duties under this Agreement.

(d) Title Disputes. Notwithstanding the dates set forth in this Agreement for the incurring of any Expenditures by Bold or the giving of any notices, if Fancamp's ownership of any of the Mineral Rights is disputed by proceedings in any court or Bold experiences any delays resulting from the failure to obtain further Aboriginal Consent as may be required for subsequent exploration programs to incur the Expenditure Commitment, then the period of time within which Bold is required to make any Expenditures or give any notification hereunder shall be automatically extended by the period of time between the commencement of any such proceedings or event and ten (10) days after the final termination of any such proceedings or event in a court of final resort from which no appeal can be taken by any party involved therein or receipt of the requisite Aboriginal Consent. Similarly, all time periods and dates subsequent to such extended period shall be adjusted to take into account the extension and delay arising out of any such dispute. Fancamp shall be responsible for resolving any such proceedings; however, Bold shall co-operate with Fancamp, at Fancamp's expense, in the defence and resolution of such proceedings.

3.4 Requirements to Exercise the Rights and the First Option

Exercise of the Option to Earn-In a 50% Interest. Upon completion of the Expenditure Commitment and payment of the Initial Option Payments during the First Option Period and if Bold is in compliance with all terms, covenants and conditions of this Agreement, Bold will be entitled to earn-in a fifty percent (50%) undivided working interest in the Mineral Rights according to the following terms and conditions:

(a) Notice of Completion to Earn-In a 50% Interest. Bold shall deliver to Fancamp a notice of completion within ninety (90) days after completion of the obligations set out in Section 3.3(a) (the "**Notice of Completion to Earn-In a 50% Interest**"); such notice shall be delivered according to the terms and conditions set forth in this Agreement and shall contain all receipts, documents and information necessary to demonstrate to Fancamp the completion of the Expenditure Commitment. For the avoidance of doubt the Parties hereby acknowledge and agree that Bold's failure to deliver the Notice of Completion to Earn-In a 50% Interest shall be deemed to be considered as a relinquishment by Bold of its Option to Earn-In a 50%; and

(b) Notice of Acceptance to Earn-In a 50% Interest. Fancamp shall have fifteen (15) days to evaluate the Notice of Completion to Earn-In a 50% Interest, to verify if Bold has incurred the Expenditure Commitment and complied with all the terms, covenants and conditions of this Agreement, and to issue a notice agreeing (the "**Positive Notice of Acceptance to Earn-In a 50% Interest**") or not (the "**Negative Notice of Acceptance to Earn-in a 50% Interest**") with the Notice of Completion to Earn-In a 50% Interest, which notice shall not unreasonable deny Bold's option to earn-in a 50% undivided working interest in the Mineral Rights. If Fancamp issues a Positive Notice of Acceptance to Earn-In a 50% Interest, then Bold shall have earned a 50% undivided working interest in the Mineral Rights, which working interest shall automatically and immediately vest in Bold without any further act by any Party. If Fancamp issues a Negative Notice of Acceptance to Earn-In a 50% Interest, then the Parties shall have thirty (30) days to solve any eventual controversy or to submit the matter to an arbitration procedure according to the terms and conditions set forth in this Agreement.

3.5 **Termination of Rights and Options**

(a) Termination. The right of Bold to exercise any of the Options and the Right to Explore shall forthwith become null and void and the Options held by Bold shall automatically terminate, without any further act by any Party, if:

(i) Termination Notice by Bold. Bold notifies Fancamp at any time (thirty (30) days prior notice required) of its intention not to exercise the Options or the portion thereof which has not been previously exercised, as applicable;

(ii) Failure to Incur the Expenditure Commitment. Bold fails to incur the Expenditures described in Section 3.3(a) in the manner described above during the First Option Period;

(iii) Failure to Deliver the Notice of Completion. Bold fails to deliver the notice referred to in Section 3.4(a) within the applicable time period;

(iv) Bold's Default. Bold is in a material breach of any of its material covenants, obligations and/or representations or warranties contained herein; and

(v) Cure Period. Notwithstanding any provision of Section 3.5(a) above, if Bold fails to make any payment or is in default of any provision of the Agreement, then Fancamp may terminate the Agreement, but only if:

(A) it has first given Bold written notice of the failure or breach, containing particulars of the payment not made, the notice not given or the act not performed by it; and

(B) Bold has not cured such failure to pay, give notice, or breach of terms, within thirty (30) days of the delivery in writing of the notice contemplated in Section 3.5(a)(v)(A) above.

(b) Rights and Duties on Termination. On termination of the Options in accordance with Section 3.5(a):

(i) No Encumbrances. The Properties and the Mineral Rights shall be free of all Encumbrances created by or through Bold in accordance with the terms and conditions set forth in this Agreement and Bold shall forthwith quit claim in writing to Fancamp that it has no further interest of whatsoever nature or kind in the Properties or in or under this Agreement;

(ii) Equipment and Supplies. All plant, machinery, equipment and supplies owned by Bold and brought and placed upon the Properties shall remain the exclusive property of Bold and, if the Options terminate without Bold exercising any part of the Option, shall be removed by the owner thereof, at any time or times within a period of three (3) months next following the termination of the Options; provided that the owner thereof has not removed all such plant, machinery, equipment or supplies within the said three (3) month period, then such plant, machinery, equipment and supplies not so removed thereafter shall become the property of Fancamp or, at Fancamp's option, may within a further three (3) months be removed by Fancamp at the expense of Bold. All plant, machinery, equipment and supplies, until it becomes Fancamp's property or is removed from the Properties, shall be the sole responsibility of Bold thereof and Fancamp shall have no liability with regard thereto; and

(iii) Data. Bold shall forthwith return and deliver, as the case may be, to Fancamp all data and factual information, maps, reports, results of surveys and drilling, and all other reports of information provided by Fancamp in accordance with this Agreement, as well as all assay plans, diamond drill records, information, maps, and other pertinent exploration reports generated by Bold through their exploration activities on the Properties during the term of this Agreement.

3.6 Abandonment of the Right to Explore and the Options

Except for the commitments of Bold under Section 3.8, and any other accrued obligations of Bold to Fancamp hereunder (which accrued obligations shall be performed by Bold irrespective of termination), nothing contained in this Agreement nor the doing of any act or thing by Bold under the terms of this Agreement shall obligate it to do anything else hereunder, it being clearly understood that Bold may abandon all the Right to Explore and the Options granted to it under this Agreement by giving thirty (30) days notice of such abandonment to Fancamp. If Bold gives notice of abandonment of the Right to Explore and the Options granted to Bold, and provided Bold complies with all its accrued obligations to Fancamp hereunder and pay any outstanding amount due to Fancamp and/or any third party in connection with this Agreement and the Exploration Activities conducted by Bold under this Agreement, Bold shall be under no obligation to make any other payment or do anything else hereunder from and after the term of such notice (thirty (30) days) is effective and shall forthwith thereafter deliver the documentation and take the action relating to the Mineral Rights in accordance with Section 3.5(b). For greater certainty, Bold's abandonment shall not relieve Bold of its obligation to fund Expenditures up to the amount of Bold's contractual obligations to third parties in respect of the Mineral Rights and/or the Properties arising prior to Bold's withdrawal.

3.7 Right to Return, Release and Otherwise Deal with Properties

During the Option Period, Bold may at any time give written notice (a "**Release Notice**") to Fancamp that it wishes to release all of its interest in or in respect of any portion of the Mineral Rights (the "**Released Mineral Right**"). Fancamp shall have sixty (60) days to evaluate Bold's Release Notice and, in the case where the Release Notice relates to a portion of any of the Mineral Rights, unless Fancamp exercises its

right to maintain such Mineral Rights within such period, Bold shall be free to allow such Mineral Rights to lapse by ceasing to file assessment work in respect thereof or may cause them to be abandoned or surrendered under the Mineral Act, as applicable. From the giving of Bold's Release Notice with respect to any portion of the Released Mineral Rights, the Released Mineral Rights shall no longer be subject to this Agreement and Bold shall not acquire any rights to explore or mine or both over the areas previously covered by such Released Mineral Rights at any time.

3.8 **Caveats**

Fancamp agrees that Bold is entitled (at its cost) to register caveats or other cautionary filings in respect of the Mineral Rights to protect the interest to which Bold is entitled to earn or earns in the Mineral Rights in accordance with the Mineral Act or other relevant Laws. In the event that this Agreement is terminated, Bold shall (at its costs) withdraw any caveats or other cautionary filings it has registered against the Mineral Rights within thirty (30) days after the termination of this Agreement.

ARTICLE 4
COVENANTS OF BOLD

4.1 **Covenants of Bold**

(a) Compliance. Bold will, for as long as Bold is conducting the Exploration Activities on the Properties, comply with all applicable Laws, rules, licenses and regulations with respect to the Mineral Rights and the Properties and ensure that any work done on the Properties by or on behalf of Bold shall be in accordance with good and prudent mining, mineral exploration, exploitation and environmental practices and in compliance with all applicable Laws, and other consents, including, without limitation, those relating to environmental matters, such as waste disposal and storage.

(b) Maintenance of Properties Free of Tax Liens. Until the time that Bold releases portions of the Mineral Rights under Section 3.7 or abandons the Right to Explore and the Options pursuant to Section 3.6, or until the formation of the Joint Venture, Bold shall carry on sufficient assessment work to maintain the Mineral Rights and the Properties in good standing under the Laws and shall pay all taxes, fees, assessments and other charges in respect of the use or occupation of the Mineral Rights and the Properties. Fancamp shall transmit promptly to Bold any notices it receives pertaining to taxes, assessments or other charges. Bold will reimburse Fancamp for all documented costs and payments incurred by Fancamp for the maintaining of the validity and enforceability of the Mineral Rights and the Properties and for the payment of all fees and royalties paid by Fancamp in respect of the Mineral Rights and the Properties. The amount of such reimbursement will be credited against the amount of the Exploration Expenditures during the Option Period.

(c) Maintenance of the Mineral Rights and the Properties. Bold will take all action necessary to maintain the Mineral Rights and the Properties (including any new mineral rights and/or properties that become a part of this Agreement according to the terms and conditions herein) valid and in good standing, free and clear of any and all Encumbrances, and promptly inform Fancamp of any occurrence or non-occurrence that is likely to affect the validity or good standing of such Mineral Rights and Properties. Bold will ensure that all fees or royalties in respect of the Mineral Rights and the Properties which fall due for payment are promptly paid and that all appropriate procedures, actions, and resources are exercised in order to defend and protect the Mineral Rights and the Properties. During the Option Period, Bold shall, with prior notice

to and the concurrence of Fancamp, apply for renewals and extensions of each of the rights constituting the Mineral Rights, to make any deficiency payments required, and together with Fancamp apply for further and other mineral rights in respect of the areas covered by the Mineral Rights, to distribute work credits and apply for a mining lease.

(d) Environmental, Health and Safety. Bold will promptly inform Fancamp of any adverse environmental, health and safety, or community relations event or issue which is likely to affect the Mineral Rights and the related Properties. If any such communication is verbal, such communication shall as soon as possible thereafter be followed by a detailed written report.

(e) Reports. During the Option Period, Bold will file the results of all of its Expenditures for assessment work credit under the Mineral Act and give Fancamp reports of material occurrences in the conduct of work carried out prior to exercise of the Options as soon as practicable after the reports have been filed. Bold shall prepare and deliver to Fancamp quarterly reports of activity during field work and quarterly reports of Expenditures due by the 60th day of the following calendar quarter. Bold shall prepare and deliver to Fancamp an annual report giving details of the factual data resulting from the Expenditures incurred in the last completed calendar year and a detailed annual statement of Expenditures, within one hundred and twenty (120) days following the completion of the applicable calendar year.

(f) Access. During the Option Period, Fancamp and its authorized representatives shall be entitled to enter upon the Properties on reasonable notice, in reasonable numbers and at reasonable times at their own risk and expense to inspect the work being carried out by Bold.

(g) Removal of Liens. During the Option Period, Bold will pay or cause to be paid all workers or wage earners employed by it on the Properties and will pay for all material purchased by it in connection with its work on the Properties which might give rise to a lien. If a lien or notice of lien is recorded against the Properties as a result of work done by or for Bold, it will take reasonable steps to have the lien removed; provided, however, that Bold may dispute any claim for lien.

(h) Notices. Bold will promptly notify Fancamp of any litigation, arbitration, or other proceeding, claim or any other problem or information which may directly or indirectly affect the Mineral Rights and/or the Properties.

(i) Litigation. Bold will not initiate (or participate in) any litigation, arbitration, or other proceeding which affects or may affect the Mineral Rights and/or the Properties or the validity or enforceability of this Agreement, without Fancamp's prior written approval.

(j) Insurance. Bold will maintain adequate insurance coverage as may be required by any applicable Laws and in accordance with normal industry standards and practices protecting the Parties to this Agreement from third party claims. Bold will purchase, or cause the purchase of, insurance policies from national insurance companies which are known to be solvent companies, providing adequate coverage for the risks relating to the Exploration Activities during the Option Period; the corresponding premiums shall have been fully paid by the respective subscribers.

(k) Protect. Bold will take all preventive measures to defend and protect the Mineral Rights and the Properties from and against any litigation, arbitration, other proceeding, or claim which is brought against such Mineral Rights and Properties.

ARTICLE 5
THE JOINT VENTURE

5.1 Formation of the Joint Venture

In the event that Bold has earned-in a fifty percent (50%) interest in the Mineral Rights according to the terms and conditions set forth in this Agreement, the Parties shall forthwith, but in no event later than thirty (30) days after the date on which Bold has earned-in a fifty percent (50%) interest in the Mineral Rights, execute and deliver a joint venture agreement (the "**JV Agreement**") in the form agreed to by the Parties as set out herein. The JV Agreement shall include the provisions of Sections 5.3, 5.4 and 5.5 hereof and shall include industry standard terms substantially in accordance with the model set out in Forms 5 and 5A published by the Rocky Mountain Mineral Law Foundation. Bold shall provide Fancamp with a draft of the JV Agreement within ten (10) business days following execution of this binding Earn-In Option Agreement. The Parties shall agree on the form and content of the JV Agreement on or before the delivery by Bold to Fancamp of the Notice of Effective Date. If the form of JV Agreement has not been settled by then, the Parties may proceed to arbitration in accordance with Section 11.1 of this Agreement to settle the terms of the JV Agreement and, in any event, Closing and all other provisions of this Agreement shall be extended until the terms of the JV Agreement have been settled. Once the terms of the JV Agreement have been settled, the Parties shall execute an amendment to this Agreement to incorporate the form of the settled JV Agreement into this Agreement. When executed, the JV Agreement shall supercede and replace this Agreement.

5.2 Purpose of the Joint Venture

The purpose of the Joint Venture shall be to hold the Mineral Rights and any and all other mining exploration and exploitation rights related to the Mineral Rights and the Properties, and to conduct further mineral Exploration Activities and, if a production decision is taken by the Parties, to mine the Properties (the "**Joint Venture**").

5.3 Second Option - Feasibility Study and Further Option Payment

(a) Once Bold has earned its fifty percent (50%) interest in the Mineral Rights pursuant to Section 3.3(a)(iii) above and the Joint Venture is formed, Bold shall have the option (the "**Second Option**") at any time during the Joint Venture, prior to the Parties to the Joint Venture establishing a program and budget for a feasibility study in accordance with the terms of the JV Agreement, on thirty (30) days prior written notice to Fancamp (the "**Election to Earn an Additional 10%**") to elect to earn an additional ten percent (10%) interest in and to the Mineral Rights. Bold shall earn an additional ten percent (10%) interest in the Mineral Rights by (i) securing a positive feasibility study of any orebody located on the Mineral Rights prepared by a well-respected firm of consulting geologists operating in Ontario (the "**Feasibility Study**"); and (ii) paying to Fancamp, at the same time the Feasibility Study is delivered, the sum of Seven Hundred Thousand dollars ($700,000) (the "**Further Option Payment**") by certified cheque or at the option of Bold, deliver to Fancamp Shares registered in the name of Fancamp representing that number of Shares with a Market Value of Seven Hundred Thousand dollars ($700,000). Upon delivery of the Feasibility Study and the Further Option Payment, Bold shall be deemed to have exercised its Option to Earn-In an Additional 10% Interest (the

"**Additional 10% Earn-In**") and the interests of the Parties in the Joint Venture shall be calculated in accordance with the provisions of Section 5.4(b).

(b) For greater clarity, Fancamp acknowledges that the Option to Earn-In an Additional 10% Interest shall be in addition to any interest held by Bold at the time of delivery of the Election to Earn an Additional 10%, as adjusted pursuant to the provisions of the JV Agreement.

(c) Once Bold has delivered the Feasibility Study and it wishes to put the orebody which is the subject of the Feasibility Study into production, it may elect to sever the Joint Venture and the Mineral Rights in respect of that portion of the claims comprising the Mineral Rights that include the orebody that are necessary for purposes of placing such orebody into production and additional surface rights on other claims reasonably necessary for access, tailings and Operations (the "**Carved-Out Mineral Rights**"). The Carved-Out Mineral Rights shall be treated as a separate Joint Venture on the same terms and conditions as the Joint Venture with the balance of the Mineral Rights (the "**Remaining Mineral Rights**") subject to the interests of the Parties immediately following the delivery of the Feasibility Study and with the actual and deemed Expenditures made and interests of the Parties calculated to the date of delivery of the Feasibility Study deemed to apply to both the Remaining Mineral Rights and the Carved-Out Mineral Rights. Thereafter, all Exploration Activities and Operations in respect of the Carved-Out Mineral Rights and the Remaining Mineral Rights shall be accounted for separately as separate Joint Ventures.

5.4 **Contributions of the Parties to the Joint Venture**

(a) Fancamp shall contribute to the Joint Venture its rights, titles, and interests to the Mineral Rights and the Properties, free and clear of all Encumbrances, and the Parties shall register such assignment with the applicable Governmental Authority; Bold shall contribute to the Joint Venture all data, reports, studies, surveys, and analysis in connection with the Mineral Rights, the Properties and the Exploration Activities conducted until the date of execution of the JV Agreement, as well as all equipment, buildings, and assets acquired, constructed and/or developed by Bold during the execution of the Exploration Activities (the "**JV Assets**"). As of the date of formation of the Joint Venture, the Parties shall hold as tenants in common all of the JV Assets and each Party's initial contribution shall be deemed to be as set forth below, notwithstanding any amounts spent by each Participant in acquiring its right, title and interest in and to the JV Assets.

Bold's Initial Contribution	$8,000,000
Fancamp's Initial Deemed Contribution	$8,000,000

Immediately upon the execution of the JV Agreement, each Party shall have the initial participating interest in the Joint Venture set out below opposite its name:

Bold's Initial Participation Interest	50%
Fancamp's Initial Participation Interest	50%

(b) If, at any time, Bold delivers an Election to Earn an Additional 10% in accordance with the provisions of Section 5.3(a), upon delivery of the Feasibility Study and the Further Option Payment, the contributions of the Parties to the Joint Venture shall be determined and adjusted as follows:

	Additional 10% Earn-In
Bold's Adjusted Contribution	Note 1
Fancamp's Deemed Contribution	Note 2

The participating interest in the Joint Venture of each Party shall be determined and adjusted as follows:

	Additional 10% Earn-In
Bold's Adjusted Participation Interest	Note 1
Fancamp's Adjusted Participation Interest	Note 2

Note 1 – Bold's deemed contribution shall be $8,000,000 ("**Bold's Initial Contribution**") plus any Expenditures made by Bold ("**Bold's JV Expenditures**") during the Joint Venture, subject to any adjustments made to the interests of the Parties pursuant to the terms of the JV Agreement, being X% of the Joint Venture, plus the costs incurred by Bold to complete the Feasibility Study ("**FS Costs**") for a total deemed contribution of $A (Bold's Initial Contribution + Bold's JV Expenditures + FS Costs) and X% + 10% = Y% interest, being Bold's adjusted interest in the Joint Venture.

Note 2 – Fancamp's deemed contribution shall be calculated as $A x 100% ÷ Y% = $B (total deemed contribution of Joint Venture). $B – $A = $C being Fancamp's deemed contribution and its deemed interest in the Joint Venture shall be 100% – Y% = Z%, being Fancamp's adjusted interest in the Joint Venture.

5.5 Operator

The Parties hereby agree that Bold shall be the operator of the Joint Venture (the "**Operator**"). Bold shall be entitled to be the Operator for so long as it maintains a participating interest in the Joint Venture equal to or greater than that of the other Party. If, at any time, the participating interest of the Operator should cease to be equal to or greater than the participating interest of any other Party, the Non-Operator, by notice in writing to the Operator ("**Notice of Change of Operator**"), shall be entitled to become the Operator. If Notice of Change of Operator is given, the Party to whom it is given shall turn over all documents and records and assign the rights under all contracts and otherwise co-operate and take all proper actions reasonably necessary to allow the successor Operator to assume its duties and responsibilities under the JV Agreement.

ARTICLE 6
PRE-EMPTIVE RIGHT

6.1 Pre-emptive Right

Except as otherwise provided in Section 3.6 and 3.7, if at any time a Party (the "**Offeror**") desires to sell, assign, or Transfer all or any part of its rights and interest in this Agreement and the Mineral Rights (the "**Sale Interest**"), then the other Party (an "**Offeree**") shall have a pre-emptive right to acquire such Sale Interest as follows:

(a) the Offeror shall promptly notify the Offeree of its intentions. The Notice shall state the price in cash or cash equivalent in the form of marketable securities (the "**Purchase Price**") and all other pertinent terms and conditions of the intended Transfer. The Purchase Price may be stated in whole or in part in the form of publicly marketable securities provided that the Offeror delivers together with its Notice given under this Section 6.1 a certificate signed by a duly qualified and reputable securities analyst certifying as to the cash equivalent value of the publicly marketable securities on the date of such Notice. The Offeror need not have any offer in hand, but if it does, then the Notice shall be accompanied by a copy of the offer or contract for sale. The Offeree shall have fifteen (15) days after the date such Notice is delivered to notify the Offeror whether it elects to acquire the offered Sale Interest at the same Purchase Price and on the same terms and conditions as set forth in the Notice. If such an election is made, then the Transfer shall be consummated promptly after Notice of such election is delivered to the Offeror;

(b) if the Offeree elects not to acquire the offered Sale Interest or fails to so elect within the fifteen (15) day period provided above, the Offeror shall have ninety (90) days following the earlier of (i) the date of expiration of the above mentioned fifteen (15) day period or (ii) the date the Offeree elected not to purchase the Sale Interest, to consummate the Transfer to a third party at a price at least equal to the Purchase Price and on terms no less favourable to the Offeror than those offered by the Offeror to the Offeree in the Notice required herein; and

(c) if the Offeror fails to consummate the Transfer to a third party within the said ninety (90) day period, then the pre-emptive right of the Offeree in such offered Sale Interest shall be deemed to be revived. Any subsequent proposal to Transfer such Sale Interest shall be conducted in accordance with all the procedures set forth in this Section 6.1.

6.2 Exceptions to Pre-emptive Right.

Section 6.1 shall not apply to the following:

(a) a Transfer by Party of all or any part of its interest in this Agreement and the Mineral Rights and the Properties to an Affiliate; provided that:

(i) the transferee remains an Affiliate indefinitely thereafter;

(ii) the Affiliate agrees in writing to be bound by the provisions hereof; and

(iii) a transfer to an Affiliate shall not relieve the Party of any of its liabilities and obligations arising under this Agreement; or

(b) a corporate merger, consolidation, amalgamation, or reorganization of the a Party by which the surviving entity shall be subject to all of the liabilities and obligations of the Party hereunder, including an amalgamation or reorganization involving the other Party.

The Parties hereto acknowledge that the Mineral Rights lie within the area of interest under an option agreement (the "**Dundee OJV**") between Bold and 2282726 Ontario Ltd., a wholly-owned subsidiary of Dundee Corporation ("**Dundee Subco**"). Fancamp acknowledges and agrees that Bold may at any time allow Dundee Subco to participate in the Agreement and Joint Venture pursuant to the terms of the Dundee OJV whereby Dundee Subco may acquire up to one-third (1/3) of Bold's interest in the Mineral Rights (subject to adjustments under the Dundee OJV) and the provisions of this Article 6 shall not apply to any sale, assignment or transfer of any part of the rights or interests of Bold in this Agreement and the Mineral Rights to Dundee Subco or any Affiliate of Dundee Subco ("**Dundee**"). For the purposes of this Agreement, the interests of Dundee and Bold collectively shall be deemed to be the interests of Bold. Dundee shall be deemed to be a permitted assign of Bold for the purposes of this Agreement.

ARTICLE 7
AREA OF MUTUAL INTEREST

7.1 The Parties agree that the area which is within a one (1) kilometer of the Mineral Rights is an Area of Mutual Interest ("**AMI**") and that, for so long as the Agreement or the Joint Venture is in effect, within the AMI:

(i) neither Party will compete with the other; and

(ii) each Party will offer to the other Party the opportunity to acquire fifty percent (50%) of any interest held or acquired by the other Party in any mineral property within the AMI, at acquirer's cost. The Parties agree to negotiate in good faith and to use reasonable best efforts to reach an agreement in respect of any interest or property held, acquired or sought to be acquired within the AMI.

ARTICLE 8
CLOSING

8.1 **General**

(a) The Closing of this Agreement shall take place at the offices of Bold, at 15 Toronto Street, Suite 1000, Toronto, Ontario, Canada, within ten (10) business days following receipt by Fancamp from Bold of the Notice of Effective Date or at such other time and place and on such other day as shall be mutually agreed upon in writing by the Parties hereto and shall be effective as of 11:59 p.m. on the date on which the Closing occurs (the "**Closing Date**").

(b) As used in this Agreement, the "**Closing**" shall mean the events by which Fancamp consummates the grant of the Right to Explore and the Options against delivery by Bold of the documents provided in Section 8.2 below and the payments provided in Section 3.2 hereof by wire transfer of immediately available funds to be received on the Closing Date, to the accounts designated in writing by Fancamp.

8.2 **Conditions to Closing for Benefit of Fancamp**

The obligation of Fancamp to consummate the transactions provided for by this Agreement with Bold is subject to the satisfaction, on or prior to the Closing Date, by Bold of each of the following conditions, any of which may be waived by Fancamp:

(a) Representations and Warranties. Each of the representations and warranties of Bold made in this Agreement shall be true and correct in all material respects both on the date hereof and as of the Closing Date as though made at such time;

(b) Covenants; Performance. Bold shall have performed and complied in all material respects with all covenants and agreements required to be performed or complied with by it at or prior to the Closing Date, and Fancamp shall simultaneously at the Closing effect, or cause to be effected, the grant of rights contemplated hereby;

(c) No Proceeding or Litigation. No litigation, action, suit, investigation, claim or proceeding challenging the legality of, or seeking to restrain, prohibit or materially modify, the transactions provided for in this Agreement shall have been instituted by any Governmental Authority in respect of an alleged violation of law or regulation (or, in respect of a litigation, action, suit, investigation, claim or proceeding brought by a private party, no injunction shall have been granted) and not settled or otherwise terminated;

(d) Required Consents and Certificates Regarding the Issuance of the Shares. If Fancamp elects to receive Shares pursuant to Article 3, Bold shall deliver to Fancamp the certificates representing the Shares as well as evidence of any and all corporate authorization and any other license, permit and/or authorization (from a Governmental Authority, stock exchange etc.) necessary to issue and deliver the Shares to Fancamp.

(e) No order or Regulation. No order or regulation shall have been enacted by any Governmental Authority that makes the transactions contemplated by this Agreement illegal; and

(f) General. Bold has duly complied with all the terms, covenants and conditions of this Agreement on its part to be complied with up to the Closing Date.

8.3 **Conditions to Closing for Benefit of Bold**

The obligation of Bold to consummate the transactions provided for by this Agreement with Fancamp is subject to the satisfaction, on or prior to the Closing Date, by Fancamp of each of the following conditions, any of which may be waived by Bold:

(a) Representations and Warranties. Each of the representations and warranties of Fancamp made in this Agreement shall be true and correct in all material respects both on the date hereof and as of the Closing Date as though made at such time;

(b) Covenants; Performance. Fancamp shall have performed and complied in all material respects with all covenants and agreements required to be performed or complied with by it at or prior to the Closing Date;

(c) No Proceeding or Litigation. Save and except for the Summons, if not resolved, no litigation, action, suit, investigation, claim or proceeding challenging the legality of, or

seeking to restrain, prohibit or materially modify, the transactions provided for in this Agreement shall have been instituted by any Governmental Authority in respect of an alleged violation of law or regulation (or, in respect of a litigation, action, suit, investigation, claim or proceeding brought by a private party, no injunction shall have been granted) and not settled or otherwise terminated;

(d) No order or Regulation. No order or regulation shall have been enacted by any Governmental Authority that makes the transactions contemplated by this Agreement illegal; and

(e) General. Fancamp has duly complied with all the terms, covenants and conditions of this Agreement on its part to be complied with up to the Closing Date.

ARTICLE 9
CONFIDENTIALITY

9.1 Confidential Information

Except as provided in Sections 9.2 and 9.3, or with the prior written consent of the other Party, each Party shall keep confidential and not disclose to any third party or the public any Confidential Information.

9.2 Permitted Disclosure of Confidential Business Information

Either Party may disclose Confidential Information:

(a) to a Party's officers, directors, partners, members, employees, Affiliates, agents, attorneys, accountants, consultants, contractors, subcontractors or advisors, for the sole purpose of such Party's performance of its obligations under this Agreement;

(b) to any party to whom the disclosing Party contemplates a Transfer of all or any part of its interests in this Agreement and the Mineral Rights, for the sole purpose of evaluating the proposed Transfer;

(c) to any actual or potential lender, underwriter or investor for the sole purpose of evaluating whether to make a loan to or investment in the disclosing Party; or

(d) to a third party with whom the disclosing Party contemplates any merger or similar transaction.

The Party disclosing Confidential Information pursuant to this Section 9.2, shall disclose such Confidential Information to only those parties who have a bona fide need to have access to such Confidential Information for the purpose for which disclosure to such parties is permitted under this Section 9.2 and who have agreed in writing supplied to, and enforceable by, the other Party to protect the Confidential Information from further disclosure, to use such Confidential Information solely for such purpose and to otherwise be bound by the provisions of this Section 9.2. Such writing shall not preclude Parties described in Section 9.2 from discussing and completing a Transfer with the other Party. The Party disclosing Confidential Information shall be responsible and liable for any use or disclosure of the Confidential Information by such parties in violation of this Agreement and such other writing.

9.3 Disclosure Required By Law

Notwithstanding anything contained in this Article 9, a Party may disclose any Confidential Information if, in the opinion of the disclosing Party's legal counsel:

(a) such disclosure is legally required to be made in a judicial, administrative or governmental proceeding pursuant to a valid subpoena or other applicable order; or

(b) such disclosure is legally required to be made pursuant to the rules or regulations of a stock exchange or similar trading market applicable to the disclosing Party.

Prior to any disclosure of Confidential Information under this Section 9.3, the disclosing Party shall give the other Party at least three (3) Business Days prior written notice (unless the Party is obligated to release the Confidential Information on less than three (3) Business Days in order to comply with applicable securities law or stock exchange rules, regulations or policies) and, in making such disclosure, the disclosing Party shall disclose only that portion of Confidential Information required to be disclosed and shall take all reasonable steps to preserve the confidentiality thereof, including, without limitation, obtaining protective orders and supporting the other Party in intervention in any such proceeding.

The Parties shall not be restricted from releasing resources or reserves within the requirement of the applicable Party's public disclosure reporting jurisdiction.

9.4 Public Announcements

No Party will make any public statement or give any press release concerning the matters contemplated herein or about the existence of this Agreement without the written consent of the other Party, which consent will not be unreasonably withheld. A Party wishing to make a public announcement shall give the other Parties two (2) Business Days to comment upon and suggest changes to the public announcement unless the Party is obligated to make the public announcement in less than two (2) Business Days in order to comply with applicable securities Laws or stock exchange rules, regulations or policies.

9.5 Consultation Regarding Disclosure

The Party making disclosure under Sections 9.3 or 9.4 will consult with the other regarding the text of any such statement, release or disclosure and the Parties will use all reasonable efforts, acting expeditiously and in good faith, to agree upon a text that is satisfactory to each of them within three (3) Business Days or such shorter period as contemplated in Sections 9.3 or 9.4. If the Parties fail to agree upon such text, the Party making the disclosure will make only such public statement or release as its counsel advises in writing is legally required to be made.

ARTICLE 10
TERM

10.1 Term

Subject to Sections 3.5, 3.6, 3.7, 5 and 8, this Agreement shall be effective upon execution hereof in respect of Section 1.6 and in respect of all other matters from the Closing Date and until first to occur of the following (the "**Term**"):

(a) the date (if any) on which the JV Agreement has been duly executed by the Parties pursuant to Section 5 hereof;

(b) the date this Agreement is terminated according to Section 3.5; or

(c) the date falling on the fifth (5^{th}) anniversary of the Closing Date.

ARTICLE 11
GENERAL

11.1 **Resolution of Disputes**

(a) All matters in dispute under this Agreement shall be settled by final and binding arbitration with no appeal from the decision of the arbitrators; provided, however, no Party may refer any matter to arbitration without first having given ten (10) days advance written notice to the other Party specifying in detail the matter to be arbitrated, its proposed resolution of such matter and the intention to refer the matter to arbitration (collectively, a "**Notice of Intended Arbitration**"). After ten (10) days have elapsed from the delivery to the other Party of a Notice of Intended Arbitration without resolution of the matter, the Party who gave such notice may refer the dispute to arbitration pursuant to all the provisions of the *Arbitration Act, 1991* (Ontario) and regulations thereunder (collectively, the "**Arbitration Provisions**") by naming an arbitrator and notifying the other Party of the arbitrator appointed by it accompanied by that arbitrator's acceptance of his or her appointment.

(b) If the Parties agree in writing on a single arbitrator, any matter covered by a Notice of Intended Arbitration under this Agreement may be referred by the Parties to arbitration by a single arbitrator in lieu of the arbitration panel otherwise contemplated herein. The Parties contemplate the arbitrator(s) appointed will be persons qualified by experience and skill in the area(s) referred to in the Notice of Intended Arbitration. The Parties further contemplate the arbitrator(s) will determine the matter specified in the Notice of Intended Arbitration, reduce their decision to writing and deliver a copy to the other Party, all within forty-five (45) days of the appointment of the last arbitrator, subject to any reasonable delay due to unforeseen circumstances. Notwithstanding the foregoing, if the single arbitrator fails to make a decision within sixty (60) days after appointment or if the arbitrators, or a majority of them, fail to make a decision within sixty (60) days after the appointment of the third arbitrator, then either of the Parties may by notice to the other elect to have a new single arbitrator or arbitrators chosen in like manner as if none had previously been selected.

(c) If the Parties do not agree on a single arbitrator, the other Party shall, within ten days of the delivery of the notice of appointment and acceptance of the first appointed arbitrator, appoint an arbitrator and deliver to the other Party notice of such appointment and the acceptance of the appointed arbitrator. If two arbitrators are appointed, those arbitrators shall within fifteen (15) days of the appointment of the second of them choose a third member of the arbitration panel. If either Party fails to choose an arbitrator or the two (2) arbitrators appointed by the Parties fail to choose a third (3rd) member of the arbitration panel, a judge of the Ontario Court (General Division) shall, upon the request of either Party appoint the arbitrator or arbitrators to complete the three person arbitration panel.

(d) The Parties agree that proceedings before the arbitrator(s) shall take place in Toronto, Ontario, or such other place as the arbitrator(s) may determine.

(e) Each Party to this Agreement expressly agrees with the other Party that the arbitrators appointed hereunder shall have all the rights and obligations provided for in the Arbitration Provisions and additionally that the arbitrators shall be entitled to finally determine all questions of law, fact and mixed fact and law without reference or appeal to any court.

(f) The fees and expenses of the arbitrator(s) (unless otherwise determined by the arbitrator(s)) shall be paid by the Parties equally.

(g) None of the Parties concerned shall be deemed to be in default of any matter being arbitrated until ten (10) days after the decision of the arbitrator(s) is delivered to all of them.

11.2 **Notices**

All notices, payments and other required communications ("**Notices**") to the Parties shall be in writing, and shall be addressed respectively as follows:

in the case of a Notice to Fancamp at: 7290 Gray Avenue Burnaby, British Columbia V5J 3Z2 Attention: Peter H. Smith Fax: (604) 434-8823 E-mail: with a copy to: Attention: Fax: Email:	in the case of a Notice to Bold at: 15 Toronto Street, Suite 1000 Toronto, Ontario M5C 2E3 Attention: Richard Nemis Fax: (416) 864-1443 E-mail: rnemis@hotmail.com with a copy to: Gardiner Roberts LLP 40 King Street West, Suite 3100 Toronto, Ontario M5H 3Y2 Attention: Bill Johnstone Fax: (416) 865-6636 Email:

Any Notice will:

(a) Five (5) business days after the same shall have been deposited in the mail properly addressed, certified or registered with return receipt requested and postage prepaid, unless at the time of such posting or within five (5) business days thereafter, any strike, labour dispute or similar disruption of mail service shall come into effect, in which event such Notice shall not be valid;

(b) if delivered by hand, be deemed to have been given and received on the day it was delivered to the recipient; and

(c) if sent by facsimile, be deemed to have been given and received on the Business Day following the day of a transmission report by the machine from which the facsimile was sent which indicates that the facsimile was successfully sent in its entirety to the facsimile number of the recipient it was so sent.

A Party may at any time give to the other Party notice in writing of any change of address of the Party giving such notice and from and after the giving of such notice the address or addresses therein specified will be deemed to be the address of such Party for the purposes of giving notice hereunder.

11.3 **Waiver**

The failure of a Party to insist on the strict performance of any provision of this Agreement or to exercise any right, power or remedy upon a breach hereof shall not constitute a waiver of any provision of this Agreement or limit the Party's right thereafter to enforce any provision or exercise any right.

11.4 **Amendment**

No amendment, supplement, modification, waiver or termination of this Agreement and, unless otherwise specified, no consent or approval by any Party, shall be binding unless executed in writing by the Party to be bound thereby.

11.5 **Force Majeure**

Force Majeure means an event which, during any period while this Agreement is in effect, prevents or makes unattainable on a practical basis the performance of the obligations of a Party due to any cause, whether foreseeable or unforeseeable, that is beyond its reasonable control, including labour disputes (however arising and whether or not employee demands are reasonable or within the power of the Party to grant); acts of God; Laws, regulations, orders, proclamations, instructions or requests of any Governmental Authority; judgments or orders of any court; inability to obtain on reasonably acceptable terms any public or private license, permit or other authorization; curtailment or suspension of activities to remedy or avoid an actual or alleged, present or prospective violation of federal, provincial or territorial or local environmental standards; acts of war or conditions arising out of or attributable to war, whether declared or undeclared; terrorism, riot, civil strife, insurrection or rebellion; fire, explosion, earthquake, storm, flood, sink holes, drought or other adverse weather conditions; delay or failure by suppliers or transporters of materials, parts, supplies, services or equipment or by contractors' or subcontractors' shortage of, or inability to obtain, labour, transportation, materials, machinery, equipment, supplies, utilities or services; accidents; breakdown of equipment, machinery or facilities; interference of persons primarily concerned about environmental issues or aboriginal rights issues or by aboriginal or aboriginal rights groups, or other causes whether of the kind enumerated above or otherwise which are not reasonably within the control of the applicable Party including but not limited to the inability to obtain the required Aboriginal Consent including such consent to an exploitation agreement or other agreement to proceed with development and mining of the Mineral Rights and Property; or any other cause whether similar or dissimilar to the foregoing. The affected Party shall promptly give Notice to the other Parties of the suspension of performance, stating therein the nature of the suspension, the reasons therefor, and the expected duration thereof. The affected Party shall resume performance as soon as reasonably possible. Lack or unavailability of funds, commercial frustration, commercial impracticability or the occurrence of unforeseen events rendering performance hereunder uneconomical shall not constitute an excuse of performance of any obligation imposed hereunder.

No Party shall be liable to the other Party or be in default under this Agreement for any failure or delay in performing any of its covenants or agreements caused by or arising out of any act of Force Majeure; provided that the Party asserting Force Majeure gives Notice to the other Party of such occurrence within thirty (30) days after the act of Force Majeure commences or is discovered. Settlement of strikes or labour disputes shall be entirely within the discretion of the Party experiencing the difficulty. No right of any Party shall be affected by failure or delay of that Party to meet any provisions or terms of this Agreement, where such failure or delay is caused by any event of Force Majeure, and all times provided for in this

Agreement shall be extended for a period equal to the period of delay; provided, however, that performance shall be resumed within a reasonable time after such cause has been removed.

11.6 Further Assurances

The Parties shall with reasonable diligence do all such things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this Agreement, and each Party shall provide such further documents or instruments required by any other Party as may be reasonably necessary or desirable to effect the purpose of this Agreement and carry out its provisions.

11.7 Survival of Terms and Conditions

The following Sections shall survive the termination of the Options and this Agreement to the full extent necessary for their enforcement and the protection of the Party in whose favour they run: Sections 2.6, 3.5(b), 3.8, 9, 11.1, 11.2 and 11.11.

11.8 Successors and Assigns

This Agreement shall be binding upon and enure to the benefit of the Parties and their respective successors (including any successor by reason of amalgamation of any Party) and permitted assigns.

11.9 No Partnership

Nothing contained in this Agreement shall be deemed to constitute any Party the partner of any other, nor, except as otherwise herein expressly provided, to constitute any Party the agent or legal representative of any other, nor to create any fiduciary relationship between them. It is not the intention of the Parties to create, nor shall this Agreement be construed to create, any mining, commercial or other partnership. No Party shall have any authority to act for or to assume any obligation or responsibility on behalf of any other Party, except as otherwise expressly provided herein. The rights, duties, obligations and liabilities of the Parties shall be several and not joint or collective. Each Party shall be responsible only for its obligations as herein set out and shall be liable only for its share of the costs and expenses as provided herein, it being the express purpose and intention of the Parties that their ownership of assets and the rights acquired hereunder shall be as tenants in common. Each Party shall indemnify, defend and hold harmless each other Party, its directors, officers, employees, agents and attorneys from and against any and all losses, claims, damages and liabilities arising out of any act or any assumption of liability by the indemnifying Party, or any of its directors, officers, employees, agents and attorneys done or undertaken, or apparently done or undertaken, on behalf of the other Party, except pursuant to the authority expressly granted herein or as otherwise agreed in writing between the Parties.

11.10 Waiver of Rights of Partition and Sale

The Parties hereby waive and release all rights of partition or of sale in lieu thereof, or other division of assets, including any such rights provided by statute and all similar rights applicable in the jurisdiction in which the Properties are located.

11.11 Expense and Commissions

Each Party shall pay its own legal and other costs and expenses incurred in connection with this Agreement and agrees to save harmless each other Party from and against any and all claims whatsoever for any commissions or other remuneration payable or alleged to be payable to anyone acting on its behalf.

11.12 **Execution and Delivery**

This Agreement may be executed by the Parties in counterparts and may be executed and delivered by facsimile and all such counterparts and facsimiles shall together constitute one and the same agreement.

11.13 **Language**

The Parties confirm that it is their wish that this Agreement, as well as any other documents relating to this Agreement, including notices, schedules and authorizations, have been and shall be drawn up in the English language only. Les signataires conferment leur volonte que presente convention, de meme que tons les documents s'y rattachant, y compris tout avis, annexe et autorisation, soient rediges en anglais seulement.

IN WITNESS OF WHICH the Parties have duly executed this Agreement.

FANCAMP EXPLORATION LTD.

Per: *"Peter H. Smith"*
Name: Peter H. Smith
Title: President & CEO

I have the authority to bind the corporation

BOLD VENTURES INC.

Per: *"Richard Nemis"*
Name: Richard Nemis
Title: President & CEO

I have the authority to bind the corporation

SCHEDULE "A"
MINERAL RIGHTS

Fancamp Exploration Ltd. Ring of Fire Claims (4)

Township/Area	Claim Number	Units	Recorded Date	Expiry Date
BMA 527 862	3012254	16	April 22, 2003	April 22, 2015
BMA 527 862	3012255	16	April 22, 2003	April 22, 2015
BMA 526 862	3012257	16	April 22, 2003	April 22, 2015
BMA 526 862	3012258	16	April 22, 2003	April 22, 2015

All in the Porcupine Mining Division

SCHEDULE "B"
NSR

RICHARD NEMIS
53 Yonge Street, Suite 200
Toronto, Ontario M5E 1J3
Telephone (416) 864-1456 Telefax (416) 367-5444
email efinlay@sympatico.ca

June 17, 2003

Fancamp Exploration Ltd.
340 Victoria Avenue,
Montreal, Quebec,
H3Z 2M8

Dear Sirs:

Re: Richard Nemis ("Trustee") hereinafter referred to as the "Vendor" and Fancamp Exploration Ltd. hereinafter referred to as "Purchaser"
4 Units Porcupine Mining Division

Further to our discussions, this letter will confirm and document a proposal made with respect to the sale of mineral interests (4 units) located in the Porcupine Mining Division as more particularly set out in Schedule "A", attached and hereinafter referred to as the "Property".

In this letter agreement, Richard Nemis ("Trustee") will be referred to as the "Vendor" and Fancamp Exploration Ltd., will be referred to as the "Purchaser".

The Terms of our agreement are as follows:

1. The Vendor represents and warrants to the Purchaser that:

   (a) The Property is properly and accurately described in Schedule "A" hereto and registered to the Vendor;
   (b) To the best of the Vendor's knowledge, information and belief, each of the mining units comprising the Property have been properly staked, tagged and recorded under laws of the Province of Ontario;
   (c) The Vendor has the full right and authority to enter into this agreement;
   (d) There are no adverse interests or other agreements affecting the Property;
   (e) The Property is free and clear of all liens and encumbrances, recorded or unrecorded , save and except for a 2% NSR over the property as set out herein;
   (f) There are no outstanding or pending actions, suits or claims affecting all or any part of the Property; and

2. The Vendor does by the execution hereof grant to the Purchaser the right to acquire the Property subject to the terms and conditions hereinafter set forth.

(a) The Vendor does by the execution hereof grant to the Purchaser the right to acquire a one hundred percent (100%) interest in the Property subject to the retention by the Vendor of a two percent (2%) net smelter return, and by paying to the Vendor or to whomsoever he may direct, the sum of $7200 Dollars in lawful money of Canada.

(b) The purchaser shall have the right to purchase from the Vendor a one percent (1%) Net Smelter Return Royalty, at any time prior to commencement of production from the claims, upon payment of One Million ($1,000,000) Dollars to the Vendor.

3. On the execution of this agreement, the Vendor shall deliver to the Purchaser, a duly executed Transfer of the claims in favour of the Purchaser.

4. The term "net smelter return" as used in this agreement shall mean the net proceeds realized from the sale to a bona fide purchaser in an arm's length transaction of minerals recovered from ore mined from the Property. The net proceeds shall be determined by deducting from the dollar value paid for the recovered minerals, the cost of smelting and refining the ore/or concentrates thereof, marketing and insurance charges, and transportation costs, including the costs of transporting the ore and/or concentrates thereof to the milling facilities and to the smelter or refinery.

If the foregoing is satisfactory to you, please so indicate by signing and returning the enclosed copy of this letter.

Richard Nemis (Trustee)

Fancamp Exploration Ltd., hereby accepts the terms and conditions as set out above are accepted.

Dated this 30 day of June, 2003.

Per: _____

SCHEDULE "A"

Schedule "A" to Letter Agreement dated June 17th 2003 between Richard Nemis Trustee and Fancamp Exploration Ltd.

McFaulds Lake area Porcupine Mining Division, Northern Ontario

Claim number	Units
3012254	16
3012255	16
3012257	16
3012258	16

CORPORATE AFFIDAVIT

I, PETER SMITH of Toronto, Ontario HEREBY MAKE OATH AND SAY AS FOLLOWS:

1. I am the President of Fancamp Exploration Ltd. (the "Company") and have a personal knowledge of the matters and things herein deposed to and have authority to make this Affidavit on behalf of the Company.
2. Fancamp Resources Ltd. entered into a Letter of Agreement with Richard Nemis In Trust dated June 17th, 2003 a true copy of which is attached hereto as Schedule "A" to this my Affidavit.
3. The signature Peter Smith affixed to the Letter of Agreement is the signature of the President of the Company and the signature is in the proper handwriting of me this deponent on behalf of the Company.
4. I am an authorized signing officer authorized to execute documents in the name and on behalf of Fancamp Exploration Ltd.

SWORN before me at the)
City of Montreal, Province of)
Quebec, this 15 day of)
December 2009.)

Peter Smith

Commissaire à l'Assermentation
France Duquette
120 306

SCHEDULE "C"
SUMMONS

SUMMONS
ASSIGNATION

ONTARIO COURT OF JUSTICE
COUR DE JUSTICE DE L'ONTARIO
PROVINCE OF ONTARIO
PROVINCE DE L'ONTARIO
Northwest / Nord-Ouest
(Region / *Région*)

Under Section 24 of the *Provincial Offences Act*
Aux termes de l'article 24 de la Loi sur les infractions provinciales

Form / *Formule* 106
Courts of Justice Act
Loi sur les tribunaux judiciaires
R.R.O. / *R.R.O.* 1990
O. Reg. / *Règl. de l'Ont.* 200

To / *À*
Peter H. Smith
340 Victoria Avenue, West Mount Quebec
of / *de(du)*
H3Z 2M8

Whereas you have been charged before me that you,
Attendu que vous avez été accusé(e) devant moi d'avoir

on or about the / *le ou vers le* 16 th day of / *jour de* December, 2010, to the 10th of March, yr. / *an* 2011 at / *à* Koper Lake area, Unorganized Territory, District of Kenora (Patricia Portion), Northwest Region

did commit the offence of / *commis l'infraction suivante*
did continue an activity, or cause an activity to be continued in contravention of a Stop Work Order dated December 16, 2010,

contrary to / *contrairement à* **Public Lands Act, R.S.O. 1990, Chapter P. 43 as amended** section / *article* **14(6)**

THEREFORE YOU ARE COMMANDED IN HER MAJESTY'S NAME TO APPEAR BEFORE THE ONTARIO COURT OF JUSTICE
À CES CAUSES, VOUS ÊTES SOMMÉ(E), AU NOM DE SA MAJESTÉ, DE COMPARAÎTRE DEVANT LA COUR DE JUSTICE DE L'ONTARIO

at / *à(au)* **299 East Street, Geraldton Ontario**

on the / *le* **27** day of / *jour de* **March**, 20 **12**, at / *à* **10:00 am** (time / *heure*) .m. / *h*

at / *à* **Centre Culturel (French Club)** (courtroom / *salle d'audience*)

and to appear thereafter as required by the court to be dealt with according to law.
et de comparaître par la suite selon les exigences du tribunal, afin d'être traité(e) selon la loi.

Issued at / *Délivrée à* **Municipality of Greenstone, Geraldton On.**

this / *ce* **14** day of / *jour de* **February**, 20 **12**

Judge or Justice of the Peace in and for the Province of Ontario
Juge ou juge de paix dans et pour la province de l'Ontario

NOTICE TO DEFENDANT

You may appear personally, or by agent or counsel.

If you do not appear:

a) the court may issue a warrant for your arrest, or
b) your trial may proceed in your absence and evidence be taken, and
c) if you are convicted, you could be sentenced in your absence, and
d) depending on the offence of which you have been convicted, you could be sentenced to jail and a warrant issued for your arrest.

If you do appear:

a) the trial may proceed; or
b) you, or the prosecutor, may ask the court to adjourn your case to another date. The court may grant or refuse such a request.

REMARQUE à la partie défenderesse :

Vous pouvez comparaître personnellement, par mandataire, ou par un avocat.

Si vous ne comparaissez pas :

a) le tribunal peut émettre un mandat d'arrestation à votre encontre,
b) votre procès peut se dérouler en votre absence et des témoignages entendus,
c) si vous êtes reconnu(e) coupable, votre peine pourrait être prononcée en votre absence,
d) selon l'infraction pour laquelle vous avez été condamné(e), vous pourriez recevoir une peine d'emprisonnement et un mandat d'arrestation pourrait être émis à votre encontre.

Si vous comparaissez :

a) le procès peut être tenu ; ou
b) vous pouvez, vous ou le poursuivant, demander au tribunal un ajournement. Le tribunal peut accorder ou refuser cette demande.

FOR INFORMATION ON ACCESS TO ONTARIO COURTS FOR PERSONS WITH DISABILITIES, CALL 1-800-387-4456 TORONTO AREA 416-326-0111

POUR PLUS DE RENSEIGNEMENTS SUR L'ACCÈS DES PERSONNES HANDICAPÉES AUX TRIBUNAUX DE L'ONTARIO, COMPOSEZ LE 1 800 387-4456 RÉGION DE TORONTO 416-326-0111

FIRST AMENDMENT TO EARN-IN OPTION AGREEMENT

Between:

Fancamp Exploration Ltd.

and

Bold Ventures Inc.

For
Mineral Exploration Activities

in the Ring of Fire,
Ontario, Canada

Dated as of:
July 25, 2012.

FIRST AMENDMENT TO EARN-IN OPTION AGREEMENT

THIS AMENDMENT AGREEMENT is made as of July 25, 2012.

BETWEEN:

FANCAMP EXPLORATION LTD., a corporation governed by the Laws of British Columbia,

("**Fancamp**")

– and –

BOLD VENTURES INC., a corporation governed by the Laws of Ontario,

("**Bold**")

RECITALS:

A. **WHEREAS**, Fancamp granted to Bold the right to conduct mineral exploration activities on the Mineral Rights and to earn-in a fifty percent (50%) undivided working interest in the Mineral Rights plus an additional ten percent (10%) undivided working interest in the Mineral Rights on the terms and conditions of the Earn-In Option Agreement dated May 2, 2012 (the "**Original Agreement**");

B. **AND WHEREAS** all capitalized terms not otherwise defined herein shall have the meaning given to them in the Original Agreement;

C. **AND WHEREAS** the Original Agreement was executed before the form of JV Agreement was agreed to by the Parties conditional upon the terms of Section 5.1 of the Original Agreement being fulfilled;

D. **AND WHEREAS** the Parties have agreed to the form of JV Agreement, annexed hereto as **Schedule "A"**, and wish to amend the Original Agreement accordingly;

NOW, THEREFORE, in consideration of the respective covenants and agreements contained in this First Amendment to Earn-In Option Agreement ("**First Amendment Agreement**"), and for other good and valuable consideration, the Parties hereto agree with each other as follows:

ARTICLE 1
AMENDMENT TO ORIGINAL AGREEMENT

1.1 The Parties hereto agree that Section 5.1 of the Original Agreement shall be superseded and replaced by the following:

> "**5.1 Formation of the Joint Venture**
>
> In the event that Bold has earned-in a fifty percent (50%) interest in the Mineral Rights according to the terms and conditions set forth in this Agreement, the Parties shall forthwith, but in no event later than thirty (30) days after the date on which Bold has

earned-in a fifty percent (50%) interest in the Mineral Rights, execute, date and deliver the joint venture agreement (the "**JV Agreement**") in the form annexed to the First Amendment Agreement as **Schedule "A"**. Upon its execution, the JV Agreement shall supersede and replace this Agreement."

1.2 **Schedule "A"** to this First Amendment Agreement shall form an integral part of the Original Agreement as the form of binding JV Agreement to be entered into by the Parties pursuant to the terms of the Original Agreement as amended.

ARTICLE 2
RATIFICATION AND CONFIRMATION OF ORIGINAL AGREEMENT

The Original Agreement as amended by this First Amendment Agreement is hereby ratified and confirmed and as so amended shall remain in full force and effect in accordance with its terms.

ARTICLE 3
GENERAL

3.1 Execution and Delivery

This First Amendment Agreement may be executed by the Parties hereto by original, facsimile or electronic signature in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

3.2 Governing Law

This First Amendment Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in the Province of Ontario, notwithstanding any conflict of law doctrines applicable in any jurisdiction.

3.3 Language

The Parties confirm that it is their wish that this First Amendment Agreement, as well as any other documents relating to this First Amendment Agreement, including notices, schedules and authorizations, have been and shall be drawn up in the English language only. Les signataires confirment leur volonté que la présente convention, de même que tous les documents s'y rattachant, y compris tout avis, annexe et autorisation, soient rédigés en anglais seulement.

IN WITNESS OF WHICH the Parties have duly executed this First Amendment Agreement.

FANCAMP EXPLORATION LTD.

Per: *"Peter H. Smith"*
Name: Peter H. Smith
Title: President & CEO

I have the authority to bind the corporation

BOLD VENTURES INC.

Per: *"Richard Nemis"*
Name: Richard Nemis
Title: President & CEO

I have the authority to bind the corporation

SCHEDULE "A"

TO FIRST AMENDMENT TO EARN-IN OPTION AGREEMENT DATED JULY 25, 2012 BETWEEN FANCAMP EXPLORATION LTD. AND BOLD VENTURES INC.

JOINT VENTURE AGREEMENT

made between

BOLD VENTURES INC.

and

FANCAMP EXPLORATION LTD.

Effective Date of _____

Table of Contents

THIS JOINT VENTURE AGREEMENT dated with Effective Date as of the ____ day of _____, 201__.

BETWEEN:

BOLD VENTURES INC., a corporation existing under the laws of the Province of Ontario

(hereinafter, "**Bold**")

OF THE FIRST PART

- and -

FANCAMP EXPLORATION LTD., a corporation existing under the laws of the Province of British Columbia

(hereinafter, "**Fancamp**")

OF THE SECOND PART

WHEREAS Bold and Fancamp entered into an Earn-In Option Agreement dated as of March 14, 2012 (the "**Option Agreement**") with respect to the Property (as hereinafter defined) wherein Fancamp granted to and in favour of Bold an exclusive option to earn an undivided fifty percent (50%) legal and beneficial ownership interest in and to the Property (the "**Option**") and a further option to earn an additional ten percent (10%) undivided working interest in the Property.

AND WHEREAS the Option Agreement provides that upon the due exercise of the Option by Bold, Bold and Fancamp shall enter into this Agreement.

AND WHEREAS Bold has duly exercised the Option.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the mutual covenants, conditions and premises herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties, the Parties, do hereby covenant and agree as follows:

1. DEFINITIONS

1.1 Definitions

In this Agreement:

(a) "**Aboriginal Consent**" means the entering into of memoranda of understanding, exploration or exploitation agreements or other agreements with the Martin Falls aboriginal band or council and any other First Nation or aboriginal band or council necessary to ensure that Operations can proceed on the Property.

(b) "**Accounting Procedure**" shall mean the procedures set forth in **Schedule "B"**.

(c) "**Additional 10% Earn-In**" shall have the meaning set forth in Section 7.9(a).

(d) "**Administrative Charge**" has the meaning given to it in the Accounting Procedure.

(e) "**Affiliate**" shall mean any person, partnership, joint venture, corporation or other form of enterprise which directly or indirectly controls, is controlled by or is under common control with, a Participant.

(f) "**Agents**" shall mean consultants (including financial advisors), servants, employees, agents, workmen, contractors and subcontractors.

(g) "**Agreement**", "**this Agreement**", "**herein**", "**hereby**", "**hereof**", "**hereunder**" and similar expressions shall mean or refer to this Joint Venture Agreement and all schedules hereto and any and all agreements or instruments supplemental or ancillary hereto, including any amending agreement pursuant to and in accordance with Section 21.5, and the expressions "**Article**" or "**Section**" followed by a number means and refers to the specified Article or Section of this Agreement.

(h) "**AMI**" shall have the meaning set forth in Section 6.7.

(i) "**Assets**" shall mean the Property, all Products and all other real and personal property, tangible and intangible, owned or held by or for the benefit of the Participants hereunder.

(j) "**Bold/Dundee Agreement**" shall have the meaning set forth in Section 6.6.

(k) "**Bold Feasibility Study**" shall have the meaning set forth in Section 7.9(a).

(l) "**Bold FS Costs**" shall have the meaning set forth in Section 7.10.

(m) "**Bold's Initial Contribution**" shall have the meaning set forth in Section 7.10.

(n) "**Bold's JV Expenditures**" shall have the meaning set forth in Section 7.10.

(o) "**Budget**" shall mean a detailed estimate of all costs to be incurred with respect to a Program and a schedule of cash advances to be made by the Participants.

(p) "**Business Day**" means any day excluding Saturdays, Sundays and banking or statutory holidays in the Provinces of Ontario or British Columbia.

(q) "**Business Information**" includes the terms of this Agreement, and any other agreement relating to the Property and all information, data, knowledge and know-how, in whatever form and however communicated (including, without limitation, Confidential Information), developed, conceived, originated, derived

or obtained by either Participant in performing its obligations under this Agreement. The term "Business Information" shall not, however, include any improvements, enhancements, refinements or incremental additions to Participant Information that are developed, conceived, originated, derived or obtained by either Party in performing its obligations under this Agreement.

(r) "**Capital Expenditures**" shall mean those items presented in Programs and Budgets approved by the Technical Committee and which are capital expenditures under Canadian generally accepted accounting principles or IFRS, as applicable.

(s) "**Carved-Out Property**" shall have the meaning set forth in Section 7.9(c).

(t) "**CIM**" means the Canadian Institute of Mining, Metallurgy and Petroleum.

(u) "**Claims**" shall mean any and all debts, claims, actions, lawsuits, causes of action, demands, duties and obligations of whatsoever nature or kind and howsoever incurred, whether real or contingent.

(v) "**Commercial Production**" shall mean the commercial exploitation of Products, but shall not include treating, shipping or milling of Products only for the purposes of testing or milling or leaching by a pilot plant or during the initial tune-up period of any mine or plant whether on or off the Property. Commercial Production shall be deemed to have commenced:

(i) if a mine or plant is located on the Property, on the first day of the month following the first period of thirty (30) consecutive days during which Products have been processed through such mine or plant at an average rate of not less than sixty percent (60%) of the initial rated capacity of such plant; or

(ii) if no plant is located on the Property, on the first day of the month following the first period of thirty (30) consecutive days during which Products have been shipped from the Property on a reasonably regular and sustainable basis for the purpose of earning revenue.

(w) "**Confidential Information**" means all information, data, reports, maps, drill core, results of surveys, drilling and assays, knowledge and know-how (including, but not limited to, formulas, patterns, compilations, programs, devices, methods, techniques and processes) that (i) is confidential to a Party or (ii) derives independent economic value (actual or potential) as a result of not being generally known to, or readily ascertainable by, third parties or the general public and which is subject to confidentiality, or to reasonable efforts under the circumstances to maintain its confidentiality, including without limitation all analyses, interpretations, compilations, studies and evaluations of such information, data, reports, maps, drill core, results of surveys, drilling and assays, knowledge and know-how generated or prepared by or on behalf of either Party.

(x) "**Continuing Obligations**" means obligations or responsibilities that are reasonably expected to continue or arise after Operations on a particular area of the Property have ceased or are suspended including, without limitation, monitoring, stabilization or Environmental Compliance.

(y) "**Control**" means possession, directly or indirectly, of the power to direct or cause direction of management and policies through ownership of voting shares, interests, or securities, or by contract, voting trust, or otherwise. This definition of control shall be incorporated into such terms as "**controlled**" and "**controlling**".

(z) "**Cover Payment**" shall have the meaning given to it in Section 7.6(b).

(aa) "**Development**" means all preparation for the removal and recovery of mineral products from the Property including the construction or installation of a mine, mill, processing plant, leach pads or any other improvements to be used for the mining, handling, milling, treatment, processing or other beneficiation of Products and includes the preparation of preliminary economic assessments, scoping studies, pre-feasibility studies, feasibility studies, maximization or optimization studies, risk assessments and financing plans.

(bb) "**Dundee**" shall have the meaning set forth in Section 6.6.

(cc) "**Dundee Subco**" shall have the meaning set forth in Section 6.6.

(dd) "**Election to Earn an Additional 10%**" shall have the meaning set forth in Section 7.9(a).

(ee) "**Effective Date**" means the date set forth on the first page of this Agreement.

(ff) "**Encumbrances**" means any and all mortgages, pledges, security interests, liens, charges, encumbrances, contractual obligations and claims, rights, title or interests of others, whether recorded or unrecorded or registered or unregistered.

(gg) "**Environmental Compliance**" means actions performed during or after Operations to comply with the requirements of all Environmental Laws, or contractual commitments, related to reclamation or remediation of the Property or other compliance with Environmental Laws.

(hh) "**Environmental Laws**" means Laws aimed at reclamation or restoration of the Property, prevention or abatement of pollution; protection of the environment (including, without limitation, air, ground, water and groundwater), protection of wildlife, including endangered species, ensuring public safety from environmental hazards, protection of cultural or historic resources; management, storage, control, transport or disposal of hazardous materials and substances; releases or threatened releases of pollutants, contaminants, chemicals or industrial, toxic or hazardous materials or substances into the environment (including without limitation, ambient air, ground, surface water and groundwater); and all other Laws relating

to the ownership, manufacturing, processing, distribution, use, treatment, storage, disposal, handling or transport of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances or wastes.

(ii) "**Environmental Liabilities**" means any and all claims, actions, causes of action, damages, losses, liabilities, obligations, penalties, judgments, amounts paid in settlement, assessments, costs, disbursements, or expenses (including, without limitation, lawyer's fees and costs, experts' fees and costs, and consultants' fees and costs) of any kind or of any nature whatsoever that (i) are asserted against either Party by any Person alleging liability or responsibility (including, without limitation, liability or responsibility for: studies, testing or investigatory costs, cleanup costs, response costs, removal costs, remediation costs, containment costs, restoration costs, corrective action costs, closure costs, reclamation costs, natural resource or environmental damage, property damage, business losses, personal injuries or illness or impairment or death, penalties or fines), or (ii) are incurred by either Party, arising out of, based upon or resulting from (A) the presence, release, threatened release, discharge or emission into the environment of any pollutants, contaminants, chemicals or industrial, toxic or hazardous materials or substances on, in, beneath, above or from the Property and/or emanating or migrating and/or threatening to emanate or migrate from the Property or any other property into the natural environment or to off-site properties (including without limitation, ambient air, ground, surface water and groundwater); (B) physical disturbance of the natural environment (including without limitation, ambient air, ground, surface water and groundwater); or (C) the violation of or non-compliance with, or the alleged violation of or non-compliance with, any Environmental Laws.

(jj) "**Equity Account**" means the account established and maintained for each Participant by the Operator in accordance with Section 9.2.

(kk) "**Expenditures**" means all expenditures, expenses, obligations and liabilities of whatever kind or nature reasonably spent or incurred by the Operator in doing Work from and after the Effective Date, including for greater certainty and without limitation, all costs and expenses associated with negotiating and executing agreements with First Nations and aboriginals in respect of traditional lands and traditional rights, including, but not limited to, up to ten percent (10%) of the Expenditures as donations and/or gifts to the local First Nations and aboriginal communities, moneys expended in maintaining the Property in good standing, expenses paid for or incurred in connection with any Program of surface or underground prospecting, exploring, geological, geophysical and geochemical surveying, diamond drilling, drifting, raising and other underground work, assaying, metallurgical testing, environmental studies, in completing a Feasibility study on behalf of the Joint Venture, submissions to any Governmental Authority and other agencies with respect to all required production and other permits, licenses and approvals, moneys expended in acquiring or constructing facilities and in developing and mining the Property and all field costs incurred by

employees and Agents with respect to Work conducted by them on or off the Property and for the benefit of the Property.

(ll) "**Exploration**" means all activities directed exclusively and directly toward ascertaining the existence, location, quantity, quality or commercial value of deposits of Products on, in or under the Property.

(mm) "**Facilities**" shall mean all mines and plants including without limitation all pits, shafts, drifts, haulage ways and other underground workings, a mill and all buildings, plants and other structures, fixtures and improvements and all other property, whether fixed or moveable, as the same may exist at any time, in or under the Property for the exclusive benefit of the Property.

(nn) "**Feasibility Study**" means a detailed report or reports prepared by or for the Operator evaluating the feasibility of placing the mining rights in the Property, or any part thereof, into production and operation as a mine, which detailed report or reports shall include, without limitation, a reasonable assessment of the mineable mineral resources and mineral reserves and their amenability to metallurgical treatment, a complete description of the Work, equipment and supplies required to bring the mining rights in the Property into mineral production (including Commercial Production) and the estimated cost thereof, a description of the mining methods to be employed and a financial appraisal of possible mining operations. Such detailed report or reports shall be, in the opinion of the person or firm commissioning such report or reports, or, in the event of a dispute between the Parties, in the opinion of such qualified independent firm of consultants as the Operator shall select in good faith, in such form and of such substance which is normally accepted by substantial, recognized financial institutions for the purpose of lending funds for the development of mineral deposits, and shall include and be supported by at least the following:

(i) a description of the Property and that part of the Property proposed to be the subject of a mine;

(ii) the estimated mineral resources, recoverable reserves of minerals and the estimated composition and content thereof calculated in accordance with the CIM standards;

(iii) the procedure for the Development, Mining and production of Products from the Property;

(iv) results of mineral processing tests and ore amenability tests;

(v) the nature and extent of the Facilities which it might be necessary to acquire or construct, which may include ore processing facilities if the nature, volume and location of the ore makes such ore processing facilities necessary and feasible, in which event the study shall also include a design for such ore processing facilities;

(vi) a detailed cost and timing analysis, including a capital cost budget, of the total estimated costs and expenses required to develop a mine on the Property and to purchase, construct and install all structures, machinery and equipment required for such mine including an ore processing facility, if so included in accordance with the terms hereof as well as the estimated sustaining capital costs on a go-forward basis;

(vii) detailed operating cost estimates, including working capital requirements for the first year of operation of the mine or such longer period as may be reasonably justified;

(viii) all necessary environmental impact and mitigation studies and costs including planned rehabilitation of the Property with estimated costs thereof;

(ix) a critical path time schedule for bringing the mining rights in the Property or any part thereof to Commercial Production;

(x) such other data and information as are reasonably necessary to substantiate the existence of a mineral deposit of sufficient size and grade to justify development of a mine on the Property, taking into account all relevant business, tax and other economic considerations;

(xi) disclosure of all price assumptions, together with a market analysis;

(xii) a transportation cost analysis;

(xiii) a proposed procedure or method of disposing of tailings as required under the environmental and mining laws of all Governmental Authorities having jurisdiction;

(xiv) a detailed discussion and analysis of governmental requirements with respect to the development of a mine on the Property including time schedules and a list of all required permits and/or licences necessary with the estimated timing for obtaining same;

(xv) a discounted cash flow (net of income taxes) and return on investment analysis, including an economic forecast for the life of the proposed mine; and

(xvi) appropriate sensitivity analyses; and

(xvii) a risk analysis assessment.

(oo) "**Further Option Payment**" shall have the meaning set forth in Section 7.9(a).

(pp) "**Governmental Authority**" means any federal, provincial, municipal or other governmental department, commission, board, bureau, agency, official, or any court, stock exchange or securities commission, having jurisdiction.

(qq) "**Holder**" shall have the meaning set forth in Section 7.7.

(rr) "**IFRS**" shall mean International Financial Reporting Standards.

(ss) "**Initial Contributions**" shall have the meaning set forth in Section 7.1.

(tt) "**Initial Participating Interests**" shall mean the Initial Participating Interest of each Participant as set forth in Section 7.2.

(uu) "**Joint Venture**" shall mean the business arrangement of the Participants under this Agreement.

(vv) "**Laws**" means applicable laws, statutes, by-laws, rules, regulations, orders, ordinances, codes, guidelines, treaties, restrictions, regulatory policies or guidelines, by-laws (zoning or otherwise), policies, notices, directions, decrees, judgments or awards, of any Governmental Authority having jurisdiction.

(ww) "**Lease**" means any Crown mining lease issued by MNDMF related to the Property.

(xx) "**Liabilities**" means all claims, demands, obligations, suits, complaints, actions, damages, costs, losses, liabilities, expenses, lawyer's fees, investigation costs, remediation costs, causes of action, actions, awards, decrees, orders, judgments, fines, penalties, injunctions or similar decisions, including, without limitation, as the same may adversely affect the interests of a Party.

(yy) "**Market Value**" means the value of a Share determined by reference to the weighted average closing price of the Shares for the ten (10) days on which the Shares traded, immediately preceding the date on which Shares are to be issued on notice, on a recognized stock exchange on which the Shares are listed for trading, and for purposes of determining the actual number of Shares to satisfy the Share value, the dollar value shall be divided by the Share value and rounded up to the next whole Share.

(zz) "**Mine Closure Plan**" shall have the meaning set forth in Section 8.10.

(aaa) "**Mine Maintenance Plan**" shall have the meaning set forth in Section 8.9.

(bbb) "**Mining**" shall include all of the mining, extracting, producing, treating, transporting, handling, milling and other processing of Products.

(ccc) "**MNDMF**" means the Ontario Ministry of Northern Development, Mines and Forestry.

(ddd) "**Non-Operator FS**" shall have the meaning set forth in Section 10.6.

(eee) "**Non-Operator's Program and Budget**" shall have the meaning set forth in Section 10.2.

(fff) "**NSR**" means the 2% Net Smelter Returns Royalty held by Richard Nemis pursuant to the agreement dated June 17, 2003 between Fancamp and Richard Nemis, a true copy of which is annexed hereto as **Schedule "D"**.

(ggg) "**Offered Interest**" shall have the meaning set forth in Section 14.2.

(hhh) "**Operations**" shall mean Exploration, Development, Mining and all other activities carried out pursuant to this Agreement.

(iii) "**Operator**" shall mean the person or entity appointed under Article 9 to conduct and manage Operations and any successor Operator.

(jjj) "**Option**" has the meaning set out in the recitals to this Agreement.

(kkk) "**Option Agreement**" has the meaning set out in the recitals to this Agreement.

(lll) "**Party**" shall mean Bold or Fancamp and their respective successors and permitted assigns, as the case may be and "**Parties**" means such parties together.

(mmm) "**Participant**" and "**Participants**" mean the Persons that from time to time have Participating Interests, the initial Participants being Bold and Fancamp.

(nnn) "**Participant Information**" means all information, data, knowledge and know-how, in whatever form and however communicated (including without limitation, Confidential Information), which, as shown by written records, was developed, conceived, originated or obtained by a Participant: (i) prior to entering into this Agreement, or (ii) independent of its performance under the terms of this Agreement, and, in the case of Bold, is limited to all information, data knowledge and know-how of Bold in its regional database related to the Ring of Fire properties in which it has a relationship with Dundee, whether or not useful or potentially useful in performing Work save and except that all information relating to the Property obtained by Bold pursuant to the terms of the Option Agreement shall be excluded from Participant Information and shall be deemed to be Business Information and shall be shared with Fancamp on the basis of full, true and plain disclosure.

(ooo) "**Participating Interest**" shall mean the percentage interest representing the ownership interest of a Participant in and to the Assets (and, subject to the terms of this Agreement, related liabilities and obligations) and all other rights and obligations arising under this Agreement, as such interest may from time to time be adjusted hereunder.

(ppp) "**Payor**" shall have the meaning set forth in Section 7.7.

(qqq) "**Permitted Encumbrances**" means any Encumbrance in respect of the Property constituted by the following:

(i) inchoate or statutory liens for taxes not at the time due;

(ii) inchoate or statutory liens for overdue taxes or utilities, the validity of which is being contested in good faith;

(iii) security given to a public utility or any Governmental Authority in the ordinary course of business;

(iv) any reservations or exceptions contained in the original grants of land or Crown patents and the terms of any Lease in respect of the real property comprising the Property;

(v) minor discrepancies in the legal description of the Property (or any part thereof) or any adjoining real property which would be disclosed in an up-to-date survey and any registered easements and registered restrictions or covenants that run with the title to the Property;

(vi) rights of way for or reservations or rights of others for, railways, sewers, water lines, gas lines, electric lines, telegraph and telephone lines, and other similar utilities, or zoning by-laws, ordinances or other restrictions as to the use of real property, which do not in the aggregate materially impair the use of the Property for the purposes contemplated herein, or otherwise prevent the right to transfer the Property or an interest therein;

(vii) the terms of any royalty contract affecting the Property (whether or not recorded or registered) existing on the Effective Date, including the NSR; and

(viii) Aboriginal rights or Treaty rights.

(rrr) "**Person**" means any natural person, partnership, company, corporation, unincorporated association, joint venture, trust, trustee, Governmental Authority or other entity howsoever designated or constituted.

(sss) "**Prime Rate**" means the interest rate quoted from time to time as "**Prime**" by The Toronto-Dominion Bank ("**TD Bank**") to its most creditworthy commercial customers.

(ttt) "**Products**" shall mean all ores, minerals and mineral products located on, in or under or derived from the Property and all beneficiated and other products produced or derived therefrom.

(uuu) "**Program**" shall mean a description in detail of Operations to be conducted and objectives to be accomplished by the Operator with respect to the Property.

(vvv) "**Property**" shall mean those unpatented mining claims located in the Porcupine Mining Division, Ontario, as more fully set out and described on **Schedule "A"** attached hereto, and includes all subsequent renewals or other forms of tenure thereof and any additions thereto resulting from the AMI.

(www) "**Purchased Royalty Interest**" shall have the meaning given to it in Section 7.7.

(xxx) "**Reduced Participant**" shall have the meaning set forth in Section 7.5.

(yyy) "**Remaining Property**" shall have the meaning set forth in Section 7.9(c).

(zzz) "**Royalty**" shall have the meaning set forth in Section 7.7.

(aaaa) "**Royalty Consideration**" shall have the meaning given to it in Section 7.7.

(bbbb) "**Second Option**" shall have the meaning set forth in Section 7.9(a).

(cccc) "**Shares**" means fully paid and non-assessable common shares in the capital stock of Bold.

(dddd) "**Technical Committee**" shall mean the committee established under Article 8.

(eeee) "**Transfer**" when used as a verb, shall mean to sell, grant, assign, or otherwise dispose of, directly or indirectly, including through mergers, consolidations or asset purchases and when used as a noun, shall mean a sale, grant, assignment, or disposal or the commitment to do any of the foregoing, directly or indirectly, including through mergers, consolidation or asset purchase.

(ffff) "**Transferor**" shall have the meaning set forth in Section 14.2.

(gggg) "**Work**" means Exploration, Development or Mining work performed exclusively on or directly in relation to the Property or Products by or through the Operator or its Agents for the benefit of and on the account of the Joint Venture and the Participants, in accordance with the terms of this Agreement.

1.2 Gender and Extended Meanings

In this Agreement all words and personal pronouns relating thereto shall be read and construed as the number and gender of the party or parties referred to in each case require and the verb shall be construed as agreeing with the required word and pronoun. In this Agreement words importing the singular number include the plural and vice versa.

1.3 Currency

All references to currency in this Agreement, including "**dollars**" and "**$**", are in Canadian funds.

1.4 Period of Time/Time of Essence

When calculating the period of time within which or following which any act is to be done or step is to be taken pursuant to this Agreement, the date which is the reference date in calculating such period shall be excluded. If the last day of such period is a non-Business Day, the period in question shall end on the next Business Day. Time is of the essence of this Agreement.

1.5 Section Headings

The Article, Section and other headings contained in this Agreement or in the Schedules are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

2. SCHEDULES

2.1 Schedules

The following are the schedules attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

Schedule "A"	-	Description of the Property
Schedule "B"	-	Accounting Procedure
Schedule "C"	-	Net Profits Interest Royalty
Schedule "D"	-	NSR

In the event of any conflict between the provisions of this Agreement and any Schedule, the terms of this Agreement shall govern.

3. REPRESENTATIONS AND WARRANTIES

3.1 Representation and Warranties of the Parties

Each of Fancamp and Bold hereby represents and warrants to the other as follows and acknowledges that the other is relying on such representations and warranties in entering into this Agreement:

(a) It is duly incorporated, organized and validly subsisting under the laws of its jurisdiction of incorporation and is qualified and licensed to own or lease property, and is qualified to do business in the province of Ontario.

(b) It has full power and authority to carry on its business and to enter into this Agreement and any agreement or instrument referred to or contemplated by this Agreement and to carry out and perform all of its obligations and duties hereunder and thereunder.

(c) It has duly obtained all corporate approvals and the authorizations of any Governmental Authority required for the execution, delivery and performance of this Agreement and such execution, delivery and performance and the consummation of the transactions herein and therein do not conflict with or result in a breach of any covenants or agreements contained in, or constitute a breach of or default under or result in the creation of any Encumbrance under, the provisions of its constating documents or any shareholders' or directors' resolution or any indenture, agreement or other instrument whatsoever to which it is a party or by which it is bound and does not contravene any applicable Laws of any Governmental Authority.

(d) This Agreement has been duly executed and delivered by it and is valid, binding and enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, and other laws of general application limiting the enforcement of creditors rights generally and to the fact that specific performance and other equitable remedies are available only in the discretion of a court.

(e) It has not committed an act of bankruptcy, is not insolvent and is able to meet its obligations as they come due, has not proposed a compromising arrangement to its creditors generally, has not had any petition for a receiving order in bankruptcy filed against it, has not made a voluntary assignment in bankruptcy, has not taken any proceedings with respect to a compromise or arrangement, has not taken any proceeding to have itself declared bankrupt or wound-up, has not taken any proceeding to have a receiver appointed in respect of any part of its assets, has not had any encumbrancer take possession of any of its property and has not had any execution or distress become enforceable or become levied upon any of its property.

(f) As of the Effective Date it owns its respective legal and beneficial right, title and interest in and to the Property free and clear of all Encumbrances, other than the Permitted Encumbrances.

4. COMMENCEMENT OF AGREEMENT

4.1 Effective Date

This Agreement shall be operative and shall take effect as of the Effective Date.

5. NAME, PURPOSES AND TERM OF JOINT VENTURE

5.1 General

The Participants enter into this Agreement for the purposes herein stated. Subject to the obligation to pay the NSR which is assumed by the Joint Venture, all of the Participants' rights with respect to the Assets and related liabilities and obligations and all of the Operations on or in connection with the Property shall be subject to and governed by this Agreement.

5.2 Name

The name of the Joint Venture shall be the "**FNC-ROF Joint Venture**" or such other name as may be as determined by mutual agreement of the Participants in writing.

5.3 Purposes

The Joint Venture shall be entered into for the following purposes and shall serve as the exclusive means by which the Participants accomplish such purposes:

(a) to conduct Exploration on, in or under the Property;

(b) to engage in Development and Mining on in, or under the Property;

(c) to evaluate the possible further Exploration and Development of the Property or any part thereof and, if warranted, to conduct such further Exploration Development and Mining on, in or under the Property as so warranted;

(d) to complete and satisfy all Environmental Compliance obligations and Continuing Obligations affecting the Property; and

(e) to perform any other activity necessary, appropriate or incidental to any of the foregoing.

Unless the Participants otherwise agree in writing, Operations shall be limited to the purposes described in this Section 5.3.

5.4 Term of the Joint Venture

Unless this Agreement is terminated earlier as herein provided, the term of the Joint Venture shall be for fifty (50) years from the Effective Date and for so long thereafter as Products are produced from the Property on a continuous basis, and thereafter until all materials, supplies, equipment and infrastructure have been salvaged and disposed of, any required Environmental Compliance and Continuing Obligations are completed and accepted and the Participants have agreed to a final accounting. If any right, title or interest of any Participant under this Agreement would violate the rule against perpetuities, then such right, title or interest shall terminate at the expiration of twenty (20) years after the death of the last survivor of all the lineal descendants of Her Majesty, Queen Elizabeth II of England, living on the date of this Agreement.

5.5 Accounting Year

The accounting year end of the Joint Venture shall be October 31 commencing on October 31 in the calendar year of the Effective Date, unless otherwise determined in accordance with the terms of this Agreement.

6. RELATIONSHIP OF THE PARTICIPANTS

6.1 No Partnership

Nothing contained in this Agreement shall be deemed to constitute either Participant the partner of the other nor, except as otherwise herein expressly provided, to constitute either Participant the agent or legal representative of the other, nor to create any fiduciary relationship between the Participants. It is not the intention of the Participants to create, nor shall this Agreement be construed to create, any mining, commercial or other partnership. Neither Participant shall have any authority to act for or to assume any obligation or responsibility on behalf of the other Participant except as otherwise expressly provided herein. The rights, duties, obligations and liabilities of the Participants shall be several and not joint or collective. Each Participant shall be responsible only for its obligations as herein set out and shall be liable only for its share of the costs, expenses and liabilities as provided herein, it being the express purpose and intention of the Participants that their ownership of Assets and their respective rights acquired under this Agreement shall be as tenants in common. Each Participant shall indemnify, defend and hold harmless the other Participant, its directors, officers, employees or Agents from and against any and all losses, claims, damages and liabilities arising out of any act or any assumption of liability by the indemnifying Participant or any of its directors, officers, employees and Agents done or undertaken or apparently done or undertaken on behalf of the other Participant, except pursuant to the authority expressly granted herein or as otherwise agreed in writing between the Participants.

6.2 Other Business Opportunities

Except as expressly provided in this Agreement, each Participant shall have the right independently to engage in and receive full benefits from other business activities, whether or not competitive with Operations, without consulting the other Participant. The doctrines of "**corporate opportunity**" or "**business opportunity**" shall not be applied to any other activity, venture or operation of either Participant and, except as expressly provided in this Agreement, neither Participant shall have any obligation to the other with respect to any opportunity to acquire property at any time. Unless otherwise agreed in writing by the Participants, neither Participant shall have any obligation to mill, beneficiate or otherwise treat any Products or any other Participant's share of Products in any facility owned or controlled by such Participant. Without limiting the generality of the foregoing, neither Party, by reason of this Agreement or any interpretation of this Agreement by any court, tribunal or arbitration panel, except as otherwise specifically provided herein, shall have any interest in any other property owned by the other Party or subsequently acquired by the other Party or any other business or venture engaged in by the other Party, whether or not similar to the Joint Venture or the Property.

6.3 Title

Title to the Property shall be held in the name of Bold Ventures Inc., as Operator, and for the benefit of the Participants in accordance with their respective Participating Interests from time to time. All other Assets shall be held in the name of Bold Ventures Inc., as Operator, for the benefit of the Participants in accordance with their Participating Interests, from time to time. Each of the Participants shall be entitled to file, register or record such documents as may be

required to document or provide notice of its Participating Interest in and to any or all of the Assets.

6.4 Waiver of Right to Partition

The Participants hereby waive and release all rights of partition or of sale in lieu thereof or other division of the Assets including any such rights provided by statute, except as provided in Section 7.9(c).

6.5 Preparation of Technical Reports

Nothing in this Agreement will obligate either Participant to (i) prepare, or assist the other Participant in the preparation of, any technical report or reports relating to the Property that the other Participant might be required to prepare and file with any Canadian regulatory authority at any time pursuant to National Instrument 43-101 "**Standards of Disclosure for Mineral Projects**", or any similar regulatory policy or statutory requirement; or (ii) provide the services of, or assist the other Participant in procuring the services of, a "**qualified person**" (as that term is defined in National Instrument 43-101) to produce, or to oversee the production of, any such technical report or reports unless the preparation of a technical report is part of an approved Program and Budget.

6.6 Bold Relationship with Dundee

Each of Bold and Fancamp hereby acknowledges that Bold is party to an agreement with 2282726 Ontario Ltd., a wholly-owned subsidiary of Dundee Corporation ("**Dundee Subco**") with respect to the beneficial interest in Bold's Participating Interest hereunder (the "**Bold/Dundee Agreement**") wherein Bold owns at least 66-2/3% beneficial interest in its Participating Interest and Dundee Subco or any affiliate of Dundee Subco ("**Dundee**") may own up to a 33-1/3% beneficial interest in Bold's Participating Interest (subject to the terms of the Bold/Dundee Agreement), and acknowledges and agrees that the rights and obligations of Bold as a Participant and as Operator pursuant to this Agreement may transfer to Dundee from Bold pursuant to the Bold/Dundee Agreement (whether by dilution thereunder or by transfer pursuant thereto).

6.7 Area of Mutual Interest

The parties agree that the area which is within a one (1) kilometer of the Property is an Area of Mutual Interest ("**AMI**") and that, for so long as the Agreement or the Joint Venture is in effect, within the AMI:

(i) neither party will compete with the other; and

(ii) each party will offer to the other party the opportunity to acquire fifty percent (50%) of any interest held or acquired by the other party in any mineral property within the AMI, at acquirer's cost. The parties agree to negotiate in good faith and to use reasonable best efforts to reach an agreement in respect of any interest or property held, acquired or sought to be acquired within the AMI.

7. INTERESTS OF PARTICIPANTS

7.1 Initial Contributions

The value of each Participant's initial contribution (an "**Initial Contribution**") shall be deemed to be as set forth below:

Bold	-	$8,000,000
Fancamp	-	$8,000,000

7.2 Initial Participating Interests

The Participants shall have the following initial Participating Interests (an "**Initial Participating Interest**"):

Bold	-	50%
Fancamp	-	50%

7.3 Cash Contributions

Subject to any election permitted by Section 10.7, the Participants shall be obligated to contribute funds to approved Programs and Budgets in proportion to their then respective Participating Interests.

7.4 Changes in Participating Interests

The Participants' Participating Interests shall be changed as follows:

(a) in the event of an election by a Participant contemplated in Section 7.5 (pursuant to and in accordance with Section 10.7) to not contribute to an approved Program and Budget or an election by such Participant to contribute to Expenditures which are a part of an approved Program and Budget less than the percentage reflected by its then current Participating Interest; or

(b) in the event of default by a Participant in making its agreed contribution to an approved Program and Budget (including any amounts duly owing pursuant to Section 10.8 or Section 10.9); or

(c) upon Transfer by either Participant of part or all of its Participating Interest in accordance with Article 14; or

(d) in the event of an acquisition of less than all of the Participating Interest of any Participant however arising; or

(e) upon the exercise of the Second Option.

At any time upon the request of any other Participant, a Participant whose Participating Interest has been adjusted, shall execute and acknowledge such instruments and perform such acts as may be necessary to evidence such adjustment, including in such form as may be

necessary for recording or registering notice of such adjustment in the relevant public offices of all Governmental Authorities having jurisdiction.

7.5 Voluntary Reduction in Participation

A Participant (a "**Reduced Participant**") may elect, pursuant to and in accordance with Section 10.7, not to contribute to an approved Program and Budget at all or to limit its contributions toward Expenditures which are part of an approved Program and Budget to some amount less than in full proportion to its respective Participating Interest (other than in respect of the then current Program and Budget to the extent to which such Participant has previously elected to contribute) and:

(a) If a Participant elects to contribute to an approved Program and Budget some lesser amount than in proportion to its full Participating Interest, or not at all, and the other Participant contributes to such approved Program and Budget in respect of its Participating Interest (including if it elects in its sole discretion to fund all or any portion of the deficiency of the first Participant), the Participating Interest of the Reduced Participant shall be recalculated by dividing: (i) the sum of (A) the amount of the Reduced Participant's Equity Account as of the end of the prior Program and Budget and (B) the amount, if any, the Reduced Participant elects to contribute to the adopted Program and Budget; by (ii) the sum of (A) both Participants' Equity Accounts as of the end of the prior Program and Budget, and (B) the amount, if any, the Reduced Participant elects to contribute to the adopted Program and Budget, and (C) the amount the other Participant elects to contribute to the adopted Program and Budget (including on account of its own Participating Interest and on account of any deficiency on behalf of the Reduced Participant the other Participant elects, in its sole discretion, to contribute); and then multiplying the result by one hundred.

(b) The Participating Interest of the other Participant shall be increased by the amount of the reduction in the Participating Interest of the Reduced Participant and, if the other Participant elects not to fund any or all of the deficiency of the Reduced Participant, the Operator shall adjust the Program and Budget to reflect the funds available.

7.6 Default in Meeting Cash Calls

(a) A Participant that fails to meet a cash call of an adopted Program and Budget to which it has elected to contribute in the circumstances that the other Participant has met its corresponding cash call, each in the amounts and at the times specified in Article 11, shall be in default and the amounts of the defaulted cash call shall bear interest from the date due at an annual rate equal to four percentage points (4%) over the Prime Rate, but in no event shall the rate of interest exceed the maximum permitted by Law. Such interest shall accrue to the benefit of and be payable to the non-defaulting Participant on demand, but shall not be deemed as amounts contributed by the non-defaulting Participant in the event of an adjustment of the Participants' respective Participating Interests in accordance

with Section 7.6(c). In addition to any other rights and remedies available to it by Law, the non-defaulting Participant shall have those other rights, remedies, and elections specified in this Section 7.6.

(b) If a Participant defaults in making a cash call required by an adopted Program and Budget, and provided the non-defaulting Participant has otherwise made the corresponding cash call required to have been made by the non-defaulting Participant, the non-defaulting Participant may, but shall not be obligated to, advance some portion or all of the amount in default on behalf of the defaulting Participant (a "**Cover Payment**"). Each and every Cover Payment shall constitute a demand loan bearing interest from the date of the advance at the rate provided in Section 7.6(a). If more than one Cover Payment is made, the Cover Payments shall be aggregated and the rights and remedies described herein pertaining to an individual Cover Payment shall apply to the aggregated Cover Payments. The failure to repay such loan upon demand shall be a default.

(c) In the event a Participant defaults in making a cash call made in accordance with Article 11 (including any amounts duly owing pursuant to Section 10.8 or Section 10.9), or in repaying a Cover Payment(s), and provided the non-defaulting Participant has made the corresponding cash call required to have been made by the non-defaulting Participant, then with respect to any such default not cured within ten (10) days after notice to the defaulting Participant of such default in making a cash call or of a demand for repayment of a Cover Payment, as the case may be, delivered by the Operator or the other Participant the remedy shall be effected (which remedy shall be applied with respect to each failure to meet a cash call relating to a Program and Budget (or any related Cover Payment)), regardless of the frequency of such cash call, in the form of an adjustment of the Participants' Participating Interests pursuant to the provisions of Section 7.5, and the corresponding demand loan represented by such Cover Payment shall be terminated. For the purposes of the adjustment of the Participant's Participating Interest pursuant to the provisions of Section 7.5, an amount equal to two hundred percent (200%) times the amount of the cash call in default and any interest accrued in accordance with Section 7.6(a) (or the amount of any Cover Payment in default and interest accrued in accordance with Section 7.6(b)), shall be credited to the Equity Account of the non-defaulting Participant in addition to the amount of the corresponding cash call made by the non-defaulting Participant on its own account which would otherwise be added to the non-defaulting Participant's Equity Account pursuant to the terms of this Agreement (including for the purposes of calculating or recalculating the respective Participating Interests), and the Participating Interests of the defaulting Participant and of the non-defaulting Participant shall be recalculated based on the adjusted Equity Accounts. Recalculation of the respective Participating Interests under this Section 7.6(c) shall be effective as of the date of the original default.

(d) For greater certainty:

(i) in the event that a defaulting Participant cures its default in making a cash call or repaying a Cover Payment (in each case, plus interest) before the expiry of the above-noted ten (10) day notice period, then such Participant shall no longer be in such default and the respective Participating Interests of the Participants shall not be recalculated pursuant to Section 7.6(c);

(ii) if the defaulting Participant does not cure its default in making a cash call or repaying a Cover Payment (in each case, plus interest) before the expiry of the above-noted ten (10) day notice period, then the Participating Interests of the Participants shall be recalculated in accordance with Section 7.6(c) and any demand loan reflected by such Cover Payment terminated and the defaulting Participant shall no longer have the right to pay the cash call or to repay the Cover Payment; and

(iii) in the event that a Participant defaults two times in making a cash call pursuant to Article 11 or in repaying two Cover Payment(s), in the circumstances the non-defaulting Participant has made its corresponding cash calls, then if the twice defaulting Participant defaults again in making such a cash call pursuant to Article 11 or paying a Cover Payment (and interest), then its Participating Interest shall automatically be converted to the Royalty pursuant to Section 7.7.

7.7 Elimination of Interest

Upon a third default pursuant to Section 7.6(d)(iii) or upon the dilution of a Participant's Participating Interest to ten percent (10%) or less, such Participant's Participating Interest shall convert to a one and one-half percent (1.5%) net profits interest royalty and the Participant whose Participating Interest is so converted (herein the "**Holder**") shall be entitled thereafter to receive from the remaining Participant (the "**Payor**") ongoing royalty payments equal to one and one-half percent (1.5%) of net profits as calculated and paid in accordance with the terms of the royalty attached as **Schedule "C"** (the "**Royalty**") and such Participant shall be relieved of all obligations to contribute to Programs and Budgets, shall be relieved of its share of any liabilities, costs, penalty or fine arising out of Operations conducted after such conversion and shall forfeit all of its rights under this Agreement including, without limitation, the right to have its representatives appointed as members of the Technical Committee, the right to receive notice of and to attend at Technical Committee meetings, the right to become Operator, and the right to receive and participate in Feasibility Studies and Programs and Budgets, save for its rights under this Section 7.7 and **Schedule "C"** attached hereto. The Holder hereby grants to the Payor the exclusive and irrevocable right and option, exercisable at the sole and exclusive discretion of the Payor on written notice to the Holder at any time, to purchase one-third (1/3) of the Royalty (the "**Purchased Royalty Interest**") (i.e. so that the net profits interest royalty thereafter shall be one percent (1%) of net profits as otherwise calculated and paid in accordance with the terms set out in **Schedule "C"**) for a purchase price of Five Hundred Thousand dollars ($500,000) (the "**Royalty Consideration**"). Upon payment by the Payor to the Holder of the Royalty Consideration, the Purchased Royalty Interest shall vest with the Payor.

7.8 Continuing Liabilities Upon Adjustment of Participating Interests

Any reduction or elimination of either Participant's Participating Interest under this Agreement shall not relieve such Participant of its proportionate share of any Liabilities, including, without limitation, Continuing Obligations, Environmental Liabilities and Environmental Compliance, whether arising before or after such reduction or elimination, arising out of ownership of a Participating Interest or out of acts or omissions occurring or conditions resulting out of Operations conducted during the term of this Agreement but prior to such reduction or elimination, regardless of when any funds may be expended to satisfy such liability. For purposes of this Section 7.8, such Participant's share of such liability shall be equal to its Participating Interest at the Effective Date or at the time the act or omission giving rise to the liability occurred, as the case maybe, after first taking into account any reduction of Participating Interests under Sections 7.4, 7.5 or 7.6 (or, as to such liability arising out of acts or omissions occurring or conditions existing prior to the Effective Date, equal to such Participant's Initial Participating Interest). Should the cumulative cost of satisfying Continuing Obligations be in excess of cumulative amounts accrued for such Continuing Obligations, each of the Participants shall be liable for its proportionate share (i.e., Participating Interest at the time of the act or omission giving rise to such liability occurred, after first taking into account any reductions of Participating Interests under Sections 7.4, 7.5 and 7.6 prior to such act or omission), of the cost of satisfying such Continuing Obligations, notwithstanding that either Participant has previously withdrawn from the Joint Venture or that its Participating Interest has been reduced or converted to the Royalty pursuant to Section 7.7.

7.9 Second Option – Bold Feasibility Study and Further Option Payment

(a) In accordance with the provisions of the Option Agreement, Fancamp hereby grants to Bold the sole and exclusive right and option (the "**Second Option**") at any time during the term of this Agreement, prior to the Parties to the Joint Venture establishing a program and budget for a feasibility study in accordance with the terms of this Agreement, on thirty (30) days prior written notice to Fancamp (the "**Election to Earn an Additional 10%**") to elect to earn an additional ten percent (10%) interest in and to the Property and the Joint Venture. Bold shall earn an additional ten percent (10%) interest in the Property and the Joint Venture by (i) securing a positive feasibility study of any orebody located on the Property prepared by a well-respected firm of consulting geologists operating in Ontario (the "**Bold Feasibility Study**"); and (ii) paying to Fancamp, at the same time the Bold Feasibility Study is delivered, the sum of Seven Hundred Thousand dollars ($700,000) (the "**Further Option Payment**") by certified cheque or at the option of Bold, deliver to Fancamp Shares registered in the name of Fancamp representing that number of Shares with a Market Value of Seven Hundred Thousand dollars ($700,000). Upon delivery of the Bold Feasibility Study and the Further Option Payment, Bold shall be deemed to have exercised its option to earn-in an additional ten percent (10%) interest (the "**Additional 10% Earn-In**") and the interests of the Parties in the Joint Venture shall be re-calculated in accordance with the provisions of Section 7.10.

(b) For greater clarity, Fancamp acknowledges that the Second Option shall be in addition to any interest held by Bold at the time of delivery of the Election to Earn an Additional 10%, as adjusted pursuant to the provisions of this Agreement.

(c) Once Bold has delivered the Bold Feasibility Study and it wishes to put the orebody which is the subject of the Bold Feasibility Study into production, it may elect to sever the Joint Venture and the Property in respect of that portion of the claims comprising the Property that include the orebody that are necessary for purposes of placing such orebody into production and additional surface rights on other claims reasonably necessary for access, tailings and Operations (the "**Carved-Out Property**"). The Carved-Out Property shall be treated as a separate Joint Venture on the same terms and conditions as this Agreement with the balance of the Property (the "**Remaining Property**") subject to the interests of the Parties immediately following the delivery of the Bold Feasibility Study and with the actual and deemed Expenditures made and interests of the Parties calculated to the date of delivery of the Bold Feasibility Study deemed to apply to both the Remaining Property and the Carved-Out Property. Thereafter, all Operations in respect of the Carved-Out Property and the Remaining Property shall be accounted for separately as separate Joint Ventures.

7.10 Contributions of the Parties to the Joint Venture Upon Exercise of Second Option

If, at any time, Bold delivers an Election to Earn an Additional 10% in accordance with the provisions of Section 7.9(a), upon delivery of the Bold Feasibility Study and the Further Option Payment, the contributions of the Parties to the Joint Venture shall be determined and adjusted as follows:

	Additional 10% Earn-In
Bold's Adjusted Contribution	Note 1
Fancamp's Deemed Contribution	Note 2

The Participating Interest in the Joint Venture of each Party shall be determined and adjusted as follows:

	Additional 10% Earn-In
Bold's Adjusted Participating Interest	Note 1
Fancamp's Adjusted Participating Interest	Note 2

Note 1 – Bold's deemed contribution shall be Eight Million dollars ($8,000,000) ("**Bold's Initial Contribution**") plus any Expenditures made by Bold ("**Bold's JV Expenditures**") during the Joint Venture, subject to any adjustments made to the interests of the Parties pursuant to the terms of this Agreement, being X% of the Joint Venture, plus the costs incurred by Bold to complete the Bold Feasibility Study ("**Bold FS Costs**") for a total deemed contribution of $A

(Bold's Initial Contribution + Bold's JV Expenditures + Bold FS Costs) and X% + 10% = Y% interest, being Bold's adjusted interest in the Joint Venture.

Note 2 – Fancamp's deemed contribution shall be calculated as $A x 100% ÷ Y% = $B (total deemed contribution of the Joint Venture). $B – $A = $C being Fancamp's deemed contribution and its deemed interest in the Joint Venture shall be 100% – Y% = Z%, being Fancamp's adjusted interest in the Joint Venture.

8. TECHNICAL COMMITTEE

8.1 Organization and Composition

Within thirty (30) days after the Effective Date, the Participants by notice to each other of their respective appointed members shall establish a Technical Committee to determine overall policies, objectives, procedures, methods and actions under this Agreement. The Technical Committee shall consist of two members appointed by each of the Participants. Each Participant may appoint one or more alternates to act in the absence of a regular member. Any alternate so acting shall be deemed a member of the Technical Committee. Appointments shall be made or changed by notice to the other Participant.

8.2 Decision

Each Participant acting through its appointed members shall have the number of votes on the Technical Committee equal to its Participating Interest. Unless otherwise provided in this Agreement, decisions of the Technical Committee shall be determined by a majority vote and the Operator shall have a tie or casting vote.

8.3 Meetings

The Technical Committee shall hold regular meetings at least every three (3) months in Toronto, Ontario or at such other locations agreed to by the Participants. In the event there is no work in progress occurring, the Participants can opt to have meetings every six (6) months. The Operator shall give thirty (30) days' advance notice to the Participants of such regular meetings. Additionally, either Participant may call a special meeting upon ten (10) days' advance notice to the Operator and the other Participant. In the case of an emergency, reasonable notice of a special meeting shall suffice. A quorum of the Technical Committee shall consist of at least one member representing each Participant present at a duly called meeting of the Technical Committee or in attendance by telephone conference; provided, however, that if a Participant fails to attend two consecutive properly called meetings, then a quorum shall exist at the second meeting if the other Participant is represented by at least one appointed member, and a vote of such Participant shall be considered the vote required for the purposes of the conduct of all business properly noticed even if such vote would otherwise require unanimity. Each notice of a meeting shall include an itemized agenda prepared by the Operator in the case of a regular meeting or by the Participant calling the meeting in the case of a special meeting, but any matters may be considered at a meeting with the consent of both Participants. The Operator shall prepare detailed minutes of all meetings and shall distribute copies of such minutes to the Participants within fifteen (15) days after each meeting. Failure by a Participant to sign or furnish written detailed notice of objection to the minutes within fifteen (15) days after receipt

from the Operator shall be deemed acceptance of such minutes by the Participants. When signed or deemed accepted by both Participants, the minutes shall be the official record of the decisions made by the Technical Committee and shall be binding on the Operator and the Participants. If personnel employed in Operations are required to attend a Technical Committee meeting, reasonable costs incurred in connection with such attendance shall be a Joint Venture cost. All other costs shall be paid by the Participants individually.

8.4 Action Without Meeting

In lieu of meetings, the Technical Committee may hold telephone conference meetings provided that all decisions of the Technical Committee are immediately confirmed in minutes in writing by the Operator and distributed for review, objection and accepted by the Participants in accordance with Section 8.3.

8.5 Matters Requiring Approval

Except as otherwise provided by this Agreement, the Technical Committee shall have exclusive authority to determine all management matters related to this Agreement.

8.6 Matters Requiring Unanimous Approval

Notwithstanding any other provision of this Agreement the following matters shall require the unanimous approval of the Technical Committee and the Operator shall not have a tie or casting vote with respect to such items:

(a) Changing the accounting year end of the Joint Venture.

(b) Selling or otherwise disposing of all or substantially all of the Assets or any Asset or Assets or surplus Material in accordance with Section IV of the Accounting Procedure.

(c) Entering into any transaction in respect of the Joint Venture with an Affiliate of a Participant or any party related to a Participant other than on an arm's length basis in accordance with the Accounting Procedure.

(d) Any discussions, negotiations or consultations with any First Nation or other aboriginal peoples related to the Property or Operations on the Property or the related rights and obligations of the Participants hereunder or under Laws with respect to such Property or Operations, including as to the nature, scope, direction and content of such discussions, negotiations or consultations, and the entering into of any agreement whatsoever (verbal or written) with any such First Nations or other aboriginal peoples with respect to the Property or Operations on the Property.

(e) Entering into any acquisition or investment in respect of the Joint Venture other than in the ordinary course of the business of the Joint Venture.

(f) Executing and delivering any agreement with respect to the disposition or encumbrance of all or any part of the Property.

(g) Carrying on any business by the Joint Venture other than Operations.

(h) Having the Joint Venture give financial assistance to any Participant or Affiliate of a Participant or any associate or other related party thereof.

(i) Make or permit any substantial alteration (including cessation) to the general nature of the business carried on by the Joint Venture.

(j) Enter into any contract in respect of the Joint Venture of a long-term, onerous or unusual nature or assume any material liability, other than in the ordinary course of business of the Joint Venture.

(k) Lease, transfer or sell any assets (except real property) of the Joint Venture in excess of the limitations set out in Section IV of the Accounting Procedure, per transaction and per annum, excluding asset sales in the ordinary course of the Joint Venture's business and any asset sales provided for in the Joint Venture's then-current budget.

(l) Issue or offer of any debt instruments in respect of the Joint Venture in excess of budgeted amounts.

(m) Having the Joint Venture issue any loan, guarantee or similar instrument for the obligations of any third party or enter into any agreement for the same.

(n) Initiate or settle any litigation or arbitration in respect of the Joint Venture, except in accordance with Section II, paragraph 9 of the Accounting Procedure.

8.7 Participant May Require Mining Operations To Be Shut Down

Either Participant shall be entitled, by notice in writing to the Operator and the other Participant, to require that Mining Operations be suspended if such Participant can demonstrate (as set forth in such notice) that its proportionate share of Expenditures based on its Participating Interest has exceeded its proceeds from the sale of Products for a period of six (6) consecutive months. If such notice is given to the Operator, the Operator shall prepare a Program and Budget for placing the Mining Operations on care and maintenance and shall convene a meeting of the Technical Committee to approve such Program and Budget.

8.8 Resumption of Operations

If at any time after the suspension of Operations pursuant to Section 8.7, the Operator determines that the Operations can be placed back into Commercial Production with the Participants' proportionate share of Expenditures based on its Participating Interest being not more than eighty percent (80%) of the proceeds which they should realize on the sale of their share of Products, the Operator shall prepare a Program and Budget for the resumption of

Operations and shall convene a meeting of the Technical Committee to approve such Program and Budget.

8.9 Mine Maintenance Plan

In addition to the rights of the Participants under Section 8.7, the Operator may, at any time subsequent to the commencement of Commercial Production, on at least thirty (30) days notice to all Participants, recommend that the Technical Committee approve the suspension of Mining Operations. In considering whether to make such a recommendation, the Operator will take into account good and reasonable mining, environmental and commercial reasons for making the recommendations but will not make a recommendation on the basis of matters particular to the Participant acting as Operator. The Operator's recommendation will include a Program and Budget (the "**Mine Maintenance Plan**"), in reasonable detail, of the activities to be performed to maintain the Assets during the period of suspension and the Expenditures to be incurred. The Technical Committee may approve the Mine Maintenance Plan with such changes as the Technical Committee deems necessary:

(a) by simple majority if the Mine Maintenance Plan provides for a suspension of one hundred and eighty (180) days or less; or

(b) by unanimous approval if the Mine Maintenance Plan provides for a suspension of more than one hundred and eighty (180) days,

If the Technical Committee approves the Mine Maintenance Plan, with or without modifications, then the Participants will be committed to pay their proportionate share of Expenditures incurred in connection with the Mine Maintenance Plan based on their then Participating Interest. The Operator shall call a meeting of the Technical Committee upon the reasons for the suspension of Mining Operations ceasing to have effect and, in any event, within ninety (90) days of approval of the Mine Maintenance Plan. The Technical Committee may cause Mining Operations to be resumed at any time (for greater certainty, by unanimous approval if the suspension has lasted for more than one hundred and eighty (180) days) and will take all reasonable steps to cause Mining Operations to be resumed upon the reasons for the suspension of Mining Operations ceasing to have effect.

8.10 Mine Closure Plan

The Operator may, at any time following a period of at least one hundred and eighty (180) days during which Mining Operations have been suspended, upon at least thirty (30) days notice to all Participants, recommend that the Technical Committee approve the permanent termination of Mining Operations. The Operator's recommendation will include a Program and Budget (the "**Mine Closure Plan**"), in reasonable detail, of the activities to be performed to cease Mining Operations and reclaim the Property and the estimated Expenditures to implement the Mine Closure Plan. Approval of the Operator's recommendation shall be by unanimous approval of the Technical Committee and such unanimous approval may be granted with such changes to the Mine Closure Plan as the Technical Committee deems necessary.

8.11 Implementation of Mine Closure Plan

If the Technical Committee unanimously approves the Mine Closure Plan, then the Operator shall:

(a) implement the Mine Closure Plan, whereupon the Participants will be committed to pay their proportionate share of the Expenditures required to implement the Mine Closure Plan based on their Participating Interests prevailing at the time the liabilities and obligations to be addressed by such Mine Closure Plan occurred; and

(b) remove, sell and dispose of such Assets as may reasonably be removed and disposed of profitably and such other Assets as the Operator may be required to remove pursuant to applicable environmental and mining laws.

8.12 Non-Approval of Mine Closure Plan

If the Technical Committee does not approve the Mine Closure Plan, then the Operator will, unless obliged to implement the Mine Closure Plan by order or direction of applicable Government Authorities, maintain Mining Operations in accordance with the Mine Maintenance Plan as approved pursuant to Section 8.9. If the Mining Operations have been suspended for a period of one (1) year or more and the Technical Committee does not approve a Mine Closure Plan, either Participant may refer the matter to arbitration in accordance with Section 15.1.

9. OPERATOR

9.1 Appointment

Commencing on the Effective Date, Bold shall be the initial Operator of the Joint Venture. The Operator shall have overall administrative responsibility for Operations.

9.2 Powers and Duties of Operator

Subject to the ongoing general oversight and direction of the Technical Committee, the Operator is vested with the full authority to conduct all Operations pursuant to the terms of this Agreement and the most recently approved Program and Budget and to manage and carry out the day-to-day management of the Property as required thereby. The Operator agrees to carry out its duties as Operator itself or through its Agents in accordance with the terms and intent of this Agreement and on behalf of and for the account of the Participants in accordance with their Participating Interests. Without limiting the generality of the foregoing, the Operator shall have the following powers and duties:

(a) The Operator shall manage, direct and control Operations.

(b) The Operator shall implement the decisions of the Technical Committee, make all Expenditures necessary to carry out approved Programs and promptly advise the Technical Committee if it lacks sufficient funds to carry out its responsibilities under this Agreement.

(c) The Operator shall: (i) purchase or otherwise acquire all material, supplies, equipment, water, utility and transportation services required for Operations; (ii) obtain such customary warranties and guarantees as are available in connection with such purchases and acquisitions; and (iii) keep the Assets free and clear of all Encumbrances except for those existing at the time of or created concurrent with the acquisition of such Assets, the terms of any leases (including the Leases) and permits related to the Property and those encumbrances contemplated in this Agreement, any construction, mechanic's or materialmen's liens, which shall be released or discharged in a diligent manner by the Operator, or Encumbrances specifically approved by the Technical Committee.

(d) The Operator shall preserve and protect title to the Property at all times (including the renewal of any and all related Leases).

(e) The Operator shall: (i) make or arrange for all payments required by all leases (including any Leases), licenses, permits, contracts and other agreements related to the Assets; (ii) pay or arrange for payment of all taxes, assessments and like charges on Operations and Assets except taxes determined or measured by a Participant's sales revenue or net income (if authorized by the Technical Committee, the Operator shall have the right to contest in court or otherwise, the validity or amount of any taxes, assessments or charges if the Operator deems them to be unlawful, unjust, unequal or excessive or to undertake such other steps or proceedings as the Operator may deem reasonably necessary to secure a cancellation, reduction, readjustment or equalization thereof, but in no event shall the Operator permit or allow title to the Assets to be lost as the result of the non-payment of any taxes, assessments or like charges); and (iii) do or cause to be done all other acts reasonably necessary to maintain the Assets and to maintain the title thereto in good standing including, without limitation, the performance of all assessment and other Work that is required by applicable Laws.

(f) The Operator shall: (i) apply for all permits, licenses and approvals necessary to conduct Operations; (ii) use reasonable best efforts to comply with all Laws; (iii) notify promptly the Technical Committee of any allegations of material violation of the foregoing; and (iv) prepare and file all reports or notices required for or arising out of the conduct of Operations.

(g) The Operator shall prosecute and defend, but shall not initiate without the consent of the Technical Committee, all litigation or administrative proceedings arising out of the conduct of Operations. The other Participant shall have the right to participate in such litigation or administrative proceedings at its own expense. The other Participant shall approve in advance any settlement of litigation or administrative proceedings involving payments, commitments or obligations of the Joint Venture in excess of Two Hundred and Fifty Thousand dollars ($250,000).

(h) The Operator shall obtain or arrange and keep in force insurance for the benefit of each of the Participants and their respective Agents, including comprehensive

general public liability and property damage insurance and automobile insurance in the amounts of coverage of not less than Five Million dollars ($5,000,000) per insured per incident and with severability of interest and rights of subrogation, insuring against claims for bodily injury or death or property damage arising out of or resulting from Operations, and covering such claims, losses and risks as will adequately protect the interests of the Participants and their respective Agents, including by enabling the Operator to repair or cause to be repaired or rebuilt all Facilities on the Property and to continue Operations, all in accordance with sound mining practice and customary industry standards.

(i) The Operator may dispose of Assets (other than the Property or part thereof) whether by abandonment, surrender, or Transfer in the ordinary course of business, but subject to the terms of this Agreement, including the Accounting Procedure.

(j) With respect to the Goods and Services Tax or the Harmonized Sales Tax (collectively the "**HST**") under Part IX of the *Excise Tax Act* S.C. 1990, c.45, (the "**Act**"), the Operator shall account for all HST in respect of any supplies made to or by the Joint Venture. The Participants shall be registrants and will each execute and provide to the Operator a joint venture election (the "**Election**") pursuant to the Act, confirming that the Operator shall account for all HST in respect of any supplies made to or by the Joint Venture and the Operator shall file the Election with Revenue Canada, Customs and Excise along with the Operator's return as and when required under the Act. Accounting for HST shall include paying HST on all taxable purchases and claiming the corresponding input tax credits for all purchases made pursuant to this Agreement.

(k) The Operator shall have the right to carry out its responsibilities hereunder through its Agents, but shall be and remain liable to the other Participant during the term of this Agreement for any acts or omissions of its Agents.

(l) The Operator shall keep and maintain all required accounting and financial records pursuant to Canadian generally accepted accounting principles (or IFRS, as applicable), the Accounting Procedure and in accordance with customary accounting practices in the mining industry.

(m) The Operator shall keep the Participants advised of all Operations by submitting in writing to the Participants: (i) monthly progress reports in respect of Operations which reports shall include statements of Expenditures and comparisons of such Expenditures to the adopted Program and Budget, and all other pertinent data including, without limitation, drill and assay results, survey results, geological and reserve figures and production reports; (ii) periodic summaries of data acquired as reasonably required by the Participants; (iii) copies of all reports concerning Operations; (iv) a detailed final report within thirty (30) days after completion of each Program and Budget which shall include comparisons between actual and budgeted Expenditures and comparisons between the objectives and results of the Program; (v) reports of all significant results as soon as assay results are

available; and (vi) such other reports as the Technical Committee may request. At all reasonable times the Operator shall provide the Technical Committee or the representative of any Participant access to and the right to copy all maps, drill logs, core tests, reports, surveys, assays, analyses, production reports, operations, technical, accounting and financial records and other information acquired in Operations. In addition, the Operator shall allow the other Participant, at its sole risk and expense, and subject to reasonable safety regulations, to inspect the Assets and Operations at all reasonable times, provided that such inspection does not unreasonably interfere with Operations.

(n) The Operator shall undertake all other activities reasonably necessary to fulfill its obligations as Operator under this Agreement and shall undertake and is hereby empowered on behalf of the Joint Venture to take all such other actions and do all such other things as are reasonably necessary to advance and conduct the business of the Joint Venture.

(o) The Operator shall keep the financial and accounting records, to the extent and in such detail and at such places as the Technical Committee may determine, such books and records pertaining to the Joint Venture and Operations and to the costs and expenses thereof and the performance of the Operator hereunder, as will properly reflect, in accordance with generally accepted accounting principles in Canada (or IFRS, as applicable) and the Accounting Procedures set out in **Schedule "B"** and the terms of this Agreement, all transactions of the Operator in relation to the Joint Venture and Operations and the performance of its duties hereunder and all costs paid by it in the performance thereof and for which it will seek reimbursement hereunder, all of which books and records shall be made available to each of the Participants and the Technical Committee, upon reasonable notice and at all reasonable times, for inspection, audit and reproduction.

(p) The Operator shall maintain accounts ("**Equity Accounts**") for each Participant to reflect their Participating Interests in the Joint Venture. Each Participant's Equity Account shall be credited with the value of such Participant's contributions under Sections 7.1, 7.3, and 7.6. Each Participant's Equity Account shall be charged with the cash and the fair market value of property distributed to such Participant (net of liabilities assumed by such Participant and liabilities to which such distributed property is subject). Contributions and distributions shall include all cash contributions or distributions plus the agreed value (expressed in dollars) of all in-kind contributions or distributions. Solely for purposes of determining the Equity Account balances of the Participants, the Operator shall reasonably estimate the fair market value of all Products distributed to the Participants, and such estimated value shall be used regardless of the actual amount received by each Participant upon disposition of such Products.

(q) Upon termination of the Joint Venture, the Operator shall, at the cost and expense of the Participants pro rata, be responsible for Environmental Compliance with respect to the Property, including, but not limited to, the rehabilitation and

reclamation of the Property as required by applicable Environmental Laws and other applicable Laws and to the standard required by all Governmental Authorities having jurisdiction including, without limitation, filing or posting or causing to be filed or posted, all letters of credit, surety, bonds or other forms of security for all reclamation or rehabilitation obligations of the Participants as may be required by any Governmental Authority having jurisdiction.

9.3 Standard of Care and Good Faith

The Operator shall conduct all Operations in a good, workmanlike and efficient manner in accordance with sound mining and other applicable industry standards and practices in accordance with all applicable Laws of all Governmental Authorities having jurisdiction and in compliance with the terms and provisions of all leases, licenses, permits, contracts and other agreements relating to the Property. The Operator acknowledges that it shall conduct all of its activities in respect of the Joint Venture in accordance with the terms of this Agreement with good faith vis-à-vis the other Participant and at all times not profit from its position as Operator hereunder, other than pursuant to the Administrative Charge or in accordance with the Accounting Procedure, and at all times fully disclose all material events relating to the Operations of the Joint Venture to the other Participant using full, true and plain disclosure in a frank manner.

9.4 Resignation; Deemed Offer to Resign

The Operator may resign as Operator of the Joint Venture upon ninety (90) days prior written notice to the other Participant, in which case the other Participant may elect to become the new Operator by notice to the resigning Participant to such effect within thirty (30) days after receipt of the notice of resignation. Such appointment of the new Operator shall take effect immediately upon the resignation of the outgoing Operator taking effect. If any of the following shall occur, the Operator shall be deemed to have offered to resign as Operator, which offer shall be rejected or accepted by the other Participant within thirty (30) days following such deemed offer (and if accepted the other Participant may elect to become the new Operator by notice to the resigning Participant) and in the absence of written acceptance of such resignation by the other Participant within such thirty (30) day period, the Operator shall continue to be Operator hereunder:

(a) the Participating Interest of the Operator becomes less than fifty percent (50%);

(b) the Operator fails to perform a material obligation imposed upon the Operator under this Agreement and fails to commence curing or contesting such default within thirty (30) days after notice from the other Participant demanding performance of such material obligation; or

(c) the Operator shall generally not pay its debts as such debts become due or has committed an act of bankruptcy, is insolvent, has proposed a compromising arrangement to its creditors generally, has had any petition for a receiving order in bankruptcy filed against it, has made a voluntary assignment in bankruptcy, has taken proceedings with respect to a compromise or arrangement, has taken

proceedings to have itself declared bankrupt or wound-up, has taken proceedings to have a receiver appointed of any part of its assets, has had any encumbrancer take possession of any of its property or has had any execution or distress become enforceable or become levied upon any of its property.

9.5 Payments to Operator

The Operator shall be reimbursed for its costs and expenses hereunder in accordance with the Accounting Procedure.

9.6 Transactions with Affiliates

If the Operator engages Affiliates to provide services hereunder, it shall do so on terms no more favourable to such Affiliate than would be the case with unrelated persons in arm's-length transactions.

9.7 First Nations Matters

In the event, and during any period, that either Party is the Operator hereunder, it agrees that it shall not at any time (i) commence discussions, negotiations or consultations with any First Nation or other aboriginal peoples related to the Property or Operations on the Property or the related rights and obligations hereunder or under Laws with respect to such Property or Operations, without prior consultation with, and the co-operation of, the other Party, including as to the nature, scope, direction and content of such discussions, negotiations or consultations, nor (ii) enter into any agreement or commitment whatsoever (verbal or written) with any such First Nations or other aboriginal peoples with respect to the Property or Operations on the Property without the prior review, consultation and written approval of the other Party.

10. PROGRAMS AND BUDGETS

10.1 Operations Pursuant to Programs and Budgets

Except as otherwise provided in Section 10.9, from and after the Effective Date Operations shall be conducted, Expenditures shall be made or incurred and Assets shall be acquired only pursuant to approved Programs and Budgets. The Operator shall prepare and submit an initial Program and Budget covering the remainder of the then current calendar year and the next calendar year to the Participants within sixty (60) days following the Effective Date of this Agreement.

10.2 Presentation of Programs and Budgets

For each calendar year after the period covered by the Initial Program and Budget, the Operator shall submit to the Participants, a proposed Program and Budget on or before September 30, covering the period from January 1 to December 31 of the following year. Each approved Program and Budget shall, regardless of the term of such Program and Budget, be reviewed at least once a year at a regular meeting of the Technical Committee. If (i) the Operator fails to propose a Program and Budget as contemplated in Section 10.1 or proposes a Program and Budget that the non-Operator Participant considers unreasonable, or (ii) if at any

time during the term of the Joint Venture no Work is conducted on the Property during any eighteen (18) month period, then the non-Operator Participant shall have the right to submit to the Operator a proposed Program and Budget for a minimum period of twelve (12) months (the "**Non-Operator's Program and Budget**"). The Non-Operator's Program and Budget shall be reviewed at a meeting of the Technical Committee, which meeting shall be called forthwith for such purpose pursuant to Section 8.3.

10.3 Review and Approval of Proposed Programs and Budgets

Within thirty (30) days after submission of a proposed Program and Budget or a Non-Operator's Program and Budget, each Participant shall submit to the Technical Committee:

(a) Notice that the Participant approves the proposed Program and Budget or the Non-Operator's Program and Budget, as the case may be; or

(b) Proposed modifications of the proposed Program and Budget or the Non-Operator's Program and Budget, as the case may be; or

(c) Notice that the Participant rejects the proposed Program and Budget or the proposed Non-Operator's Program and Budget, as the case may be.

If a Participant fails to give any of the foregoing responses within such thirty (30) day period, such failure shall be deemed to be an approval by the Participant of the Operator's proposed Program and Budget or the Non-Operator's Program and Budget. If a Participant makes a timely submission to the Technical Committee pursuant to Section 10.3(b) or 10.3(c), then the Technical Committee shall meet to consider and develop a Program and Budget acceptable to the Participants. If the Technical Committee does not unanimously approve a Program and Budget or a Non-Operator's Program and Budget within fifteen (15) days after the Operator's receipt of a notice pursuant to Section 10.3(b) or 10.3(c), a proposed Program and Budget or Non-Operator's Program and Budget may be approved by a majority vote of the Technical Committee. If a Non-Operator's Program and Budget is not approved, or modified and approved, by the Technical Committee, then the non-manager Participant who has proposed the Non-Operator's Program and Budget may submit the matter to arbitration pursuant to Article 15 for determination as to whether such non-approval is reasonable in the circumstances. If a Non-Operator's Program and Budget is approved by the Technical Committee, then the same shall be deemed to be a Program and Budget for the purposes of this Agreement.

10.4 Preparation of Feasibility Study

At the request of the Technical Committee, the Operator shall prepare or have prepared and submit (i) a Feasibility Study, or (ii) a pre-Feasibility Study (which study shall be based on such terms as the Technical Committee shall determine), the purpose of which shall be to establish whether a mineralized deposit on the Property is of sufficient size and grade to justify development of a mine and such other related facilities as may be desirable, including, a beneficiation plant for processing Products.

10.5 Request for Feasibility Study

Subject to the provisions of Section 7.9, any Participant may request the Technical Committee to instruct the Operator to prepare or have prepared (i) a Feasibility Study or (ii) a pre-Feasibility Study (which study shall be based on such terms as such Participant shall propose), prepared when, in the reasonable good faith opinion of such Participant, sufficient mineralization has been found to justify preparation of a Feasibility Study or pre-Feasibility Study, and if the Technical Committee fails or refuses to direct the Operator to prepare such Feasibility Study or pre-Feasibility Study, such Participant may at its own expense, prepare and submit such Feasibility Study or pre-Feasibility Study along with its recommendation to the Technical Committee.

10.6 Approval of Feasibility Study

The Technical Committee shall have ninety (90) days after receipt of any Feasibility Study or pre-Feasibility Study and the recommendations of the Participant commissioning or conducting such Feasibility Study or pre-Feasibility Study to meet and consider, and to approve or reject, the Feasibility Study or pre-Feasibility Study and its recommendations. If the Technical Committee approves or makes substantial use of the Feasibility Study or pre-Feasibility Study prepared by a non-Operator (the "**Non-Operator FS**") in its decision to proceed to place the Property into Commercial Production, the reasonable costs of the non-Operator of preparing the Non-Operator FS shall be deemed to be Expenditures and the non-Operator shall be reimbursed for such costs. If the Technical Committee rejects a Feasibility Study or pre-Feasibility Study, it may in its discretion direct the Operator to perform or have performed such additional work as the Technical Committee deems necessary to revise the Feasibility Study or pre-Feasibility Study. In such event, the Operator shall promptly perform such additional work, revise the Feasibility Study or pre-Feasibility Study accordingly and submit it to the Technical Committee for approval or rejection. This Section 10.6 shall not apply in respect of the Bold Feasibility Study.

10.7 Election to Participate

By notice to the Technical Committee within sixty (60) days after the final approval of a Program and Budget pursuant to Section 10.3, a Participant may elect to contribute to Expenditures which are a part of such Program and Budget an amount less than its Participating Interest, or to not contribute to such Expenditures at all, in which case the Participating Interests shall be recalculated as provided in Section 7.5. If a Participant fails to so notify the Technical Committee, the Participant shall be deemed to have elected to contribute to such Program and Budget, including Capital Expenditures, in proportion to its respective Participating Interest as of the beginning of the period covered by the Program and Budget.

10.8 Budget Overruns; Program Changes

The Operator shall immediately notify the Technical Committee of any departure from an adopted Program and Budget of an amount equal to fifteen percent (15%) or more of the original budgeted amount of such Program. The Operator may not exceed an approved Program or Budget by more than fifteen percent (15%) without the unanimous approval of the Technical

Committee and the Operator shall not have a tie or casting vote in respect thereof. If the Technical Committee unanimously approves excess Expenditures in an amount of not more than ten percent (10%) of an approved Program or Budget, such approved amount (and in all cases any excess Expenditure amount up to ten percent (10%) of an approved Program or Budget) shall become part of the approved Program and Budget. If the Operator exceeds an approved Program or Budget by more than fifteen percent (15%) without the unanimous approval of the Technical Committee, the Operator shall be solely responsible for Expenditures which exceed the approved Program or Budget by more than fifteen percent (15%) (unless subsequently unanimously approved by the Technical Committee). The Operator shall advance the non-Operator's proportionate share of Expenditures which exceed the approved Program or Budget by up to fifteen percent (15%) and the Operator shall be entitled to repayment by the non-Operator of such advances plus interest at an annual rate equal to the Prime Rate plus one percent calculated from the dates of such advances, and the non-Operator shall make such payments within ninety (90) days after the date of each such advance.

10.9 Emergency or Unexpected Expenditures

In the case of an emergency, the Operator may take any reasonable action it deems necessary to protect life, limb, property, the environment, or public safety, to protect the Assets or to comply with all applicable Laws of any Governmental Authority having jurisdiction. The Operator may also make reasonable Expenditures for unexpected events which are beyond its reasonable control and which do not result from a breach by it of its standard of care. The Operator shall promptly notify the Participants of the emergency or unexpected Expenditures and the Operator shall be reimbursed for all resulting costs by the Participants in proportion to their respective Participating Interests at the time the emergency or unexpected Expenditures are incurred, provided that the Participant that is not the Operator shall reimburse the Operator for its proportionate share of such emergency or unexpected Expenditures plus interest at an annual rate equal to the Prime Rate plus one percent (1%) calculated from the date of such unexpected or emergency Expenditures, within ninety (90) days after the date of each such Expenditures.

11. ACCOUNTS AND SETTLEMENTS

11.1 Monthly Statements

Within twenty (20) days of the end of each calendar month, the Operator shall deliver to each Participant financial statements and other relevant information reflecting in reasonable detail all transactions of the Joint Venture during the preceding month.

11.2 Cash Calls

The Operator shall, at least seven (7) days but not more than twenty-one (21) days, prior to the start of each calendar month present to each Participant an invoice based on the most recently approved Program and Budget to each Participant for their proportionate share based on their then Participating Interest of:

(a) if advances for the prior month are less than actual Expenditures, an amount equal to actual Expenditures less advances for the prior month; and

(b) estimated Expenditures for the succeeding month; and

(c) estimated Expenditures for the second succeeding month to maintain a minimum thirty (30) day cash balance;

less:

(d) if advances for the prior month are greater than actual Expenditures, an amount equal to advances less actual Expenditures for the prior month; and

(e) estimated Expenditures for the second succeeding month from the prior month billing; and

(f) interest or other revenues received by the Operator for the account of the Joint Venture; and

(g) any cash receipts from the sale of Assets received by the Operator for the account of the Joint Venture;

plus or less:

(h) any other adjustment necessary to comply with this Agreement.

Where a monthly invoicing results in a negative amount the Operator shall, at the sole option of each Participant, refund to the Participants their proportionate share of the over-contribution or apply such amount as a credit to amounts invoiced for the next ensuing month.

11.3 Payment of Cash Calls

Each Participant shall advance to the Operator its proportionate share of the invoicing within fifteen (15) days of receipt of the invoicing.

11.4 Failure to Meet Cash Calls

A Participant that fails to meet cash calls in the amount and at the times specified in Sections 11.2 and 11.3, respectively shall be deemed to be in default of its obligations under this Agreement and the amounts of the defaulted cash call shall bear interest from the date due in accordance with Section 7.6 and the non-defaulting Participant shall have those rights, remedies and elections specified in Section 7.6.

11.5 Audits and Adjustments

Each Participant shall also have the right to audit the Joint Venture's records of the Operator in respect of the Joint Venture on reasonable notice to the Operator and at its own expense in accordance with the Accounting Procedure. All claims for adjustment made as a result of an annual audit must be made within twenty-four (24) months of delivery of the annual audit report to the Participant making the claim.

12. DISPOSITION OF PRODUCTS

12.1 Division of Production

Each Participant shall take in kind and separately dispose of its pro rata share of all Products produced by the Joint Venture from the Property at their highest state of beneficiation on the Property, and title and risk to such Products shall pass to the Participants in accordance with their then Participating Interest, and each Participant shall concurrently take delivery of its share of such Products, as the same are produced and placed in the storage facilities for the account of such Participant.

12.2 Liens

Each Participant shall have a lien and continuing collateral security interest on and in and to the other Participant's share of Products to secure payment of such other Participant's proportionate share of Expenditures based on its Participating Interest. If a Participant defaults in making a cash contribution in accordance with the terms of this Agreement or to repay a Cover Payment (and accrued interest), or interest accrued pursuant to Section 7.6(a), to the non-defaulting Participant in accordance with Section 7.6, then the non-defaulting Participant may without limitation to its other rights at Law, in equity or under this Agreement:

(a) elect to treat the default as an immediate and automatic assignment to the non-defaulting Participant of the defaulting Participant's share of the Products and from and after the non-defaulting Participant making such election, the non-defaulting Participant may require the purchaser of the defaulting Participant's share of Products to make payment therefor to the non-defaulting Participant while the default continues; and

(b) enforce such lien and security interest created herein by taking possession of all or any part of the defaulting Participant's share of Products and, at its election, selling the same. The value of the Products or proceeds of the sale shall be firstly applied by the non-defaulting Participant in payment of any Expenditures to be paid by the defaulting Participant and not paid by it and any balance remaining shall be paid to the defaulting Participant after deducting reasonable costs of the sale. Any sale made aforesaid shall be a perpetual bar both at law and in equity against any claims to the Products sold by the defaulting Participant and its assigns and against all other Persons claiming the Products or any part or parcel thereof, sold as aforesaid, from, through or under the defaulting Participant or its assigns.

In the event that the value of such Products so assigned to the non-defaulting Participant or the proceeds thereof are sufficient to cure a default or repay a Cover Payment (and all interest) pursuant to the terms of Section 7.6, the defaulting Participant shall be deemed to be back in good standing under the terms of this Agreement.

12.3 Failure of Participant to Take in Kind

If, after reasonable notice by the Operator, a Participant fails to take in kind its share of Products, the Operator shall have the right, but not the obligation, to purchase the Participant's share of Products for its own account or to sell such share as agent for the Participant on terms and conditions that are not less than the then prevailing fair market value having regard to the quantity of Product to be sold and other applicable market conditions. The Operator shall facilitate the sale of Products on behalf of each Participant on such terms as may be agreed in writing. Subject to the terms of any contracts of sale then outstanding, during any period that the Operator is purchasing or selling a Participant's share of production, the Participant may elect by notice to the Operator to take Product in kind. The Operator shall be entitled to deduct from proceeds of any sale by it for the account of a Participant reasonable expenses incurred in such a sale.

13. WITHDRAWAL AND TERMINATION

13.1 Termination by Expiration or Agreement

This Agreement shall terminate as expressly provided in Section 13.2 and, subject to Section 21.1, shall also terminate (i) by written agreement of both Participants or (ii) if one Participant acquires an one hundred percent (100%) Participating Interest in accordance with the terms of this Agreement.

13.2 Withdrawal

A Participant may elect to withdraw as a Participant from this Agreement by giving notice to the other Participant of the effective date of withdrawal, which date shall be the later of the end of the then current Program and Budget or sixty (60) days after the date of the notice. Upon any such withdrawal with the result that there remains only one participant, this Agreement shall, subject to Section 21.1, terminate and the withdrawing Participant shall be deemed to have transferred to the remaining Participant, all of its Participating Interest in the Assets without cost and free and clear of any and all Encumbrances arising by, through or under such withdrawing Participant, except Permitted Encumbrances and those to which both Participants have given their written consent after the date of this Agreement, and subject to the terms and conditions of all Leases, permits, licences or other approvals related to the Property.

13.3 Continuing Obligations

On termination of this Agreement under Section 13.1 or 13.2, each Participant shall remain liable for its respective share of Liabilities arising out of ownership of a Participating Interest or out of Operations conducted prior to such withdrawal (including to third Persons) whether such arises before or after such withdrawal, including Environmental Liabilities, Environmental Compliance, and Continuing Obligations. A withdrawing Participant's share of such liabilities shall be equal to its Participating Interest at the time that the conduct of Operations or other circumstances giving rise to such liabilities occurred, as contemplated in Section 7.8.

13.4 Disposition of Assets on Termination

Promptly after termination of the Joint Venture and this Agreement, the Operator shall take all action necessary to wind up the activities of the Joint Venture and all costs and expenses incurred in connection with the termination of the Joint Venture shall be expenses chargeable to the Joint Venture. Any Participant that has a negative Equity Account balance when the Joint Venture is terminated for any reason shall contribute to the Assets of the Joint Venture an amount sufficient to raise such balance to zero. The Assets shall first be paid, applied or distributed in satisfaction of all liabilities of the Joint Venture to third Persons and then to satisfy any debts, obligations or liabilities owed to the Participants. Before distributing any funds or Assets to Participants, the Operator shall have the right to segregate amounts which are necessary to discharge Continuing Obligations or to purchase for the account of Participants, all required letters of credit, surety bonds or other security for the performance of such obligations as may be required by any Governmental Authority having jurisdiction. The foregoing shall not be construed to include the repayment of any Participant's capital contributions. Thereafter any remaining cash and all other Assets shall be distributed to the Participants in proportion to their respective Participating Interests subject to any dilution, reduction or termination of such Participating Interests as may have occurred pursuant to the terms of this Agreement. No Participant shall receive a distribution of any interest in Products or proceeds from the sale thereof if such Participant's Participating Interest therein has been terminated pursuant to this Agreement other than by conversion to the Royalty in accordance with the terms of this Agreement.

13.5 Right to Data After Termination

Each withdrawing Participant under Section 13.2 shall be entitled to all information acquired in the conduct of the Joint Venture prior to such withdrawal and pursuant to any approved Program and Budget of which the withdrawing Participant has duly paid its proportionate share of costs and expenses, including copies of maps, data and reports which can be reproduced and which have not theretofore been furnished to such withdrawing Participant, but such withdrawing Participant shall for a period of five (5) years from the date of such withdrawal or the completion of the aforementioned approved Program and Budget, whichever is the later, hold in strict confidence all information acquired by it in the conduct of the Joint Venture.

13.6 Continuing Authority of Operator

On termination of the Joint Venture or the deemed withdrawal of a Participant from the Joint Venture or the withdrawal of a Participant pursuant to Section 13.2, the Operator shall have the power and authority, subject to control of the Technical Committee, if any, to do all things on behalf of the Participants which are reasonably necessary or convenient to: (a) wind up Operations; and (b) complete any transaction and satisfy any obligation, unfinished or unsatisfied at the time of such termination or withdrawal if the transaction or obligation arises out of Operations prior to such termination or withdrawal. The Operator shall have the power and authority to grant or receive extensions of time or change the method of payment of an existing liability or obligation, prosecute and defend actions on behalf of the Participants and the Joint Venture, mortgage Assets and take any other reasonable action in any matter with respect to

which the former Participants continue to have or appear or are alleged to have, a common interest or a common liability.

14. TRANSFER OF INTEREST

14.1 Limitations on Free Transferability

Subject to Section 14.6 below, neither Participant shall transfer only part of its Participating Interest or its interest in this Agreement and neither Participant shall transfer the whole of its Participating Interest other than in accordance with this Article 14.

14.2 Right of First Refusal

If either Participant desires or intends to Transfer all of its Participating Interest to a third party, (an "**Offered Interest**") such Participant ("**Transferor**") shall promptly notify the other Participant of such desire or intention. The notice shall state the price and all other pertinent terms and conditions of the intended Transfer, and shall be accompanied by a copy of the offer or the contract for sale. If the consideration for the Offered Interest is, in whole or in part, other than monetary, the notice shall describe such consideration and its monetary equivalent (based upon the fair market value of the non-monetary consideration and stated in terms of cash or currency). The other Participant shall have thirty (30) days from the date such notice is delivered to notify the Transferor whether it elects to acquire the Offered Interest at the same price (or its monetary equivalent in cash or currency) and on the same terms and conditions as set forth in the notice. If it does so elect, the acquisition by the other Participant shall be consummated promptly after notice of such election is delivered.

(a) If the other Participant fails to elect to acquire the Offered Interest within the period provided for above, the Transferor shall have one hundred and twenty (120) days following the expiration of such period to consummate the Transfer of the Offered Interest to a third party at a price and on terms no less favourable to the Transferor than those offered by the Transferor to the other Participant in the aforementioned notice.

(b) If the Transferor fails to consummate the Transfer of the Offered Interest to a third party within the period set forth above, the pre-emptive right of the other Participant in such Offered Interest shall be deemed to be revived. Any subsequent proposal to Transfer such Offered Interest shall be conducted in accordance with all of the procedures set forth in this Section 14.2.

(c) If the Transferor transfers the Offered Interest pursuant to this Section 14.2, the Transferor shall be released from all liabilities and obligations under this Agreement provided that the third party delivers to the other Participant an agreement in writing covenanting to be bound by and perform the obligations of the Transferor under this Agreement.

14.3 Exceptions to Pre-emptive Right

Section 14.2 shall not apply to the following.

(a) Transfer by either Participant of all or any part of its Participating Interest to an Affiliate, in which case the Participant so Transferring shall remain liable for all obligations of such Participant under this Agreement.

(b) Corporate reorganization of either Participant, or corporate consolidation or other corporate arrangement of either Participant by which the surviving entity shall possess substantially all of the stock or all of the property rights and interests, and be subject to substantially all of the liabilities and obligations of that Participant.

(c) Subject to Section 14.5 of this Agreement, the grant by either Participant of a security interest in its Participating Interest by Encumbrance.

(d) A sale or other commitment or disposition of Products or proceeds from sale of Products by either Participant upon distribution to it pursuant to Article 12 of this Agreement.

(e) As contemplated in Section 14.6 below.

14.4 Conditions Applicable to Transfers

The Transfer right of a Participant in this Article 14 shall be subject to the following terms and conditions:

(a) No transferee of all or part of the interest of a Participating Interest or an interest in this Agreement shall have the rights of a Participant unless and until the transferring Participant has provided to the other Participant notice of the Transfer and the transferee, prior to and effective as of date of the Transfer, has committed in writing to and in favour of the other Participant (on terms satisfactory to such other Participant acting reasonably having regard to the financial, strength and industry experience and reputation of such transferee to perform the terms of this Agreement) to be bound by the terms of this Agreement and the terms of the Joint Venture to the same extent as the Transferor.

(b) No Transfer permitted by this Article 14 shall relieve the transferring Participant of its share of any liability, cost, penalty, or fine whether accruing before or after such Transfer, which arises out of Operations conducted prior to such Transfer.

(c) The transferring Participant and the transferee shall bear all tax consequences of the Transfer.

14.5 Restrictions on Mortgages

(a) Other than as set out below, neither Participant shall mortgage, pledge, charge, hypothecate or otherwise encumber its Participating Interest or any part thereof without the approval of the other Participant.

(b) Notwithstanding the provisions of Section 14.5(a) above, each of the Participants shall be entitled to mortgage, pledge, hypothecate or otherwise encumber its

Participating Interest provided that the proceeds of such mortgage, charge, pledge or hypothec are applied by such Participant to fund its participation in Programs and Budgets pursuant to this Agreement and then only if the holder of the mortgage, pledge, charge, hypothecation or other encumbrance shall have agreed in writing with the other Participant upon realization of its security to be bound by the provisions of this Agreement, including this Article 14, and shall have agreed in writing with the other Participant to require any purchaser of the Participating Interest from it to be bound by the terms of this Agreement.

14.6 Bold Transfer to Dundee

Each of Bold and Fancamp hereby acknowledges that the respective beneficial interests of Bold and Dundee are subject to mutual rights of first refusal in favour of Bold and Dundee (as the case may be) pursuant to the Bold/Dundee Agreement; and acknowledges and agrees that the rights of Fancamp pursuant to Sections 14.2 and 14.4 shall not apply to any Transfer of Participating Interest (legal or beneficial or in whole or in part) by Bold to Dundee or any such Transfer by Dundee to Bold pursuant to the Bold/Dundee Agreement (whether by dilution or otherwise); provided that each of Bold and Fancamp further acknowledges that the rights of Fancamp pursuant to Sections 14.2 and 14.4 shall again apply to any Transfer of Participating Interest (legal or beneficial or in whole or in part) by Bold or Dundee to any third party, whether occurring before or after any such Transfer from Bold to Dundee or any such Transfer from Dundee to Bold.

15. ARBITRATION

15.1 Dispute Resolution

Except in respect of any breach of Article 17, any dispute, whether based on contract, tort, statute, or otherwise in law or equity arising out of or relating to this Agreement or the relationship which results from this Agreement, the interpretation, breach, termination or validity of this Agreement, the events leading up to the formation of this Agreement, and any issue related to the creation of this Agreement or its scope, including the scope and validity of this Article 15 (a "**Dispute**") shall be resolved as follows:

(a) The Participants shall endeavour for a period of two weeks to resolve the Dispute by negotiation. This period may be extended by mutual agreement of the Participants.

(b) If the Dispute is not settled by negotiation, the Dispute shall be submitted to binding arbitration in accordance with the *Arbitrations Act*, 1991 (Ontario), as amended (the "**Arbitrations Act**"), as modified and supplemented by the provisions of this Article 15.

15.2 Initiation of Arbitration Proceedings

(a) If any Participant to this Agreement wishes to have a Dispute arbitrated in accordance with the provisions of this Agreement, it shall give notice to the other Participant hereto specifying particulars of the Dispute and proposing the name of

the person it wishes to be the single arbitrator. Within ten (10) days after receipt of such notice, the other Participant to this Agreement shall give notice to the first Participant advising whether such Participant accepts the arbitrator proposed by the first Participant. If such notice is not given within such ten (10) day period, the other Participant shall be deemed to have accepted the arbitrator proposed by the first Participant. If the Participants do not agree upon a single arbitrator within such ten (10) day period, such arbitrator shall be chosen in accordance with the Arbitrations Act.

(b) The individual selected as the arbitrator shall be qualified by education and experience to decide the Dispute. The Arbitrator shall be at arm's length from both Participants and shall not be a member of the audit or legal firm or firms who advise either Participant, nor shall the arbitrator be a person who is otherwise regularly retained by either of the Participants.

15.3 Submission of Written Statements

(a) Within twenty (20) days of the appointment of the Arbitrator, the Participant initiating the arbitration (the "**Claimant**") shall send the other Participant (the "**Respondent**") a statement of claim setting out in sufficient detail the facts and any contentions of law on which it relies, and the relief that it claims.

(b) Within fifteen (15) days of the receipt of the statement of claim, the Respondent shall send the Claimant a statement of defence stating in sufficient detail which of the facts and contentions of law in the statement of claim it admits or denies, on what grounds, and on what other facts and contentions of law it relies.

(c) Within ten (10) days of receipt of the statement of defence, the Claimant may send the Respondent a statement of reply.

(d) All statements of claim, defence and reply shall be accompanied by copies (or, if they are especially voluminous, lists) of all essential documents on which the Participant concerned relies and which have not previously been submitted by any Participant, and (where practicable) by any relevant samples.

(e) After submission of all the statements, the arbitrator will give directions for the further conduct of the arbitration consistent with the provisions of this Agreement and the Arbitrations Act.

15.4 Meetings and Hearings

(a) The arbitration shall take place in the City of Toronto, Ontario, or in such other place as the Participants shall agree upon in writing. The arbitration shall be conducted in English unless otherwise agreed by such Participants and the arbitrator. Subject to any adjournments which the arbitrator allows, the final hearing will be continued on successive Business Days until it is concluded.

(b) All meetings and hearings will be in private unless the Participants otherwise agree.

(c) Any Participant may be represented at any meetings or hearings by legal counsel.

(d) Each Participant may examine, cross-examine and re-examine all witnesses at the arbitration.

15.5 The Decision

(a) The arbitrator will make a decision in writing and, unless the Participants otherwise agree, will set out reasons for the decision in the decision.

(b) The arbitrator will send the decision to the Participants as soon as practicable after the conclusion of the final hearing, but in any event no later than thirty (30) days thereafter, unless that time period is extended for a fixed period by the arbitrator on written notice to each Participant because of illness or other cause beyond the arbitrator's control.

(c) The decision shall award to the prevailing Participant its costs and lawyer's fees on a solicitor/client basis, unless the arbitrator determines that each Participant should bear its own costs and share the common costs of arbitration.

(d) The arbitrator's decision shall be final and binding on the Participants and shall not be subject to any appeal or review procedure provided that the arbitrator has followed the provisions of this Article 15 in good faith. In the event either Participant initiates any court proceeding in respect of the decision of the arbitrator or the Dispute arbitrated, such Participant, if unsuccessful in the court proceeding, shall pay the other Participant's costs on a solicitor/client basis, all reasonable expenses incurred by such other Participant and related to such court proceeding.

15.6 Jurisdiction and Powers of the Arbitrator

(a) By submitting to arbitration under these rules, the Participants shall be taken to have conferred on the arbitrator the following jurisdiction and powers, to be exercised at the arbitrator's discretion subject only to the provisions of this Article 15 and the Arbitrations Act with the object of ensuring the just, expeditious, economical and final determination of the Dispute.

(b) Without limiting the jurisdiction of the arbitrator at law or in equity, the Participants agree that the arbitrator shall have jurisdiction to:

(i) determine any question of law arising in the arbitration;

(ii) determine any question as to the arbitrator's jurisdiction;

(iii) determine any question of good faith, dishonesty or fraud arising in the dispute;

(iv) order any Participant to furnish further details of that Participant's case, in fact or in law;

(v) proceed in the arbitration notwithstanding the failure or refusal of any Participant to comply with this Article 15 or with the arbitrator's orders or directions, or to attend any meeting or hearing, but only after giving that Participant written notice that the arbitrator intends to do so;

(vi) receive and take into account such written or oral evidence tendered by the Participants as the arbitrator determines is relevant, whether or not strictly admissible in law;

(vii) make one or more interim awards;

(viii) hold meetings and hearings, and make a decision (including a final decision) in Toronto, Ontario or elsewhere with the concurrence of the Participants thereto;

(ix) order the Participants to produce to the arbitrator, and to each other for inspection, and to supply copies of, any documents or other evidence or classes of documents in their possession or power which the arbitrator determines to be relevant; and

(x) make interim orders to secure all or part of any amount in dispute in the arbitration.

15.7 Effect of Arbitration Ruling

Any judgment upon the award rendered by the arbitrator shall be final and binding on the Participants and may be entered by any court having jurisdiction thereof.

16. FORCE MAJEURE

16.1 Force Majeure

Time shall be of the essence of this Agreement, provided however that notwithstanding anything to the contrary contained herein, if either Participant should at any time or times during the currency of this Agreement be delayed in or prevented from complying with this Agreement by reason of wars, acts of God, strike, lockouts or other labour disputes, inability to access its place of business or the Property (other than the inability to access the Property because of the seasonality of weather conditions for which a Participant as Operator has not properly or adequately planned), acts of public insurrection, riots, fire, storm, flood, explosion, government restriction, failure to obtain any approvals required from any Governmental Authority having jurisdiction (but only in the circumstances where the Operator has filed timely and complete applications for approval from such Governmental Authorities having jurisdiction), including

environmental protection agencies, interference of persons primarily concerned about environmental issues or aboriginal rights issues or by aboriginal or aboriginal rights groups, or other causes whether of the kind enumerated above or otherwise which are not reasonably within the control of the applicable Participant, including but not limited to the inability to obtain the required Aboriginal Consent to proceed with development and mining of the Property, but excluding for greater certainty, unavailability of funds, or changes in economic markets or changes in Laws, the period of all such delays resulting from such causes or any of them, shall be excluded in computing the time within which anything required or permitted by the applicable Participant to be done, is to be done hereunder, and the time within which anything is to be done hereunder shall be extended by the total period of all such delays. Nothing contained in this Article 16 shall require the applicable Participant to settle any labour dispute or to test the constitutionality of any enacted Law. In the event that any Participant asserts that an event of force majeure has occurred, it shall give notice in writing to the other Participant specifying the following:

(a) the cause and nature of the alleged event of force majeure;

(b) a summary of the actions it or its Agents have taken to the date of such notice to correct the alleged event of force majeure;

(c) confirmation as to all acts, actions and things done by it or its Agents to terminate the event of force majeure; and

(d) the reasonably expected duration of the period of force majeure.

Any Participant asserting an event of force majeure shall provide ongoing periodic notice in writing to the other Participant with respect to such events of force majeure, including the matters set out above, within fifteen (15) days of the end of each calendar month during the period of force majeure and shall provide prompt notice in writing to the other Participant upon the termination of the event of force majeure.

17. CONFIDENTIALITY

17.1 Business Information

All Business Information shall be owned jointly by the Participants. Both before and after the termination of the Joint Venture, all Business Information may be used by either Participant for any purpose, whether or not competitive with the business of the Joint Venture, without consulting with, or obligation to, the other Participant. Except as provided in Sections 17.3 and 17.4, or with the prior written consent of the other Participant, each Participant shall keep confidential and not disclose to any third party or the public any portion of the Business Information that constitutes Confidential Information.

17.2 Participant Information

In performing its obligations under this Agreement, neither Participant shall be obligated to disclose any Participant Information. If a Participant elects to disclose Participant Information in performing its obligations under this Agreement, such Participant Information, together with

all improvements, enhancements, refinements and incremental additions to such Participant Information that are developed, conceived, originated or obtained by either Participant in performing its obligations under this Agreement ("**Enhancements**"), shall be owned exclusively by the Participant that originally developed, conceived, originated or obtained such Participant Information. Each Participant may use and enjoy the benefits of such Participant Information and Enhancements in the conduct of the Business hereunder, but the Participant that did not originally develop, conceive, originate or obtain such Participant Information may not use such Participant Information and Enhancements for any other purpose. Except as provided in Sections 17.3 and 17.4, or with the prior written consent of the other Participant, which consent may be withheld in such Participant's sole discretion, each Participant shall keep confidential and not disclose to any third party or the public any portion of Participant Information or Enhancements owned by the other Participant that constitutes Confidential Information.

17.3 Permitted Disclosure of Confidential Business Information

Either Participant may disclose Business Information (or, in the case of Bold, as contemplated in (d) below, Participant Information of Fancamp that is related to the Property) that is Confidential Information:

(a) to a Participant's officers, directors, partners, members, employees, Affiliates, shareholders, agents, attorneys, accountants, consultants, contractors, subcontractors or advisors, who have a bona fide need to know the Confidential Information;

(b) to any party to whom the disclosing Participant contemplates a Transfer of all or any part of its Participating Interest, for the sole purpose of evaluating the proposed Transfer;

(c) to any actual or potential lender, underwriter or investor for the sole purpose of evaluating whether to make a loan to or investment in the disclosing Participant; or

(d) to a third party with whom the disclosing Participant contemplates any independent business activity or operation, including, in the case of Bold, to Dundee pursuant to the Bold/Dundee Agreement.

The Participant disclosing Confidential Information pursuant to this Section 17.3, shall disclose such Confidential Information to only those parties who have a bona fide need to have access to such Confidential Information for the purpose for which disclosure to such parties is permitted under this Section 17.3 and provided that those parties to whom disclosure is to be made under Sections 17.3(b), 17.3(c) or 17.3(d) have agreed in a writing supplied to, and enforceable by, the other Participant to protect the Confidential Information from further disclosure, to use such Confidential Information solely for such purpose and to otherwise be bound by the provisions of this Article 17. Such writing shall not preclude parties described in Section 17.3(b) from discussing and completing a Transfer with the other Participant. The Participant disclosing Confidential Information shall be responsible and liable for any use or disclosure of the Confidential Information by such parties in violation of this Agreement and

such other writing. On request, the disclosing Participant shall notify the other Participant of the identity of each of the Agents to whom any Confidential Information has been delivered or disclosed.

17.4 Disclosure Required By Law

Notwithstanding anything contained in this Article 17, a Participant may disclose any Confidential Information if, in the opinion of the disclosing Participant's legal counsel:

(a) such disclosure is legally required to be made in a judicial, administrative or governmental proceeding pursuant to a valid subpoena or other applicable order; or

(b) such disclosure is legally required to be made pursuant to the rules or regulations of a stock exchange or similar trading market applicable to the disclosing Participant.

Prior to any disclosure of Confidential Information under this Section 17.4, the disclosing Participant shall give the other Participant at least two (2) Business Days prior written notice (unless less time is permitted by such rules, regulations or proceeding) and shall not make such disclosure without the consent of the other Participant, which consent shall not be unreasonably delayed, withheld, or conditioned. The disclosing Participant shall disclose only that portion of Confidential Information required to be disclosed and shall take all reasonable steps to preserve the confidentiality thereof, including, without limitation, obtaining protective orders and supporting the other Participant in intervention in any such proceeding.

17.5 Public Announcements

A Participant shall not make or issue any press release or other public announcement or disclosure of Business Information or Confidential Information without first giving the other Participant at least two (2) Business Days prior written notice as to the content and timing of such announcement or disclosure and without the consent of the other Participant, which consent shall not be unreasonably delayed, withheld, or conditioned, unless in the good faith judgment of such Participant, there is not sufficient time to consult with the other Participant before such announcement or disclosure must be made under applicable Laws; but in such event, the disclosing Participant shall notify the other Participant as soon as possible of the pendency of such announcement or disclosure, and it shall notify the other Participant before such announcement or disclosure is made if at all reasonably possible.

17.6 Return of Confidential Participant Information

Each Participant agrees that upon written request by the other Participant it will:

(a) promptly return, within five (5) Business Days of receipt of such request, all Confidential Information belonging to the requesting Participant and any and all Enhancements and copies thereof to the requesting Participant and shall require each of its Agents to do likewise; and

(b) certify in writing that it and its Agents have permanently deleted any Confidential Information stored by it in a computer or electronic retrieval system so that it is incapable of retrieval.

17.7 Remedies

The Participants acknowledges that Confidential Information is proprietary and confidential and that the Participants and the Joint Venture will be irreparably damaged if any of the provisions contained in this Article 17 are breached. Each Participant agrees that, without prejudice to any other remedy they may have, the other Participant and the Operator shall have the right to an immediate injunction or other available equitable relief in any court of competent jurisdiction, enjoining any breach or threatened breach of these provisions by the Participant or its Agents.

18. INDEMNIFICATION

18.1 Indemnification by the Participants

From and after the Effective Date, all Liabilities with respect to the Property or arising out of or related to ownership of the Property or out of or related to Operations shall be obligations of the Participants to be shared in accordance with the terms of this Agreement in proportion to their respective Participating Interests and each Participant hereby indemnifies the other Party and the Operator (including their respective officers, directors and employees) and agrees to save such Persons harmless in respect of such proportionate share of Liabilities, other than as caused by the wilful misconduct or negligence of such indemnified Persons.

18.2 Indemnification by the Operator

The Operator shall indemnify the Participants for all Liabilities caused by the Operator or its Agents arising out of the wilful misconduct or negligence of the Operator or its Agents.

19. EVENT OF DEFAULT OF PARTICIPANT

19.1 Event of Default

The occurrence with respect to any Participant of any one or more of the following shall constitute an Event of Default.:

(a) The failure of a Participant to comply with a material obligation of this Agreement, which failure is not remedied within thirty (30) days of notice by the other Participant.

(b) If the whole or any material part of the Participating Interest of the Participant shall be the subject of a lien, charge or attachment other than in accordance with the terms of this Agreement and such lien, charge or attachment shall not have been discharged within sixty (60) days thereafter.

(c) A Participant has committed an act of bankruptcy, is insolvent, has proposed a compromising arrangement to its creditors generally, or is otherwise unable to perform its obligations as they come due, has had any petition for a receiving order in bankruptcy filed against it, has made a voluntary assignment in bankruptcy, has taken any proceedings with respect to a compromise or arrangement, has taken any proceeding to have itself declared bankrupt or wound-up, has taken any proceeding to have a receiver appointed in respect of any part of its assets, has had any encumbrancer take possession of any of its property or has had any execution or distress become enforceable or become levied upon any of its property.

19.2 Additional Remedies

In the event of the occurrence with respect to any Participant of an Event of Default, each non-defaulting Participant, without prejudice to any other remedy it may have, shall have the right to pursue any remedy available at law or in equity, it being acknowledged by each of the Participants that specific performance, injunctive relief (mandatory or otherwise) or other equitable relief may be the only adequate remedy for a default.

20. NOTICE

20.1 Notices

All notices, requests, demands or other communications which by the terms hereof are permitted to be given by either Party to the other shall be given in writing by personal delivery or by fax, addressed to such other Party or delivered to such other Party as follows:

to Bold at:

15 Toronto Street
Suite 1000
Toronto, Ontario
M5C 2W3

Attention: President
Facsimile: (416) 864-1443

to Fancamp at:

7290 Gray Avenue
Burnaby, British Columbia
V5J 3Z2

Attention: President
Facsimile: (604) 434-8823

or at such other addresses and to such other Person that may be given by any of them to the others in writing from time to time on five (5) days' prior written notice and such notices, requests, demands or other communications shall be deemed to have been received when delivered.

21. MISCELLANEOUS - GENERAL

21.1 Survival

The following clauses shall survive termination of this Agreement: Sections 6.1, 6.2, 6.4, 7.8, 13.3, 13.4, 13.5, 13.6 and Articles 15, 17, 18, 19 and 21.

21.2 Severability

Any provision of this Agreement which is invalid or unenforceable shall not affect any other provision and shall be deemed to be severable herefrom.

21.3 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in such province.

21.4 Further Assurances

The Participants shall sign such further and other documents and do such further acts or things as may be reasonably within their control as may be necessary or desirable in order to give full force and effect to this Agreement and every part hereof.

21.5 Amendment

This Agreement may not be amended or modified in any respect except by written instrument signed by the Participants.

21.6 Entire Agreement

This Agreement including its attachments, constitutes the entire agreement between the Participants with respect to the subject matter hereof and subject as otherwise set out herein, supersedes all previous arrangements, correspondence, representations, proposals, undertakings and communications whether written or oral, including without limitation the Option Agreement, and there are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory other than those expressly contained herein. The execution of this Agreement has not been induced by nor do the Participants rely upon or regard as material, any covenants, representations or warranties whatsoever not incorporated herein and made a part hereof.

21.7 Waiver

A waiver of any breach of a provision of this Agreement shall not be binding upon a Party unless the waiver is in writing and such waiver shall not affect such Party's rights in respect of any subsequent or other breach.

21.8 Enurement

This Agreement shall enure to the benefit of and be binding upon the Participants and each of their successors and permitted assigns, but no other Person.

21.9 Counterparts

This Agreement may be executed and delivered in two (2) or more counterparts by original or facsimile or electronic signature, each of which so executed shall be deemed to be an original and all such counterparts together shall be deemed to constitute one and the same document.

21.10 Language

The Parties confirm that it is their wish that this Agreement, as well as any other documents relating to this Agreement, including notices, schedules and authorizations, have been and shall be drawn up in the English language only. Les signataires conferment leur volonte que presente convention, de meme que tons les documents s'y rattachant, y compris tout avis, annexe et autorisation, soient rediges en anglais seulement.

IN WITNESS WHEREOF the Participants have executed these presents as of the Effective Date.

BOLD VENTURES INC.

Per: *"Richard Nemis"*
Name:
Title:

FANCAMP EXPLORATION LTD.

Per: *"Peter H. Smith"*
Name:
Title:

SCHEDULE "A" TO JV AGREEMENT

DESCRIPTION OF PROPERTY

Township/Area	Claim Number	Units	Recorded Date	Expiry Date
BMA 527 862 (G-5130)	3012254	16	April 22, 2003	April 22, 2015
BMA 527 862 (G-5130)	3012255	16	April 22, 2003	April 22, 2015
BMA 526 862 (G-5130)	3012257	16	April 22, 2003	April 22, 2015
BMA 526 862 (G-5130)	3012258	16	April 22, 2003	April 22, 2015

All in the Porcupine Mining Division

SCHEDULE "B" TO JV AGREEMENT

ACCOUNTING PROCEDURE

SECTION I. GENERAL PROVISIONS

1. **Definitions**

(i) "**Administrative Charge**" means the overhead and general administrative expenses payable to the Operator under Section II, Paragraph 4.

(ii) "**Agreement**" shall mean the Joint Joint Venture Agreement to which this Accounting Procedure is attached as **Schedule "B"**.

(iii) "**Allowable Costs**" as used in Section II, Paragraph 4 below for a particular phase of Operations shall mean all direct charges to the account of the Joint Venture as provided by Section II, excluding: (i) the Administrative Charge referred to in Section II, Paragraph 4; (ii) depreciation, depletion or amortization of tangible or intangible Assets; and (iii) amounts charged in accordance with Section II, Paragraphs 2, 9 and 10.

(iv) "**Field Office**" means any necessary office in each place where Work is being performed on or solely in relation to the Property.

(v) "**Joint Account**" means the account for Operations established by the Operator under Section I, Paragraph 2 to account for all Expenditures made in respect of Operations for the Joint Venture.

(vi) "**Material**" shall mean personal property, equipment or supplies acquired or held for use in Operations.

(vii) "**Section**" and "**Paragraph**" followed by a number shall mean and refer to the specified Section or the Paragraph of the specified Section of this Schedule.

All other terms defined in the Agreement and used herein shall, unless otherwise defined herein, have the same meaning ascribed thereto in the Agreement.

2. **General Accounting Records**

The Operator shall maintain detailed and comprehensive cost accounting records in accordance with the requirements of the laws of Canada and in accordance with this Accounting Procedure and Canadian generally accepted accounting principles or IFRS (as applicable), including general ledgers, supporting and subsidiary journals, invoices, cheques and other customary documentation sufficient to provide a record of revenues and expenditures and periodic statements of financial position and the results of operations for Operator, tax, regulatory or other financial reporting purposes. Such records shall be retained for the longer of the duration of the period allowed the Participants for audit or the period necessary to comply with tax or other regulatory requirements. The records shall include Equity Accounts for each Participant which

shall reflect all obligations, advances and credits of the Participants in accordance with their Participating Interests as contemplated in the Agreement.

3. **Reporting**

The Operator shall provide, not later than sixty (60) days after the end of each accounting year of the Joint Venture all financial statements, reports and other information required by Participants to complete their accounting procedures.

4. **Bank Accounts**

The Operator shall maintain one or more separate bank accounts for the payment of all expenses and the deposit of all cash receipts in respect of Operations.

5. **Conflict with Agreement**

In the event of a conflict between the provisions of this Accounting Procedure and the provisions of the Agreement, the provisions of the Agreement shall govern.

6. **Statements and Invoices**

The Operator shall invoice each Participant for its proportionate share of Expenditures in accordance with the terms of the Agreement in respect of a Program in which such Participant has agreed to participate in accordance with the terms of the Agreement. Such invoices will be accompanied by complete and accurate statements reflecting all charges and credits summarized by appropriate classifications indicative of the nature thereof. Expenditures for all tangible and intangible assets and any unusual charges shall be detailed. If the Operator does not request a Participant to pay its share of estimated Expenditures in advance, the Participant shall pay its share of actual Expenditures within twenty (20) days following receipt of a Operator's invoice related thereto.

7. **Adjustments**

Payments of invoices shall not prejudice the rights of a Participant to protest or question the correctness thereof; provided, however, all invoices and statements rendered to a Participant by the Operator during any accounting year shall conclusively be presumed to be true and correct after twenty-four (24) months following the end of such accounting year, unless within the said twenty-four (24) month period a Participant takes written exception thereto and makes a claim on the Operator for adjustment. No adjustment favourable to the Operator shall be made unless a claim is made within the same prescribed period. The provisions of this paragraph shall not prevent adjustments resulting from a physical inventory of the Material purchased for Operations.

8. **Review of Accounts**

(i) A Participant, upon reasonable notice to the Operator, shall have access and the right, at its sole expense, to audit all records relating to the accounting and Operations hereunder, including any records originating from an Affiliate or other offices of the Operator for any accounting year of the Joint Venture or

portion thereof, within the twenty-four (24) month period following the end of such accounting year.

(ii) The Operator's verification of contractors' invoices shall not be construed as constituting a bona fide audit of contractors' records of original entry. In the event that an audit of contractors' records of original entry is deemed necessary by the Operator or by a Participant, the cost of such audit shall be charged to the Joint Account.

SECTION II. DIRECT CHARGES

Subject to limitations hereinafter prescribed, the Operator shall charge the Joint Account for all costs necessary to conduct Operations as follows:

1. **District and Camp Expense (Field Supervision and Camp Expenses)**

A pro rata portion of (i) the salaries and expenses of the Operator's superintendent and other employees serving Operations whose time is not allocated directly to such Operations, and (ii) the costs of maintaining and operating an office (herein called "the **Operator's Project Office**"). Such charges shall be apportioned to the Joint Account on the basis of the Operator's best estimate of the proportionate amount such expenses are incurred for the benefit of the Joint Venture.

2. **Rentals and Royalties**

All fees, rent and royalties paid in respect of mining claims, exploration permits, Leases, licences, or other similar grants, forming part of the Property.

3. **Labour**

(i) Salaries and wages of all employees, including the Operator's employees, directly engaged on a full time basis in the conduct of the Operations, and a charge for the salaries or wages of employees who are temporarily assigned on a full time basis to and directly employed in the Operations in proportion to the time spent by such employees to provide such services. No costs will be charged to the Joint Venture for salaries and wages that relate to employment other than employment in the Operations.

(ii) All directly incurred and provable costs for employee benefits, including vacations, statutory holidays, sickness and disability benefits, group life insurance, hospitalization, pensions, dental, major medical and other benefit plans of a like nature and for mandatory payments to the local, provincial and federal governments for worker's compensation, unemployment insurance, pension and any other similar charges that any government may impose on the Operator based on salary and wage costs. No costs shall be charged to the Joint Venture for benefits that relate to employment other than employment directly related to Operations.

4. **Administrative Charge**

Each month, the Operator shall charge the Joint Account a sum for each phase of Operations as provided below, which shall be a liquidated amount to reimburse the Operator and its Affiliates for its and their home office overhead and general and administrative expenses to conduct each phase of the Operations, and which shall be in lieu of any management fee:

(i) Exploration Phase – ten percent (10%) of Allowable Costs. The "**Exploration Phase**" shall cover those activities conducted to ascertain the existence, location, extent or quantity of any deposit of ore or mineral. Such phase shall cease when a commercially recoverable reserve is determined to exist. Includes all work on a pre-Feasibility or Feasibility Study as approved by the Technical Committee and any work on the Bold Feasibility Study;

(ii) Major Construction Phase – five percent (5%) of Allowable Costs. The "**Major Construction Phase**" means the period following the Exploration Phase and shall cover those activities conducted to access a commercially feasible orebody or to extend production of an existing orebody, and to construct or install related fixed assets, and shall include all activities involved in the construction of a mine, mill, smelter or other ore processing facilities.

(iii) Mining Phase – two and one-half percent (2.5%) of Allowable Costs. The "**Mining Phase**" means the period following the commencement of Commercial Production and shall include all other activities not otherwise covered above, including activities conducted after mining operations have ceased.

The following is a representative list of items that constitute the Operator's principal business office expenses that are expressly covered by the Administrative Charge provided above, except to the extent that such items are directly chargeable as direct costs under other provisions of this Section II:

(i) Administrative supervision, which includes all services rendered by Operators, department supervisors, officers and directors of the Operator for Operations;

(ii) Accounting, data processing, personnel administration, billing and record keeping in accordance with governmental regulations and the provisions of the Agreement, and preparation of reports;

(iii) The services of tax counsel and tax administration employees for all tax matters, including any protests, except any outside professional fees which the Technical Committee may approve as a direct charge to the Joint Account;

(iv) Routine legal services rendered by outside sources and the Operator's legal staff not otherwise charged as direct costs under Section II, Paragraph 9, including property acquisition, attorney management and oversight, and support services provided by Operator's legal staff concerning any litigation; and

(v) Rentals and other charges for office and records storage space, telephone service, office equipment and supplies.

5. **Material**

All Material shall be purchased, leased or furnished by the Operator for use in Operations. To the extent reasonably practical and consistent with efficient and economical operation, only such Material shall be purchased or leased for or transferred to the Operations as may be required for reasonably anticipated use. The Operator shall use reasonable commercial efforts to limit the accumulation of surplus stocks. Costs shall include costs of maintenance, repairs, other operating expenses, insurance and taxes.

6. **Transportation**

Reasonable transportation costs of Agents of the Operator (and the Agents of the other Participant as necessary for the conduct of Operations) and Material necessary for the conduct of Operations.

7. **Services**

(i) The cost of contract services and utilities procured from outside sources other than services covered by Section II, Paragraph 9. If contract services are performed by the Operator or an Affiliate thereof, the cost charged to the Joint Account shall not be greater than that for which comparable services and utilities are available in the open market within the vicinity of the Operations.

(ii) Use and service of equipment and facilities furnished by the Operator as provided in Section III.

8. **Damages and Losses to Assets**

All costs or expenses necessary for the repair or replacement of Assets made necessary because of damages or losses resulting from fire, flood, storm, theft, accident, or any other cause.

The Operator shall furnish the other Participant with written notice of damages or losses incurred forthwith after a report thereof has been received by the Operator.

9. **Legal Expenses**

Subject to the terms of the Agreement, all reasonable costs and expenses of handling, investigating, and settling litigation or claims arising in respect of the Operations, including but not limited to, independent counsel's fees, court costs, costs of investigation or procuring evidence and amounts paid in settlement or satisfaction of any such litigation or claims, provided that no settlement shall be entered into when the amount of such settlement exceeds Two Hundred and Fifty Thousand dollars ($250,000) without the unanimous approval of the Technical Committee as set out in the Agreement.

10. **Taxes**

All taxes of every kind and nature assessed or levied upon or in connection with the Operations, which have been paid by or for the benefit of the Joint Venture. Each Participant is separately responsible for its income taxes.

11. **Insurance Premiums**

Premiums paid for insurance required to be carried in respect of the Operations as set out in the Agreement.

12. **Marketing Costs**

Any costs actually incurred in the sale of Products including, but not limited to, labour costs, as set out in Section II, Paragraph 3 of this Schedule, transportation, insuring sampling, assaying, impurity penalties and marketing fees, including such marketing fees as are contemplated by the Agreement.

13. **Audit**

The cost of any audits approved by the Technical Committee.

14. **Other Expenditures**

Any other expenditures not covered or dealt with in the foregoing provisions of this Section II and which are reasonably incurred by the Operator for the necessary and proper conduct of the Operations.

SECTION III. MATERIAL FURNISHED BY THE OPERATOR

1. **Purchase**

Material and equipment purchased and services procured shall be charged at the price paid by the Operator after deduction of all discounts actually received.

2. **Material Furnished by the Operator**

Material required for Operations shall be purchased for direct charge to the Joint Account whenever practicable, except that the Operator may furnish such Material from the Operator's own stocks under the following conditions:

(i) New Material (Condition "A"). New Material transferred from the Operator's own warehouse or other properties shall be priced f.o.b. the nearest reputable supply store or railway receiving point, where such Material is available, at current replacement cost of the same kind of Material.

(ii) Used Material (Conditions "B" and "C").

(I) Material which is in sound and serviceable condition and suitable for reuse without reconditioning shall be classed as Condition "B" and priced at seventy-five percent (75%) of new price.

(II) Material which cannot be classified as Condition "B" but which:

(a) after reconditioning will be further serviceable for its original function as good second-hand Material (Condition "B"); or

(b) is serviceable for its original function but is substantially not suitable for reconditioning,

shall be classified as Condition "C" and priced at fifty percent (50%) of new price.

(III) Material which cannot be classified as Condition "B" or Condition "C" shall be priced at a value commensurate with its use or at prevailing prices.

(iii) Material Furnished by the Operator when not Readily Available - when Material or supplies are not readily available from reputable sources, the Operator may furnish such material from its stock or properties at its nearest available supply and charge the Operator's full cost of same to the Joint Account including, without limitation, purchase price, procurement, warehousing, handling, transportation and all other costs incurred in connection therewith up to the time of delivery to the Property.

(iv) Material Over Two Hundred and Fifty Thousand dollars ($250,000) - the Operator shall obtain two quotes in advance in respect of any Material and equipment purchased, other than New Material, or services procured at a price over Two Hundred and Fifty Thousand dollars ($250,000) (calculated on an aggregate basis in respect of all Material or services procured in any one transaction) and shall make such quotes available for review to the non-Operator Participant. The non-Operator Participant shall be entitled to appoint a third party evaluator when Used Material over Two Hundred and Fifty Thousand dollars ($250,000) is furnished by the Operator.

3. **Premium Prices**

Whenever Material is not readily obtainable at the customary supply point or at prices specified in Section III, Paragraphs 1 and 2 because of causes over which the Operator has no control, the Operator may charge the Joint Account for the required Material on the basis of the Operator's direct cost and expense incurred in procuring such Material, in making it suitable for use, and in moving it to the required location, provided, however, that notice in writing is furnished to the Participants of the proposed charge prior to invoicing the Participants for such Material, whereupon the Participants shall have the right, by so electing and notifying the Operator, within fifteen (15) days after receiving such notice from the Operator, to furnish in kind, all or part of its share of such Material which shall be reasonably suitable for use and acceptable to the Operator.

Transportation costs on such Material furnished by a Participant, at any point other than at the required location, shall be borne by the Participant. If a Participant furnishes Material pursuant to the provisions of this paragraph, the Operator shall make appropriate credits therefore to the account of such Participant.

4. **Warranty of Material Furnished by the Operator**

The Operator does not warrant the Material furnished beyond the dealer's or manufacturer's guarantee; and in case of defective Material, credit shall not be passed until adjustment has been received by the Operator from the manufacturers or their agents.

SECTION IV. DISPOSAL OF EQUIPMENT AND MATERIAL

1. **Disposition of Surplus Material**

The Operator shall be under no obligation to purchase surplus, new or second-hand Material. The disposition of items with a replacement value in excess of Two Hundred and Fifty Thousand dollars ($250,000) of surplus Material shall be subject to the unanimous approval of the Technical Committee; provided that the Operator shall dispose of normal accumulations of junk and scrap Material either by transfer or sale from the Property. Proceeds of such sale shall be credited to the Joint Account.

2. **Material Purchased by the Operator or a Participant**

Material purchased by either the Operator or a Participant shall be credited by the Operator to the Joint Account at an amount equal to the reasonable fair market value thereof for the month in which the Material is removed by the purchaser.

3. **Sales to Participants or to Third Parties**

Sales to Participants or third parties of Material from the Operations shall be credited by the Operator to the Joint Account at the net amount collected by the Operator from such purchaser. All sales to Participants or third parties of Material from Operations in excess of Two Hundred and Fifty Thousand dollars ($250,000) (calculated on an aggregate basis in respect of all Material or services procured in any one transaction) shall require prior unanimous approval of the Technical Committee. Any claims by a purchaser for defective Material or otherwise shall be charged back to the Joint Account if and when paid by the Operator.

SECTION V. INVENTORIES

1. **Inventories**

(i) At reasonable intervals and, in any event, at least once per accounting year of the Joint Venture, inventories shall be taken by the Operator, which shall include all such Material as is ordinarily considered controllable by Operators of mining properties and the expense of conducting such periodic inventories shall be charged to the Joint Account. The Operator shall give written notice to the Participants of its intent to take any inventory at least thirty (30) days before such inventory is scheduled to take place. A Participant shall be deemed to have

accepted the results of any inventory taken by the Operator if the Participant fails to be represented at such inventory.

(ii) Reconciliation of the inventory with charges to the Joint Account shall be made, and a list of overages and shortages shall be furnished to the Participants within one (1) month after the inventory is taken. Inventory adjustments shall be made by the Operator to the accounting records for overages and shortages, but the Operator shall be held accountable only for shortages due to lack of reasonable diligence.

SECTION VI. CREDITS

1. The Operator will credit the Joint Account with revenues received by the Operator as such including, for example:

(i) collection of insurance proceeds related to Operations when the insurance premiums have been charged to the Joint Account;

(ii) sales of geologic or other information authorized by the Participants;

(iii) sales of property, plant, equipment and materials of Operations in the normal course of the day-to-day business;

(iv) rentals received, refunds of taxes, customs, duties or transportation claims, rebates, and other credits pertaining to Operations;

(v) credits received from third parties for the use of facilities or services of the Operations;

(vi) refunds for defective equipment when the Operator receives the corresponding payments from the manufacturers or agents; and

(vii) any other credits for materials recovery or from other sources which correspond to the Joint Account.

SCHEDULE "C" TO JV AGREEMENT

NET PROFITS INTEREST ROYALTY

1. Definitions

The purpose of this **Schedule "C"** is to define the Royalty referred to in the Agreement as a non-assessable, carried one and one-half percent (1.5%) of Net Profits and to provide a method for calculating the amounts and timing of payments by the Operator to be received by the Holder, under the Agreement.

"**Agreement**" means the Joint Venture Agreement between Bold and Fancamp to which this **Schedule "C"** is attached.

"**Commencement of Commercial Production**" means the first day of the month following the first three (3) consecutive months of the operation of a Mine on the Property in which the Mine first produces sixty percent (60%) of one-quarter (1/4) of its yearly design capacity.

"**Mineral Disposition**" means the Property as defined in the Agreement.

"**Mine**" when used as a noun means an opening in or on the Mineral Disposition from which Minerals may be removed and all contiguous property and facilities used in production or further processing of the Minerals.

"**Mineral**" means nonviable substances formed by the processes of nature that occur on or under the surface of the ground, irrespective of chemical or physical state, but does not include naturally occurring surface water, agricultural soil, and/or gravel that belongs to the owner of the surface of the land.

"**Net Profits**" shall be an excess of cumulative Receipts over cumulative Disbursements, determined as of the date of computation.

"**Product**" means all minerals mined and extracted from the Mineral Disposition.

All other terms defined in the Agreement and used herein shall, unless otherwise defined herein, have the same meaning ascribed thereto in the Agreement.

2. Computation of Net Profits

The Operator shall compute its estimated Net Profits as of the end of each calendar quarter. As part of such computation, interest shall be computed at the rate of two (2) percentage points over the average of the rates per annum for such calendar quarter published as "Chartered Bank Lending rates Prime Business Loans" in the Bank of Canada Review and shall be computed quarterly in arrears on the average excess of cumulative Disbursements over cumulative Receipts as of the beginning and end of such quarter and such interest shall be added to the cumulative Disbursements for that and all subsequent quarters.

Net Profits due to the Holder hereunder for any calendar quarter shall mean one and one-half percent (1.5%) of cumulative Net Profits less all Net Profits previously paid to it under this Agreement. On or before the last day of each calendar quarter, the Operator shall furnish the Holder a statement setting forth in reasonable detail the computation of the Holder's share of any Net Profits due it for the previous calendar quarter.

The Operator shall, not later than six (6) months after the end of the Mine's accounting year, make a final payment with respect to the royalty payable for such year, provided if the amounts have been paid in excess of those to which the Holder is entitled in any such year, the equivalent amount shall be deducted from the next royalty payment or payments to which the Holder is entitled.

3. Calculation of Receipts

"**Receipts**" shall be the value of Product sold which is obtained from ore removed from the Mineral Disposition determined as follows:

(a) if the Product is sold through an arm's length transaction, the receipts shall be the value of sales at the point of sale, less all discounts, rebates or other allowances made or given in connection with such sale; and

(b) if the Product is not sold through an arm's length transaction, or is further processed for the Operator prior to sale, receipts shall be the value of sales as agreed upon by the Operator and Holder and shall be deemed realized at the point of sale or shipment for further processing. Any dispute as to the receipts shall be determined by arbitration as is provided in this Agreement.

4. Calculation of Disbursements

"**Disbursements**" shall mean all costs and expenditures of whatsoever nature with respect to the Mineral Disposition, including, inter alia:

(a) "**Preproduction Expenditures**" which shall mean the aggregate of all costs (whether capital or otherwise) incurred by the Operator relating to the exploration of the Mineral Disposition and development of the Mine prior to the Date of Commencement of Commercial Production, including without limiting the generality of the foregoing:

(i) all amounts expended in doing work on or in connection with the Mine;

(ii) all costs of or related to the construction of any mine or mill or building, crushing, grinding, washing, concentrating and/or other treatment facility;

(iii) all costs of or related to exploring for the orebody on the Mineral Disposition;

(iv) all costs of or related to the construction of storage and warehouse facilities for the ore or Product derived from such Mine;

(v) all costs of or related to the transportation facilities for moving ore or concentrates derived from such Mine and/or any products derived from such ore or concentrates;

(vi) all costs of or related to financing arrangements for such Mine including, inter alia, standby charges and other fees;

(vii) all costs of or related to the provision of housing for employees, medical and recreational facilities and similar infrastructure costs and expenses;

(viii) all costs of making option or sustaining payments on the Mineral Disposition;

(b) "**Working Capital**" which means the amount by which the current assets of any Mine exceed the current liabilities thereof, as determined in accordance with generally accepted accounting principles consistently applied. Changes in the level of Working Capital between the last day of a calendar quarter shall be added to cumulative Disbursements in the case of an increase (or subtracted in the case of a decrease) over the prior level of Working Capital; and

(c) "**Operating Expenses**" shall mean all costs, obligations, liabilities and expenses of whatsoever nature relating to the Mine including:

(i) all costs resulting from or in connection with the preparation, equipping, operation or expansion of any Mine which are incurred or become chargeable after the Date of Commencement of Commercial Production at such Mine, but excluding charges for depletion or depreciation of such Mine;

(ii) all costs of or related to marketing any of the Product including, without limitation, transportation, commissions and/or discounts;

(iii) all taxes, rates, assessments, fees and duties payable to either the relevant provincial government or any other municipal or governmental body, charged, levied or imposed on such Mine, or payable on or in respect of or measured by the Products of such Mine, including all governmental royalties relating thereto and mining duties or mining taxes even though based on profits but excluding provincial and federal corporate income taxes;

(iv) all costs of consulting, accounting, insurance and services and relevant head office or district office expense incurred in connection with carrying on or related to such Mine;

(v) all mining, milling and smelter costs, including custom milling and smelter costs (with respect to the milling and smelter of the Product of such Mine) and transportation costs of such Products to the mill and/or to the smelter and/or to the purchaser thereof;

(vi) all maintenance, repair and replacement costs; and

(vii) all costs for pollution control, reclamation or any other similar costs incurred or to be incurred as a result of any governmental regulations or requirements.

All Operating Expenses shall be determined in accordance with generally accepted accounting principles consistently applied. Receipts and Disbursements shall be determined by the accrual method but shall not include any transactions arising prior to the effective date of this Agreement.

5. Audit and Disputes

(a) The Holder, upon written notice to the Operator, shall have the right to have an independent firm of chartered accountants audit the Operator's records that relate to the calculation of the royalty interest within twelve (12) months after receipt of the final payment described in Section 2 of this **Schedule "C"**.

(b) The Holder shall be deemed to have waived any right it may have had to object to a royalty payment made for any calendar year, unless it notifies the Operator in writing of such objection within twelve (12) months after receipt of the final payment. If the Parties are unable to resolve the dispute within sixty (60) days after the receipt of such notice, the dispute shall be resolved by arbitration in accordance with the provisions of Article 15 of the Agreement.

(c) The Holder agrees that all information that it receives with respect to the Operator's Operations under the provisions of this Agreement shall be classified as secret and proprietary and shall not be shared with others without the written consent of the Operator, such consent not to be unreasonably withheld.

SCHEDULE "D" TO JV AGREEMENT

NSR

RICHARD NEMIS
53 Yonge Street, Suite 200
Toronto, Ontario M5E 1J3
Telephone (416) 864-1456 Telefax (416) 367-5444
email efinlay@sympatico.ca

June 17, 2003

Fancamp Exploration Ltd.
340 Victoria Avenue,
Montreal, Quebec,
H3Z 2M8

Dear Sirs:

Re: Richard Nemis ("Trustee") hereinafter referred to as the "Vendor" and Fancamp Exploration Ltd. hereinafter referred to as "Purchaser"
4 Units Porcupine Mining Division

Further to our discussions, this letter will confirm and document a proposal made with respect to the sale of mineral interests (4 units) located in the Porcupine Mining Division as more particularly set out in Schedule "A", attached and hereinafter referred to as the "Property".

In this letter agreement, Richard Nemis ("Trustee") will be referred to as the "Vendor" and Fancamp Exploration Ltd., will be referred to as the "Purchaser".

The Terms of our agreement are as follows:

1. The Vendor represents and warrants to the Purchaser that:

   (a) The Property is properly and accurately described in Schedule "A" hereto and registered to the Vendor;
   (b) To the best of the Vendor's knowledge, information and belief, each of the mining units comprising the Property have been properly staked, tagged and recorded under laws of the Province of Ontario;
   (c) The Vendor has the full right and authority to enter into this agreement;
   (d) There are no adverse interests or other agreements affecting the Property;
   (e) The Property is free and clear of all liens and encumbrances, recorded or unrecorded , save and except for a 2% NSR over the property as set out herein;
   (f) There are no outstanding or pending actions, suits or claims affecting all or any part of the Property; and

2. The Vendor does by the execution hereof grant to the Purchaser the right to acquire the Property subject to the terms and conditions hereinafter set forth.

(a) The Vendor does by the execution hereof grant to the Purchaser the right to acquire a one hundred percent (100%) interest in the Property subject to the retention by the Vendor of a two percent (2%) net smelter return, and by paying to the Vendor or to whomsoever he may direct, the sum of $7200 Dollars in lawful money of Canada.

(b) The purchaser shall have the right to purchase from the Vendor a one percent (1%) Net Smelter Return Royalty, at any time prior to commencement of production from the claims, upon payment of One Million ($1,000,000) Dollars to the Vendor.

3. On the execution of this agreement, the Vendor shall deliver to the Purchaser, a duly executed Transfer of the claims in favour of the Purchaser.

4. The term "net smelter return" as used in this agreement shall mean the net proceeds realized from the sale to a bona fide purchaser in an arm's length transaction of minerals recovered from ore mined from the Property. The net proceeds shall be determined by deducting from the dollar value paid for the recovered minerals, the cost of smelting and refining the ore/or concentrates thereof, marketing and insurance charges, and transportation costs, including the costs of transporting the ore and/or concentrates thereof to the milling facilities and to the smelter or refinery.

If the foregoing is satisfactory to you, please so indicate by signing and returning the enclosed copy of this letter.

Richard Nemis (Trustee)

Fancamp Exploration Ltd., hereby accepts the terms and conditions as set out above are accepted.

Dated this 30 day of June, 2003.

Per: _____

SCHEDULE "A"

Schedule "A" to Letter Agreement dated June 17th 2003 between Richard Nemis Trustee and Fancamp Exploration Ltd.

McFaulds Lake area Porcupine Mining Division, Northern Ontario

Claim number	Units
3012254	16
3012255	16
3012257	16
3012258	16

CORPORATE AFFIDAVIT

I, PETER SMITH of Toronto, Ontario HEREBY MAKE OATH AND SAY AS FOLLOWS:

1. I am the President of Fancamp Exploration Ltd. (the "Company") and have a personal knowledge of the matters and things herein deposed to and have authority to make this Affidavit on behalf of the Company.
2. Fancamp Resources Ltd. entered into a Letter of Agreement with Richard Nemis In Trust dated June 17th, 2003 a true copy of which is attached hereto as Schedule "A" to this my Affidavit.
3. The signature Peter Smith affixed to the Letter of Agreement is the signature of the President of the Company and the signature is in the proper handwriting of me this deponent on behalf of the Company.
4. I am an authorized signing officer authorized to execute documents in the name and on behalf of Fancamp Exploration Ltd.

SWORN before me at the)
City of Montreal, Province of)
Quebec, this 15 day of)
December 2009.)

Peter Smith

Commissaire à l'Assermentation
France Duquette
120 336
Pour les Cours judiciaires du Québec

SECOND AMENDMENT TO EARN-IN OPTION AGREEMENT

Between:

Fancamp Exploration Ltd.

and

Bold Ventures Inc.

For
Mineral Exploration Activities

in the Ring of Fire,
Ontario, Canada

Dated as of:
January 4, 2013.

SECOND AMENDMENT TO EARN-IN OPTION AGREEMENT

THIS ADDENDUM AGREEMENT is made as of 4th day of January, 2013

BETWEEN:

FANCAMP EXPLORATION LTD., a corporation governed by the Laws of British Columbia,

("**Fancamp**")

– and –

BOLD VENTURES INC., a corporation governed by the Laws of Ontario,

("**Bold**")

WHEREAS, pursuant to an Earn-In Option Agreement dated May 2, 2012 between Fancamp and Bold (the "**Earn-In Option Agreement**"), Fancamp granted to Bold the Options (as defined in the Earn-In Option Agreement);

AND WHEREAS all capitalized terms not otherwise defined herein shall have the meanings attributed to them in the Earn-In Option Agreement;

NOW, THEREFORE the Parties hereto agree with each other as follows:

1. On delivery of the Feasibility Study and the Further Option Payment pursuant to section 5.3 of the Earn-In Option Agreement (the "**Final Earn-In Date**"), Bold shall have the right to elect to acquire, for a period of ninety (90) days from the Final Earn-In Date, a further 20% interest in the Joint Venture by:

   (a) paying to Fancamp the sum of Fifteen Million dollars ($15,000,000), payable in equal yearly instalments over a three (3) year period and payable half in cash; with

   (b) the balance payable in common shares of Bold and/or its assignees, at Bold's option,

   and Fancamp shall be carried to commercial production (the "**Carried Interest**") by Bold for its then Participating Interest in the Joint Venture.

2. For a period of ninety (90) days from the Final Earn-In Date, Bold shall have the additional right to elect to acquire the Carried Interest from Fancamp in exchange for a Gross Metal Royalty ("**GMR**"), such that Bold and/or its assignees will hold a one hundred percent (100%) interest in the Property and the Joint Venture and Fancamp's interest will be limited to the GMR. The details of the GMR are described in the attached **Schedule "A"**, which forms part of this Addendum Agreement.

3. Except as amended herein, all other provisions of the Earn-In Option Agreement shall remain in full force and effect unamended.

4. This Addendum may be executed by the Parties in counterparts and may be executed and delivered by facsimile or electronic signature and all such counterparts and facsimiles or electronic copies shall together constitute one and the same agreement.

5. The Parties confirm that it is their wish that this Addendum, as well as any other documents relating to this Addendum, including notices, schedules and authorizations, have been and shall be drawn up in the English language only. Les signataires conferment leur volonte que presente convention, de meme que tons les documents s'y rattachant, y compris tout avis, annexe et autorisation, soient rediges en anglais seulement.

IN WITNESS OF WHICH the parties have duly executed this Addendum

FANCAMP EXPLORATION LTD.

Per: *"Peter H. Smith"*
Name: Peter H. Smith
Title: Chairman and Director

I have authority to bind the corporation

BOLD VENTURES INC.

Per: *"Richard Nemis"*
Name: Richard Nemis
Title: President & CEO

I have authority to bind the corporation

SCHEDULE "A"

THE GROSS METAL ROYALTY

Definitions:

In this Schedule, the following terms are defined as follows:

"**Commercial Production**" shall mean the commercial exploitation of Products, but shall not include treating, shipping or milling of Products only for the purposes of testing or milling or leaching by a pilot plant or during the initial tune-up period of any mine or plant whether on or off the Property. Commercial Production shall be deemed to have commenced:

(a) if a mine or plant is located on the Property, on the first day of the month following the first period of thirty (30) consecutive days during which Products have been processed through such mine or plant at an average rate of not less than sixty percent (60%) of the design-rated capacity of such mine or plant; or

(b) if no plant is located on the Property, on the first day of the month following the first period of thirty (30) consecutive days during which Products have been shipped from the Property on a reasonably regular and sustainable basis for the purpose of earning revenue.

"**GMR Royalty**" means percentage of Gross Metal Returns, as a percentage of the total revenue from the sale of all metals and mineral products on the Property without any capital, operating and processing cost deductions.

"**Grantee**" means Fancamp or its permitted assignees.

"**Grantor**" means Bold or its permitted assignees.

"**Gross Metal Returns**" means all metals or minerals (chromium, iron, PGMs, gold, nickel, copper, and all other minerals or elements) produced from the Property as processed by a processing facility, refinery or smelter.

"**Products**" shall mean all ores, minerals and mineral products located on, in or under or derived from the Property and all beneficiated and other products produced or derived therefrom.

"**Property**" means the applicable area of land (at and below surface) covered by the Mineral Rights (as that term is defined in the Earn-In Option Agreement).

The GMR Royalty:

1. Upon the Grantor electing to acquire the Carried Interest, the Grantor grants to the Grantee the GMR Royalty.

2. A GMR Royalty of two percent (2%) shall become payable by the Grantor to the Grantee upon the commencement of Commercial Production, subject to the provisions of section 9 herein.

3. The GMR Royalty shall be paid, at Grantee's exclusive option, in cash or in kind based upon the price received by Grantor for the sale of Products.

4. Grantee shall be paid in cash or in kind by the processing facility, refinery or smelter immediately upon production of the metals, minerals or elements. The processing facility, refinery or smelter which produces the metals, minerals or elements that are derived from the Property shall without any instruction, other than the initial instruction, deposit the GMR Royalty in a separate account in the name of Grantee over which Grantor shall have no control and in which Grantor shall have no interest.

5. Immediately upon production of Gross Metal Returns, the GMR Royalty shall be the exclusive property of Grantee and shall not be subject to any charges, fees, costs, deductions, liens, action, taxes or other amounts relating to their production or processing on production.

6. Grantor shall provide Grantee with an accurate accounting of all Products produced from the Property and all metal production from processing facilities, refineries or smelters, as the case may be, within thirty (30) days of the end of each calendar quarter.

7. Within ninety (90) days after the end of Grantor's financial year end, it shall provide Grantee with an audit of ore, concentrate and metal production from the Property during such year and the GMR Royalty payable with respect thereto.

8. Grantee shall have, upon forty-eight (48) hours prior written notice to Grantor, authority to request data and receive timely written responses to questions from any processing facility, refinery or smelter which processes metals or concentrates derived from the Property and to access all records generated or commissioned by Grantor relating to the Gross Metal Returns. Grantor shall instruct its mine and processing facility personnel and any smelter or refinery to respond fully to any inquiries from Grantee.

9. For the purposes of this section, the price of Products shall be deemed to be the price used for the purposes of the Feasibility Study (the "**FS Product Price**"). Once the capital costs of bringing the project to the production stage have been repaid entirely (the "**Pay Back Date**"), if the then average sale price of Products for any one (1) month following the Pay Back Date is fifty percent (50%) higher than the FS Product Price, the GMR Royalty shall be increased to three percent (3%), and if the price is at least one hundred percent (100%) higher than the FS Product Price, the GMR Royalty shall be increased to four percent (4%) (in either case the "**Increased Rate Date**"). On each annual anniversary (the "**Anniversary**") of the Increased Rate Date a new calculation shall be made and the GMR Royalty rate shall be increased or reduced to between two percent (2%) and four percent (4%) based upon the one (1) month average price of Products immediately preceding the relevant Anniversary compared to the FS Product Price.

10. The GMR Royalty shall be registered against the Property in all appropriate legal registries at Grantor's expense within thirty (30) days of Grantor electing to acquire the Carried Interest.

11. The GMR Royalty shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

12. If Grantor transfers the Property, it will provide Grantee with notice in writing of the transfer setting out the particulars of the transferee and an agreement in writing signed by the transferee in favour of Grantee pursuant to which the transferee covenants and agrees with Grantee to pay the GMR Royalty in accordance herewith and to comply with the terms and conditions set forth herein in place and instead of Grantor.

FOURTH AMENDMENT TO EARN-IN OPTION AGREEMENT

Between:

Fancamp Exploration Ltd.

and

Bold Ventures Inc.

For
Mineral Exploration Activities

in the Ring of Fire,
Ontario, Canada

Dated as of:
February 22, 2013.

FOURTH AMENDMENT TO EARN-IN OPTION AGREEMENT

THIS FOURTH AMENDMENT AGREEMENT is made as of 22nd day of February, 2013

BETWEEN:

FANCAMP EXPLORATION LTD., a corporation governed by the Laws of British Columbia,

("**Fancamp**")

– and –

BOLD VENTURES INC., a corporation governed by the Laws of Ontario,

("**Bold**")

WHEREAS, pursuant to an Earn-In Option Agreement dated May 2, 2012 between Fancamp and Bold, the First Amendment to Earn-In Option Agreement dated July 25, 2012, the Second Amendment to Earn-In Option Agreement dated January 4, 2013 and the Third Amendment to Earn-In Option Agreement dated February 4, 2013 (collectively the "**Earn-In Option Agreement**"), Fancamp granted to Bold the Options (as defined in the Earn-In Option Agreement);

AND WHEREAS all capitalized terms not otherwise defined herein shall have the meanings attributed to them in the Earn-In Option Agreement;

AND WHEREAS pursuant to the Third Amendment to Earn-In Option Agreement Fancamp consented to the Letter Agreement and the option of Bold's interest in the Earn-In Option Agreement to KWG;

AND WHEREAS pursuant to a press release issued by Bold on October 31, 2012, Bold confirmed that it had signed a Memorandum of Understanding with Marten Falls First Nation ("**MFFN**") which was the first step in obtaining Aboriginal Consent to facilitate exploration of the Mineral Rights;

AND WHEREAS Bold continues to negotiate with MFFN with respect to the use of a camp as a pre-requisite to commencing exploration on the Mineral Rights and as a result of these ongoing discussions, the commencement of the winter exploration program on the Mineral Rights has been delayed and Bold requires further time to ensure completion of the necessary exploration program and sufficient time each year during the winter exploration season to perform subsequent exploration of the Mineral Rights;

AND WHEREAS Bold has paid to Fancamp the payment required under Section 3.2(a) of the Earn-In Option Agreement (the "**First Option Payment**") which was otherwise payable on Closing;

AND WHEREAS no formal Closing was effective under Article 8 of the Earn-In Option Agreement;

AND WHEREAS pursuant to negotiations with KWG to finalize the terms of a Definitive Agreement pursuant to the terms of the Letter Agreement (the "**Definitive Agreement**"), KWG is seeking confirmation of the receipt of Aboriginal Consent and the effective Closing Date as part of the Definitive Agreement;

NOW, THEREFORE the Parties hereto agree with each other as follows:

1. Fancamp hereby confirms receipt of the First Option Payment and the effective Closing of the Earn-In Option Agreement.

2. The Parties hereby confirm and agree that Aboriginal Consent has been obtained for the purposes of the Earn-In Option Agreement. The Parties agree that for the purposes of the Earn-In Option Agreement, the Closing Date shall be February 22, 2013.

3. The Parties hereby agree that for the purposes of conducting exploration on the Property in the most efficient and cost-effective manner for the benefit of both Fancamp and Bold, the Closing Date for the purposes of Article 3 of the Earn-In Option Agreement and all other provisions of the Earn-In Option Agreement shall be extended to March 31, 2013 (the "**New Closing Date**"). The Parties agree that all subsequent expenditures and option payments shall be based upon the anniversary of the New Closing Date which is hereinafter referred to as the "Closing Date". For the sake of clarity, the obligations under Section 3.3(a)(i) shall be satisfied on or before March 31, 2014, Section 3.3(a)(i) of the Earn-In Option Agreement is hereby amended accordingly and all other obligations under the Earn-In Option Agreement shall be based upon the Closing Date.

4. The recitals set out above shall form an integral part of this Fourth Amendment to Earn-In Option Agreement. Except as amended herein, all other provisions of the Earn-In Option Agreement shall remain in full force and effect unamended. This Fourth Amendment to the Earn-In Option Agreement may be executed by the Parties in counterparts and may be executed and delivered by facsimile or electronic signature and all such counterparts and facsimiles or electronic copies shall together constitute one and the same agreement.

5. The Parties confirm that it is their wish that this Fourth Amendment to the Earn-In Option Agreement, as well as any other documents relating to this Fourth Amendment to the Earn-In Option Agreement, including notices, schedules and authorizations, have been and shall be drawn up in the English language only. Les signataires conferment leur volonte que presente convention, de meme que tons les documents s'y rattachant, y compris tout avis, annexe et autorisation, soient rediges en anglais seulement.

IN WITNESS OF WHICH the parties have duly executed this Fourth Amendment to the Earn-In Option Agreement.

FANCAMP EXPLORATION LTD.

Per: *"Peter H. Smith"*
Name: Peter H. Smith
Title: Chairman and Director

I have authority to bind the corporation

BOLD VENTURES INC.

Per: *"Richard Nemis"*
Name: Richard Nemis
Title: President & CEO

I have authority to bind the corporation

B

Schedule "B"
DESCRIPTION OF THE PROPERTY

Township/Area	Claim Number	Units	Recorded Date	Expiry Date
BMA 527 862 (G-5130)	3012254	16	April 22, 2003	April 22, 2015
BMA 527 862 (G-5130)	3012255	16	April 22, 2003	April 22, 2015
BMA 526 862 (G-5130)	3012257	16	April 22, 2003	April 22, 2015
BMA 526 862 (G-5130)	3012258	16	April 22, 2003	April 22, 2015

All in the Porcupine Mining Division

Subject to the disposition of surface rights under the *Public Lands Act* as reflected in documents registered on title as M1260.00128 and M1260.00285 (the "**Cliffs Easement**")

C

Schedule "C"
STAGE ONE PROGRAM & BUDGET

Bold Ventures Koper Lake Budget (Fancamp Option)

Koper Lake Base

Drill Camp at Mukatai

Winter Drilling

Note: Additional costs may be incurred due to ground conditions during spring break-up

2000 meters Cu-Ni

Estimate $1.0 mil

			Estimate
Drillers:			
	Mob to Drill Hole #1 and #2	$	7,500
	Commercial Travel		10,000
	Shift Travel via Ski-Doos		9,600
	Core Drilling @ $140./m (10% Mgmt Fees)		280,000
	Drill Fuel (30 drums @ $500 per)		15,000
	Crew changes – ski-doo rentals		6,000
	Crew changes – ski-doo deliveries		3,700
	Drill Hole moves		10,000
	Demob to Esker Camp		7,500
	Devco (Deviation Drilling) & survey instrument		33,000
	Tractor, Servicing, Driver, Fuel ($1000/Day x 20 days)		20,000
	Tractor lease		33,000
	Sub total	$	435,300 = $217.65/m
Aircraft			
	DC3 Nakina – Koper Lake (5 trips @ $6000 per)	$	30,000
	Sub total	$	30,000 =$15/m
Geophysics:			
	Down Hole Geophysics	$	25,650
	Sub total	$	25,650 =$12.83/m
Camp costs:			
	Camp delivery and set up	$	21,700
	Camp tear down and return		17,400
	Turn key Accommodations – Drill Crew (10)		53,835
	Turn Key Accommodations – Bold Crew (4)		21,565
	Camp equipment rental		19,000
	Sub total	$	133,500 =$66.75/m
Geology Services:			
	Core trays	$	2,500
	Core racks 6 x 2500 per delivered		7,500
	Site Geologist $700/day x 22 days		15,400
	Foreman 1 x $500/day x 22 days		12,100
	Labourers 2 x $300/day x 22 days		13,200
	Commercial travel - Geos, Foreman (2)		2,000
	Cons Geos 4 days @ $800/day		3,200
	Final report (Mackie)		5,000
	Assays		10,000
	Site visits – ski-doo rentals (2)		3,000
	Site visits - ski-doo deliveries (2)		1,830
	Sub total	$	75,730 =$37.87/m
	Total Field Costs	$	700,180 =$350.09/m
Non Field Activity:			
	Visitor trips	$	2,750
	Traditional Land Rental @ $300/set-up and $2/meter		4,750
	Sub total	$	7,500 = $3.75/m
	Totals (before mgmt fees)	$	707,680 =$353.84/m
Management Fees		$	92,320
	Totals	$	800,000 =$400/m
	20% contingency	$	200,000 = $100/m
	GRAND TOTAL	$	1,000,000 =$500/m

Bold Ventures Koper Lake Budget (Fancamp Option)
Koper Lake Base
Drill Camp on Mukatai Site
Winter Drilling

3620 meters Chromium

Note: Additional costs may be incurred due to ground conditions during spring break-up

Estimate $2.0 mil

			Estimate
Drillers:			
	Mob to Drill Hole #1 and #2	$	7,500
	Commercial Travel		20,000
	Shift Travel via Ski-Doos		19,800
	Core Drilling @ $138.50/m (10% Mgmt Fees)		501,370
	Drill Fuel (70 drums @ $500 per)		35,000
	Crew changes – ski-doo rentals		12,000
	Crew changes – ski-doo deliveries		7,300
	Drill Hole moves		20,000
	Demob to Esker Camp		7,500
	Devco (Deviation Drilling) & survey instrument		67,000
	Tractor, Servicing, Driver, Fuel ($1000/Day x 40 days)		40,000
	Tractor lease		67,000
	Sub total	$	804,470
		cost/m	222.23
Aircraft			
	DC3 Nakina – Koper Lake (10 trips @ $6000 per)	$	60,000
	Sub total	$	60,000
		cost/m	16.57
Geophysics:			
	Surface Gravity	$	65,000
	Surface Magnetometer		10,000
	Sub total	$	75,000
		cost/m	20.72
Camp costs:			
	Camp delivery and set up	$	43,000
	Camp tear down and return		34,800
	Turn key Accommodations – Drill Crew (10)		107,671
	Turn Key Accommodations – Bold Crew (4)		43,129
	Camp equipment rental		38,000
	Sub total	$	266,600
		cost/m	73.65
Geology Services:			
	Core trays	$	5,000
	Core racks 6 x 2500 per delivered		15,000
	Site Geologist 2 x $700/day x 44 days		61,600
	Foreman 1 x $500/day x 44 days		24,200
	Labourers 2 x $300/day x 22 days		26,400
	Commercial travel - Geos, Foreman (3)		4,000
	Cons Geos 4 days @ $800/day (Mungall)		3,200
	Cons Geos 20 days @ $1,000/day (Vezing)		20,000
	Final report (Mackie)		5,000
	Assays		20,000
	Site visits – ski-doo rentals (2)		6,000
	Site visits - ski-doo deliveries (2)		3,670
	Sub total	$	194,070
		cost/m	53.61
	Total Field Costs	$	1,400,140
		cost/m	386.78
Non Field Activity:		$	5,500
	Visitor trips		9,500
	Traditional Land Rental @ $300/set-up and $2/meter		
	Sub total	$	15,000
		cost/m	4.14
	Totals (before mgmt fees)	$	1,415,140
		cost/m	390.92
		$	184,730
Management fees		$	1,599,870
	Totals	cost/m	441.95
	20% contingency	$	400,000
		cost/m	110.50
	GRAND TOTAL	$	1,999,870
		cost/m	552.45

D

Schedule "D"
FORM OF JOINT VENTURE AGREEMENT

JOINT VENTURE AGREEMENT

made between

KWG RESOURCES INC.

and

BOLD VENTURES INC.

Effective Date of _____

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THIS JOINT VENTURE AGREEMENT dated with Effective Date as of the ____ day of _____, 201__.

BETWEEN:

KWG RESOURCES INC., a corporation existing under the laws of the Province of Ontario

(hereinafter, "**KWG**")

OF THE FIRST PART

- and -

BOLD VENTURES INC., a corporation existing under the laws of the Province of British Columbia

(hereinafter, "**Bold**")

OF THE SECOND PART

Pursuant to an option agreement dated February 21, 2013 between Bold and KWG (the "**Bold/KWG Option Agreement**"), KWG has earned an undivided ●% interest in respect of ● in certain properties in the Koper Lake area of Ontario, which properties are described in **Exhibit A** and defined in **Exhibit D**.

As of the Effective Date, Bold and KWG hold a respective ●% and ●% undivided interest in respect of ● in the Properties.

Bold and KWG desire to participate in the exploration, evaluation and if justified the development and mining of mineral resources within the Properties.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the mutual covenants, conditions and premises herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties, the Parties, do hereby covenant and agree as follows:

1. DEFINITIONS

1.1 Definitions

In this Agreement:

(a) "**Aboriginal Consent**" means the entering into of memoranda of understanding, exploration or exploitation agreements or other agreements with the Marten Falls aboriginal band or council and any other First Nation or aboriginal band or council necessary to ensure that Operations can proceed on the Property.

(b) "**Accounting Procedure**" shall mean the procedures set forth in **Schedule "B"**.

(c) "**Adjacent Lands**" shall have the meaning given to it in Section 8.13.

(d) "**Administrative Charge**" has the meaning given to it in the Accounting Procedure.

(e) "**Affiliate**" shall mean any person, partnership, joint venture, corporation or other form of enterprise which directly or indirectly controls, is controlled by or is under common control with, a Participant.

(f) "**Agents**" shall mean consultants (including financial advisors), servants, employees, agents, workmen, contractors and subcontractors.

(g) "**Agreement**", "**this Agreement**", "**herein**", "**hereby**", "**hereof**", "**hereunder**" and similar expressions shall mean or refer to this Joint Venture Agreement and all schedules hereto and any and all agreements or instruments supplemental or ancillary hereto, including any amending agreement pursuant to and in accordance with Section 22.5, and the expressions "**Article**" or "**Section**" followed by a number means and refers to the specified Article or Section of this Agreement.

(h) "**Assets**" shall mean the Property, all Products and all other real and personal property, tangible and intangible, owned or held by or for the benefit of the Participants hereunder whether located on or off the Property.

(i) "**Bold/Dundee Agreement**" shall have the meaning set forth in Section 6.6.

(j) "**Bold/KWG Option Agreement**" shall have the meaning set forth in the recitals hereto.

(k) "**Budget**" shall mean a detailed estimate of all costs to be incurred with respect to a Program and a schedule of cash advances to be made by the Participants.

(l) "**Business Day**" means any day excluding Saturdays, Sundays and banking or statutory holidays in the Province of Ontario.

(m) "**Business Information**" includes the terms of this Agreement, and any other agreement relating to the Property and all information, data, knowledge and know-how, in whatever form and however communicated (including, without limitation, Confidential Information), developed, conceived, originated, derived or obtained by either Participant in performing its obligations under this Agreement. The term "Business Information" shall not, however, include any improvements, enhancements, refinements or incremental additions to Participant Information that are developed, conceived, originated, derived or obtained by either Party in performing its obligations under this Agreement, which the Parties hereto may in the future use in their respective other mineral exploration and development projects.

(n) "**Capital Expenditures**" shall mean those items presented in Programs and Budgets approved by the Technical Committee and which are capital expenditures under Canadian generally accepted accounting principles or IFRS, as applicable.

(o) "**Carved-Out Property**" shall have the meaning set forth in Section 7.9.

(p) "**CIM**" means the Canadian Institute of Mining, Metallurgy and Petroleum.

(q) "**Claims**" shall mean any and all debts, claims, actions, lawsuits, causes of action, demands, duties and obligations of whatsoever nature or kind and howsoever incurred, whether real or contingent.

(r) "**Commercial Production**" shall mean the commercial exploitation of Products, but shall not include treating, shipping or milling of Products only for the purposes of testing or milling or leaching by a pilot plant or during the initial tune-up period of any mine or plant whether on or off the Property. Commercial Production shall be deemed to have commenced:

(i) if a mine or plant is located on the Property, on the first day of the month following the first period of **[thirty (30) consecutive days]** during which Products have been processed through such mine or plant at an average rate of not less than sixty percent (60%) of the design rated capacity of such mine or plant; or

(ii) if no plant is located on the Property, on the first day of the month following the first period of **[thirty (30) consecutive days]** during which Products have been shipped from the Property on a reasonably regular and sustainable basis for the purpose of earning revenue.

(s) "**Confidential Information**" means all information, data, reports, maps, drill core, results of surveys, drilling and assays, knowledge and know-how (including, but not limited to, formulas, patterns, compilations, programs, devices, methods, techniques and processes) that (i) is confidential to a Party or (ii) derives independent economic value (actual or potential) as a result of not being generally known to, or readily ascertainable by, third parties or the general public and which is subject to confidentiality, or to reasonable efforts under the

circumstances to maintain its confidentiality, including without limitation all analyses, interpretations, compilations, studies and evaluations of such information, data, reports, maps, drill core, results of surveys, drilling and assays, knowledge and know-how generated or prepared by or on behalf of either Party.

(t) "**Continuing Obligations**" means obligations or responsibilities that are reasonably expected to continue or arise after Operations on a particular area of the Property have ceased or are suspended including, without limitation, monitoring, stabilization or Environmental Compliance.

(u) "**Control**" means possession, directly or indirectly, of the power to direct or cause direction of management and policies through ownership of voting shares, interests, or securities, or by contract, voting trust, or otherwise. This definition of control shall be incorporated into such terms as "**controlled**" and "**controlling**".

(v) "**Cover Payment**" shall have the meaning given to it in Section 7.6(b).

(w) "**Development**" means all preparation for the removal and recovery of mineral products from the Property including the construction or installation of a mine, mill, processing plant, leach pads or any other improvements to be used for the mining, handling, milling, treatment, processing or other beneficiation of Products and includes the preparation of preliminary economic assessments, scoping studies, pre-feasibility studies, feasibility studies, maximization or optimization studies, risk assessments and financing plans.

(x) "**Dundee**" shall have the meaning set forth in Section 6.6.

(y) "**Dundee Subco**" shall have the meaning set forth in Section 6.6.

(z) "**Effective Date**" means the date set forth on the first page of this Agreement.

(aa) "**Encumbrances**" means any and all mortgages, pledges, security interests, liens, charges, encumbrances, contractual obligations and claims, rights, title or interests of others, whether recorded or unrecorded or registered or unregistered.

(bb) "**Environmental Compliance**" means actions performed during or after Operations to comply with the requirements of all Environmental Laws, or contractual commitments, related to reclamation or remediation of the Property or other compliance with Environmental Laws.

(cc) "**Environmental Laws**" means Laws aimed at reclamation or restoration of the Property, prevention or abatement of pollution; protection of the environment (including, without limitation, air, ground, water and groundwater), protection of wildlife, including endangered species, ensuring public safety from environmental hazards, protection of cultural or historic resources; management, storage, control, transport or disposal of hazardous materials and substances; releases or threatened releases of pollutants, contaminants, chemicals or industrial, toxic or hazardous

materials or substances into the environment (including without limitation, ambient air, ground, surface water and groundwater); and all other Laws relating to the ownership, manufacturing, processing, distribution, use, treatment, storage, disposal, handling or transport of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances or wastes.

(dd) "**Environmental Liabilities**" means any and all claims, actions, causes of action, damages, losses, liabilities, obligations, penalties, judgments, amounts paid in settlement, assessments, costs, disbursements, or expenses (including, without limitation, lawyer's fees and costs, experts' fees and costs, and consultants' fees and costs) of any kind or of any nature whatsoever that (i) are asserted against either Party by any Person alleging liability or responsibility (including, without limitation, liability or responsibility for: studies, testing or investigatory costs, cleanup costs, response costs, removal costs, remediation costs, containment costs, restoration costs, corrective action costs, closure costs, reclamation costs, natural resource or environmental damage, property damage, business losses, personal injuries or illness or impairment or death, penalties or fines), or (ii) are incurred by either Party, arising out of, based upon or resulting from (A) the presence, release, threatened release, discharge or emission into the environment of any pollutants, contaminants, chemicals or industrial, toxic or hazardous materials or substances on, in, beneath, above or from the Property and/or emanating or migrating and/or threatening to emanate or migrate from the Property or any other property into the natural environment or to off-site properties (including without limitation, ambient air, ground, surface water and groundwater); (B) physical disturbance of the natural environment (including without limitation, ambient air, ground, surface water and groundwater); or (C) the violation of or non-compliance with, or the alleged violation of or non-compliance with, any Environmental Laws.

(ee) "**Equity Account**" means the account established and maintained for each Participant by the Operator in accordance with Section 10.2.

(ff) "**Expenditures**" means all expenditures, expenses, obligations and liabilities of whatever kind or nature reasonably spent or incurred by the Operator in doing Work from and after the Effective Date, including for greater certainty and without limitation, all costs and expenses associated with negotiating and executing agreements with First Nations and aboriginals in respect of traditional lands and traditional rights, including, but not limited to, up to ten percent (10%) of the Expenditures to be paid pursuant to agreements signed with First Nations and aboriginal communities having an interest or right in respect of the Property, moneys expended in maintaining the Property in good standing, expenses paid for or incurred in connection with any Program of surface or underground prospecting, exploring, geological, geophysical and geochemical surveying, diamond drilling, drifting, raising and other underground work, assaying, metallurgical testing, environmental studies, in completing a Feasibility study on behalf of the Joint Venture, submissions to any Governmental Authority and other agencies with respect to all required production and other permits, licenses and

approvals, moneys expended in acquiring or constructing facilities and in developing and mining the Property and all field costs incurred by employees and Agents with respect to Work conducted by them on or off the Property and for the benefit of the Property.

(gg) "**Exploration**" means all activities directed exclusively and directly toward ascertaining the existence, location, quantity, quality or commercial value of deposits of Products on, in or under the Property.

(hh) "**Facilities**" shall mean all mines and plants including without limitation all pits, shafts, drifts, haulage ways and other underground workings, a mill and all buildings, plants and other structures, fixtures and improvements and all other property, whether fixed or moveable, as the same may exist at any time, in or under the Property for the exclusive benefit of the Property.

(ii) "**Fancamp**" means Fancamp Exploration Ltd.

(jj) "**Feasibility Study**" means a detailed report or reports prepared by or for the Operator evaluating the feasibility of placing the mining rights in the Property, or any part thereof, into production and operation as a mine, which detailed report or reports shall include, without limitation, a reasonable assessment of the mineable mineral resources and mineral reserves and their amenability to metallurgical treatment, a complete description of the Work, equipment and supplies required to bring the mining rights in the Property into mineral production (including Commercial Production) and the estimated cost thereof, a description of the mining methods to be employed and a financial appraisal of possible mining operations. Such detailed report or reports shall be, in the opinion of the person or firm commissioning such report or reports, or, in the event of a dispute between the Parties, in the opinion of such qualified independent firm of consultants as the Operator shall select in good faith, in such form and of such substance which is normally accepted by substantial, recognized financial institutions for the purpose of lending funds for the development of mineral deposits, and shall include and be supported by at least the following:

(i) a description of the Property and that part of the Property proposed to be the subject of a mine;

(ii) the estimated mineral resources, recoverable mineral reserves and the estimated composition and content thereof calculated in accordance with the CIM standards;

(iii) the procedure for the Development, Mining and production of Products from the Property;

(iv) results of mineral processing tests and ore amenability tests;

(v) the nature and extent of the Facilities which it might be necessary to acquire or construct, which may include ore processing facilities if the

nature, volume and location of the ore makes such ore processing facilities necessary and feasible, in which event the study shall also include a design for such ore processing facilities;

(vi) a detailed cost and timing analysis, including a capital cost budget, of the total estimated costs and expenses required to develop a mine on the Property and to purchase, construct and install all structures, machinery and equipment required for such mine including an ore processing facility, if so included in accordance with the terms hereof as well as the estimated sustaining capital costs on a go-forward basis;

(vii) detailed operating cost estimates, including working capital requirements for the first year of operation of the mine or such longer period as may be reasonably justified;

(viii) all necessary environmental impact and mitigation studies and costs including planned rehabilitation of the Property with estimated costs thereof;

(ix) a critical path time schedule for bringing the mining rights in the Property or any part thereof to Commercial Production;

(x) such other data and information as are reasonably necessary to substantiate the existence of a mineral deposit of sufficient size and grade to justify development of a mine on the Property, taking into account all relevant business, tax and other economic considerations;

(xi) disclosure of all price assumptions, together with a market analysis;

(xii) a transportation cost analysis;

(xiii) a proposed procedure or method of disposing of tailings as required under the environmental and mining laws of all Governmental Authorities having jurisdiction;

(xiv) a detailed discussion and analysis of governmental requirements with respect to the development of a mine on the Property including time schedules and a list of all required permits and/or licences necessary with the estimated timing for obtaining same;

(xv) a discounted cash flow (net of income taxes) and return on investment analysis, including an economic forecast for the life of the proposed mine; and

(xvi) appropriate sensitivity analyses; and

(xvii) a risk analysis assessment.

(kk) "**Governmental Authority**" means any federal, provincial, municipal or other governmental department, commission, board, bureau, agency, official, or any court, stock exchange or securities commission, having jurisdiction.

(ll) "**Gross Metal Royalty**" means the royalty granted or grantable to Fancamp in connection with Bold's acquiring Fancamp's carried interest to commercial production pursuant to the Option Agreement.

(mm) "**Holder**" shall have the meaning set forth in Section 7.7.

(nn) "**IFRS**" shall mean International Financial Reporting Standards.

(oo) "**Initial Contributions**" shall have the meaning set forth in Section 7.1.

(pp) "**Initial Participating Interests**" shall mean the Initial Participating Interest of each Participant as set forth in Section 7.2.

(qq) "**Joint Venture**" shall mean the business arrangement of the Participants under this Agreement.

(rr) "**Laws**" means applicable laws, statutes, by-laws, rules, regulations, orders, ordinances, codes, guidelines, treaties, restrictions, regulatory policies or guidelines, by-laws (zoning or otherwise), policies, notices, directions, decrees, judgments or awards, of any Governmental Authority having jurisdiction.

(ss) "**Lease**" means any Crown mining lease issued by MNDMF related to the Property.

(tt) "**Liabilities**" means all claims, demands, obligations, suits, complaints, actions, damages, costs, losses, liabilities, expenses, lawyer's fees, investigation costs, remediation costs, causes of action, actions, awards, decrees, orders, judgments, fines, penalties, injunctions or similar decisions, including, without limitation, as the same may adversely affect the interests of a Party.

(uu) "**Mine Closure Plan**" shall have the meaning set forth in Section 8.10.

(vv) "**Mine Maintenance Plan**" shall have the meaning set forth in Section 8.9.

(ww) "**Mining**" shall include all of the mining, extracting, producing, treating, transporting, handling, milling and other processing of Products.

(xx) "**Mining Facilities**" shall have the meaning given to it in Section 8.13.

(yy) "**MNDMF**" means the Ontario Ministry of Northern Development, Mines and Forestry.

(zz) "**Non-Operator FS**" shall have the meaning set forth in Section 11.6.

(aaa) "**Non-Operator's Program and Budget**" shall have the meaning set forth in Section 11.2.

(bbb) "**Nemis NSR**" means the 2% Net Smelter Returns Royalty held by Richard Nemis pursuant to the agreement dated June 17, 2003 between Fancamp and Richard Nemis, a true copy of which is annexed hereto as **Schedule "D"**.

(ccc) "**Offered Interest**" shall have the meaning set forth in Section 15.2.

(ddd) "**Operations**" shall mean Exploration, Development, Mining and all other activities carried out pursuant to this Agreement.

(eee) "**Operator**" shall mean the person or entity appointed under Article 10 to conduct and manage Operations and any successor Operator.

(fff) "**Option Agreement**" means the Earn-In Option Agreement between Bold and Fancamp dated May 2, 2012, as amended.

(ggg) "**Party**" shall mean KWG or Bold and their respective successors and permitted assigns, as the case may be and "**Parties**" means such parties together.

(hhh) "**Participant**" and "**Participants**" mean the Persons that from time to time have Participating Interests, the initial Participants being KWG and Bold.

(iii) "**Participant Information**" means all information, data, knowledge and know-how, in whatever form and however communicated (including without limitation, Confidential Information), which, as shown by written records, was developed, conceived, originated or obtained by a Participant: (i) prior to entering into this Agreement, or (ii) independent of its performance under the terms of this Agreement, and, in the case of Bold, is limited to all information, data knowledge and know-how of Bold in its regional database related to the Ring of Fire properties in which it has a relationship with Dundee, whether or not useful or potentially useful in performing Work save and except that all information relating to the Property obtained by Bold pursuant to the terms of the Option Agreement shall be excluded from Participant Information and shall be deemed to be Business Information and shall be shared with KWG on the basis of full, true and plain disclosure.

(jjj) "**Participating Interest**" shall mean the percentage interest representing the ownership interest of a Participant in and to the Assets (and, subject to the terms of this Agreement, related liabilities and obligations) and all other rights and obligations arising under this Agreement, as such interest may from time to time be adjusted hereunder.

(kkk) "**Payor**" shall have the meaning set forth in Section 7.7.

(lll) "**Permitted Encumbrances**" means any Encumbrance in respect of the Property constituted by the following:

(i) inchoate or statutory liens for taxes not at the time due;

(ii) inchoate or statutory liens for overdue taxes or utilities, the validity of which is being contested in good faith;

(iii) security given to a public utility or any Governmental Authority in the ordinary course of business;

(iv) any reservations or exceptions contained in the original grants of land or Crown patents and the terms of any Lease in respect of the real property comprising the Property;

(v) minor discrepancies in the legal description of the Property (or any part thereof) or any adjoining real property which would be disclosed in an up-to-date survey and any registered easements and registered restrictions or covenants that run with the title to the Property;

(vi) rights of way for or reservations or rights of others for, railways, sewers, water lines, gas lines, electric lines, telegraph and telephone lines, and other similar utilities, or zoning by-laws, ordinances or other restrictions as to the use of real property, which do not in the aggregate materially impair the use of the Property for the purposes contemplated herein, or otherwise prevent the right to transfer the Property or an interest therein;

(vii) the terms of any royalty contract affecting the Property (whether or not recorded or registered) existing on the Effective Date, including the Nemis NSR; and

(viii) Aboriginal rights or Treaty rights.

(mmm) "**Person**" means any natural person, partnership, company, corporation, unincorporated association, joint venture, trust, trustee, Governmental Authority or other entity howsoever designated or constituted.

(nnn) "**Prime Rate**" means the interest rate quoted from time to time as "**Prime**" by The Toronto-Dominion Bank ("**TD Bank**") to its most creditworthy commercial customers.

(ooo) "**Products**" shall mean all ores, minerals and mineral products located on, in or under or derived from the Property and all beneficiated and other products produced or derived therefrom.

(ppp) "**Program**" shall mean a description in detail of Operations to be conducted and objectives to be accomplished by the Operator with respect to the Property.

(qqq) "**Property**" shall mean those unpatented mining claims located in the Porcupine Mining Division, Ontario, as more fully set out and described on **Schedule "A"**

attached hereto, and includes all subsequent renewals or other forms of tenure thereof.

(rrr) "**Purchased Royalty Interest**" shall have the meaning given to it in Section 7.7.

(sss) "**Reduced Participant**" shall have the meaning set forth in Section 7.5.

(ttt) "**Royalty**" shall have the meaning set forth in Section 7.7.

(uuu) "**Royalty Consideration**" shall have the meaning given to it in Section 7.7.

(vvv) "**Technical Committee**" shall mean the committee established under Article 8.

(www) "**Transfer**" when used as a verb, shall mean to sell, grant, assign, or otherwise dispose of, directly or indirectly, including through mergers, consolidations or asset purchases and when used as a noun, shall mean a sale, grant, assignment, or disposal or the commitment to do any of the foregoing, directly or indirectly, including through mergers, consolidation or asset purchase.

(xxx) "**Transferor**" shall have the meaning set forth in Section 15.2.

(yyy) "**Work**" means Exploration, Development or Mining work performed exclusively on or directly in relation to the Property or Products by or through the Operator or its Agents for the benefit of and on the account of the Joint Venture and the Participants, in accordance with the terms of this Agreement.

1.2 Gender and Extended Meanings

In this Agreement all words and personal pronouns relating thereto shall be read and construed as the number and gender of the party or parties referred to in each case require and the verb shall be construed as agreeing with the required word and pronoun. In this Agreement words importing the singular number include the plural and vice versa.

1.3 Currency

All references to currency in this Agreement, including "**dollars**" and "**$**", are in Canadian funds.

1.4 Period of Time/Time of Essence

When calculating the period of time within which or following which any act is to be done or step is to be taken pursuant to this Agreement, the date which is the reference date in calculating such period shall be excluded. If the last day of such period is a non-Business Day, the period in question shall end on the next Business Day. Time is of the essence of this Agreement.

1.5 Section Headings

The Article, Section and other headings contained in this Agreement or in the Schedules are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

2. SCHEDULES

2.1 Schedules

The following are the schedules attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

• **Schedule "A"**	• - •	Description of the Property
• **Schedule "B"**	• - •	Accounting Procedure
• **Schedule "C"**	• - •	**[Net Smelter Returns Royalty]**
• **Schedule "D"**	• - •	Nemis NSR

In the event of any conflict between the provisions of this Agreement and any Schedule, the terms of this Agreement shall govern.

3. REPRESENTATIONS AND WARRANTIES

3.1 Representation and Warranties of the Parties

Each of Bold and KWG hereby represents and warrants to the other as follows and acknowledges that the other is relying on such representations and warranties in entering into this Agreement:

(a) It is duly incorporated, organized and validly subsisting under the laws of its jurisdiction of incorporation and is qualified and licensed to own or lease property, and is qualified to do business in the province of Ontario.

(b) It has full power and authority to carry on its business and to enter into this Agreement and any agreement or instrument referred to or contemplated by this Agreement and to carry out and perform all of its obligations and duties hereunder and thereunder.

(c) It has duly obtained all corporate approvals and the authorizations of any Governmental Authority required for the execution, delivery and performance of this Agreement and such execution, delivery and performance and the consummation of the transactions herein and therein do not conflict with or result in a breach of any covenants or agreements contained in, or constitute a breach of or default under or result in the creation of any Encumbrance under, the provisions of its constating documents or any shareholders' or directors' resolution or any indenture, agreement or other instrument whatsoever to which it is a party or by which it is bound and does not contravene any applicable Laws of any Governmental Authority.

(d) This Agreement has been duly executed and delivered by it and is valid, binding and enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, and other laws of general application limiting the enforcement of creditors rights generally and to the fact that specific performance and other equitable remedies are available only in the discretion of a court.

(e) It has not committed an act of bankruptcy, is not insolvent and is able to meet its obligations as they come due, has not proposed a compromising arrangement to its creditors generally, has not had any petition for a receiving order in bankruptcy filed against it, has not made a voluntary assignment in bankruptcy, has not taken any proceedings with respect to a compromise or arrangement, has not taken any proceeding to have itself declared bankrupt or wound-up, has not taken any proceeding to have a receiver appointed in respect of any part of its assets, has not had any encumbrancer take possession of any of its property and has not had any execution or distress become enforceable or become levied upon any of its property.

(f) As of the Effective Date it owns its respective legal and beneficial right, title and interest in and to the Property free and clear of all Encumbrances, other than the Permitted Encumbrances.

4. COMMENCEMENT OF AGREEMENT

4.1 Effective Date

This Agreement shall be operative and shall take effect as of the Effective Date.

5. NAME, PURPOSES AND TERM OF JOINT VENTURE

5.1 General

The Participants enter into this Agreement for the purposes herein stated. Subject to the obligation to pay the Nemis NSR and, as applicable, the Gross Metal Royalty, which is assumed

by the Joint Venture, all of the Participants' rights with respect to the Assets and related liabilities and obligations and all of the Operations on or in connection with the Property shall be subject to and governed by this Agreement.

5.2 Name

The name of the Joint Venture shall be the "●" or such other name as may be as determined by mutual agreement of the Participants in writing.

5.3 Purposes

The Joint Venture shall be entered into for the following purposes and shall serve as the exclusive means by which the Participants accomplish such purposes:

(a) to conduct Exploration on, in or under the Property;

(b) to engage in Development and Mining on in, or under the Property;

(c) to evaluate the possible further Exploration and Development of the Property or any part thereof and, if warranted, to conduct such further Exploration Development and Mining on, in or under the Property as so warranted;

(d) to complete and satisfy all Environmental Compliance obligations and Continuing Obligations affecting the Property; and

(e) to perform any other activity necessary, appropriate or incidental to any of the foregoing.

Unless the Participants otherwise agree in writing, Operations shall be limited to the purposes described in this Section 5.3.

5.4 Term of the Joint Venture

Unless this Agreement is terminated earlier as herein provided, the term of the Joint Venture shall be for fifty (50) years from the Effective Date and for so long thereafter as Products are produced from the Property on a continuous basis, and thereafter until all materials, supplies, equipment and infrastructure have been salvaged and disposed of, any required Environmental Compliance and Continuing Obligations are completed and accepted and the Participants have agreed to a final accounting. If any right, title or interest of any Participant under this Agreement would violate the rule against perpetuities, then such right, title or interest shall terminate at the expiration of twenty (20) years after the death of the last survivor of all the lineal descendants of Her Majesty, Queen Elizabeth II of England, living on the date of this Agreement.

5.5 Accounting Year

The accounting year end of the Joint Venture shall be [●] commencing on [●] in the calendar year of the Effective Date, unless otherwise determined in accordance with the terms of this Agreement.

6. RELATIONSHIP OF THE PARTICIPANTS

6.1 No Partnership

Nothing contained in this Agreement shall be deemed to constitute either Participant the partner of the other nor, except as otherwise herein expressly provided, to constitute either Participant the agent or legal representative of the other, nor to create any fiduciary relationship between the Participants. It is not the intention of the Participants to create, nor shall this Agreement be construed to create, any mining, commercial or other partnership. Neither Participant shall have any authority to act for or to assume any obligation or responsibility on behalf of the other Participant except as otherwise expressly provided herein. The rights, duties, obligations and liabilities of the Participants shall be several and not joint or collective. Each Participant shall be responsible only for its obligations as herein set out and shall be liable only for its share of the costs, expenses and liabilities as provided herein, it being the express purpose and intention of the Participants that their ownership of Assets and their respective rights acquired under this Agreement shall be as tenants in common. Each Participant shall indemnify, defend and hold harmless the other Participant, its directors, officers, employees or Agents from and against any and all losses, claims, damages and liabilities arising out of any act or any assumption of liability by the indemnifying Participant or any of its directors, officers, employees and Agents done or undertaken or apparently done or undertaken on behalf of the other Participant, except pursuant to the authority expressly granted herein or as otherwise agreed in writing between the Participants.

6.2 Other Business Opportunities

Except as expressly provided in this Agreement, each Participant shall have the right independently to engage in and receive full benefits from other business activities, whether or not competitive with Operations, without consulting the other Participant. The doctrines of "**corporate opportunity**" or "**business opportunity**" shall not be applied to any other activity, venture or operation of either Participant and, except as expressly provided in this Agreement, neither Participant shall have any obligation to the other with respect to any opportunity to acquire property at any time. Unless otherwise agreed in writing by the Participants, neither Participant shall have any obligation to mill, beneficiate or otherwise treat any Products or any other Participant's share of Products in any facility owned or controlled by such Participant. Without limiting the generality of the foregoing, neither Party, by reason of this Agreement or any interpretation of this Agreement by any court, tribunal or arbitration panel, except as otherwise specifically provided herein, shall have any interest in any other property owned by

the other Party or subsequently acquired by the other Party or any other business or venture engaged in by the other Party, whether or not similar to the Joint Venture or the Property.

6.3 Title

Title to the Property shall be held in the name of Bold for the benefit of the Participants in accordance with their respective Participating Interests from time to time until such time as Bold shall have acquired a 100% interest in the Koper Lake Project, at which time title shall be transferred to KWG. All other Assets shall be held in the name of Bold for the benefit of the Participants in accordance with their Participating Interests, from time to time until such time as Bold shall have acquired a 100% interest in the Koper Lake Project, at which time title shall be transferred to KWG. Each of the Participants shall be entitled to file, register or record such documents as may be required to document or provide notice of its Participating Interest in and to any or all of the Assets.

6.4 Waiver of Right to Partition

The Participants hereby waive and release all rights of partition or of sale in lieu thereof or other division of the Assets including any such rights provided by statute.

6.5 Preparation of Technical Reports

Nothing in this Agreement will obligate either Participant to (i) prepare, or assist the other Participant in the preparation of, any technical report or reports relating to the Property that the other Participant might be required to prepare and file with any Canadian regulatory authority at any time pursuant to National Instrument 43-101 "**Standards of Disclosure for Mineral Projects**", or any similar regulatory policy or statutory requirement; or (ii) provide the services of, or assist the other Participant in procuring the services of, a "**qualified person**" (as that term is defined in National Instrument 43-101) to produce, or to oversee the production of, any such technical report or reports unless the preparation of a technical report is part of an approved Program and Budget. Notwithstanding the foregoing, the Operator shall provide access to all data and the Property to the other Participant and its Agents to facilitate the preparation of any technical reports to be prepared by or for such Participant.

6.6 Bold Relationship with Dundee

Each of KWG and Bold hereby acknowledges that Bold is party to an agreement with 2282726 Ontario Ltd., a wholly-owned subsidiary of Dundee Corporation ("**Dundee Subco**") with respect to the beneficial interest in Bold's Participating Interest hereunder (the "**Bold/Dundee Agreement**") wherein Bold owns at least 66-2/3% beneficial interest in its Participating Interest and Dundee Subco or any affiliate of Dundee Subco ("**Dundee**") may own up to a 33-1/3% beneficial interest in Bold's Participating Interest (subject to the terms of the Bold/Dundee Agreement), and acknowledges and agrees that the rights and obligations of Bold as a Participant and as Operator pursuant to this Agreement may transfer to Dundee from Bold

pursuant to the Bold/Dundee Agreement (whether by dilution thereunder or by transfer pursuant thereto).

7. INTERESTS OF PARTICIPANTS

7.1 Initial Contributions

The value of each Participant's initial contribution (an "**Initial Contribution**") shall be deemed to be as set forth below:

KWG - $●
Bold - $●

7.2 Initial Participating Interests

The Participants shall have the following initial Participating Interests (an "**Initial Participating Interest**"):

KWG - ● %
Bold - ● %

7.3 Cash Contributions

Subject to any election permitted by Section 11.7, the Participants shall be obligated to contribute funds to approved Programs and Budgets in proportion to their then respective Participating Interests.

7.4 Changes in Participating Interests

The Participants' Participating Interests shall be changed as follows:

(a) in the event of an election by a Participant contemplated in Section 7.5 (pursuant to and in accordance with Section 11.7) to not contribute to an approved Program and Budget or an election by such Participant to contribute to Expenditures which are a part of an approved Program and Budget less than the percentage reflected by its then current Participating Interest; or

(b) in the event of default by a Participant in making its agreed contribution to an approved Program and Budget (including any amounts duly owing pursuant to Section 11.8 or Section 11.9); or

(c) upon Transfer by either Participant of part or all of its Participating Interest in accordance with Article 15.

At any time upon the request of any other Participant, a Participant whose Participating Interest has been adjusted, shall execute and acknowledge such instruments and perform such acts as may be necessary to evidence such adjustment, including in such form as may be necessary for recording or registering notice of such adjustment in the relevant public offices of all Governmental Authorities having jurisdiction.

7.5 Voluntary Reduction in Participation

A Participant (a "**Reduced Participant**") may elect, pursuant to and in accordance with Section 11.7, not to contribute to an approved Program and Budget at all or to limit its contributions toward Expenditures which are part of an approved Program and Budget to some amount less than in full proportion to its respective Participating Interest (other than in respect of the then current Program and Budget to the extent to which such Participant has previously elected to contribute) and:

(a) If a Participant elects to contribute to an approved Program and Budget some lesser amount than in proportion to its full Participating Interest, or not at all, and the other Participant contributes to such approved Program and Budget in respect of its Participating Interest (including if it elects in its sole discretion to fund all or any portion of the deficiency of the first Participant), the Participating Interest of the Reduced Participant shall be recalculated by dividing: (i) the sum of (A) the amount of the Reduced Participant's Equity Account as of the end of the prior Program and Budget and (B) the amount, if any, the Reduced Participant elects to contribute to the adopted Program and Budget; by (ii) the sum of (A) both Participants' Equity Accounts as of the end of the prior Program and Budget, and (B) the amount, if any, the Reduced Participant elects to contribute to the adopted Program and Budget, and (C) the amount the other Participant elects to contribute to the adopted Program and Budget (including on account of its own Participating Interest and on account of any deficiency on behalf of the Reduced Participant the other Participant elects, in its sole discretion, to contribute); and then multiplying the result by one hundred.

(b) The Participating Interest of the other Participant shall be increased by the amount of the reduction in the Participating Interest of the Reduced Participant and, if the other Participant elects not to fund any or all of the deficiency of the Reduced Participant, the Operator shall adjust the Program and Budget to reflect the funds available.

7.6 Default in Meeting Cash Calls

(a) A Participant that fails to meet a cash call of an adopted Program and Budget to which it has elected to contribute in the circumstances that the other Participant has met its corresponding cash call, each in the amounts and at the times specified in Article 12, shall be in default and the amounts of the defaulted cash call shall bear interest from the date due at an annual rate equal to four percentage points (4%) over the Prime Rate, but in no event shall the rate of interest exceed the

maximum permitted by Law. Such interest shall accrue to the benefit of and be payable to the non-defaulting Participant on demand, but shall not be deemed as amounts contributed by the non-defaulting Participant in the event of an adjustment of the Participants' respective Participating Interests in accordance with Section 7.6(c). In addition to any other rights and remedies available to it by Law, the non-defaulting Participant shall have those other rights, remedies, and elections specified in this Section 7.6.

(b) If a Participant defaults in making a cash call required by an adopted Program and Budget, and provided the non-defaulting Participant has otherwise made the corresponding cash call required to have been made by the non-defaulting Participant, the non-defaulting Participant may, but shall not be obligated to, advance some portion or all of the amount in default on behalf of the defaulting Participant (a "**Cover Payment**"). Each and every Cover Payment shall constitute a demand loan bearing interest from the date of the advance at the rate provided in Section 7.6(a). If more than one Cover Payment is made, the Cover Payments shall be aggregated and the rights and remedies described herein pertaining to an individual Cover Payment shall apply to the aggregated Cover Payments. The failure to repay such loan upon demand shall be a default.

(c) In the event a Participant defaults in making a cash call made in accordance with Article 12 (including any amounts duly owing pursuant to Section 11.8 or Section 11.9), or in repaying a Cover Payment(s), and provided the non-defaulting Participant has made the corresponding cash call required to have been made by the non-defaulting Participant, then with respect to any such default not cured within **[ten (10) days]** after notice to the defaulting Participant of such default in making a cash call or of a demand for repayment of a Cover Payment, as the case may be, delivered by the Operator or the other Participant the remedy shall be effected (which remedy shall be applied with respect to each failure to meet a cash call relating to a Program and Budget (or any related Cover Payment)), regardless of the frequency of such cash call, in the form of an adjustment of the Participants' Participating Interests pursuant to the provisions of Section 7.5, and the corresponding demand loan represented by such Cover Payment shall be terminated. For the purposes of the adjustment of the Participant's Participating Interest pursuant to the provisions of Section 7.5, an amount equal to two hundred percent (200%) times the amount of the cash call in default and any interest accrued in accordance with Section 7.6(a) (or the amount of any Cover Payment in default and interest accrued in accordance with Section 7.6(b)), shall be credited to the Equity Account of the non-defaulting Participant in addition to the amount of the corresponding cash call made by the non-defaulting Participant on its own account which would otherwise be added to the non-defaulting Participant's Equity Account pursuant to the terms of this Agreement (including for the purposes of calculating or recalculating the respective Participating Interests), and the Participating Interests of the defaulting Participant and of the non-defaulting Participant shall be recalculated based on the adjusted Equity Accounts. Recalculation of the respective Participating Interests under this Section 7.6(c) shall be effective as of the date of the original default.

(d) For greater certainty:

(i) in the event that a defaulting Participant cures its default in making a cash call or repaying a Cover Payment (in each case, plus interest) before the expiry of the above-noted **[ten (10) day]** notice period, then such Participant shall no longer be in such default and the respective Participating Interests of the Participants shall not be recalculated pursuant to Section 7.6(c);

(ii) if the defaulting Participant does not cure its default in making a cash call or repaying a Cover Payment (in each case, plus interest) before the expiry of the above-noted **[ten (10) day]** notice period, then the Participating Interests of the Participants shall be recalculated in accordance with Section 7.6(c) and any demand loan reflected by such Cover Payment terminated and the defaulting Participant shall no longer have the right to pay the cash call or to repay the Cover Payment; and

(iii) in the event that a Participant defaults two times in making a cash call pursuant to Article 12 or in repaying two Cover Payment(s), in the circumstances the non-defaulting Participant has made its corresponding cash calls, then if the twice defaulting Participant defaults again in making such a cash call pursuant to Article 12 or paying a Cover Payment (and interest), then its Participating Interest shall automatically be converted to the Royalty pursuant to Section 7.7.

7.7 Elimination of Interest

Upon a third default pursuant to Section 7.6(d)(iii) or upon the dilution of a Participant's Participating Interest to ten percent (10%) or less, such Participant's Participating Interest shall convert to a two percent (2%) Net Smelter Returns Royalty and the Participant whose Participating Interest is so converted (herein the "**Holder**") shall be entitled thereafter to receive from the remaining Participant (the "**Payor**") ongoing royalty payments equal to two percent (2%) of net smelter returns royalty as calculated and paid in accordance with the terms of the royalty attached as **Schedule "C"** (the "**Royalty**") and such Participant shall be relieved of all obligations to contribute to Programs and Budgets, shall be relieved of its share of any liabilities, costs, penalty or fine arising out of Operations conducted after such conversion and shall forfeit all of its rights under this Agreement including, without limitation, the right to have its representatives appointed as members of the Technical Committee, the right to receive notice of and to attend at Technical Committee meetings, the right to become Operator, and the right to receive and participate in Feasibility Studies and Programs and Budgets, save for its rights under this Section 7.7 and **Schedule "C"** attached hereto. The Holder hereby grants to the Payor the exclusive and irrevocable right and option, exercisable at the sole and exclusive discretion of the Payor on written notice to the Holder at any time, to purchase one-half (1/2) of the Royalty (the "**Purchased Royalty Interest**") (i.e. so that the Net Smelter Returns Royalty thereafter shall be one percent (1%) of net smelter returns royalty as otherwise calculated and paid in accordance with the terms set out in **Schedule "C"**) for a purchase price of Two Million dollars ($2,000,000)

(the "**Royalty Consideration**"). Upon payment by the Payor to the Holder of the Royalty Consideration, the Purchased Royalty Interest shall vest with the Payor.

7.8 Continuing Liabilities Upon Adjustment of Participating Interests

Any reduction or elimination of either Participant's Participating Interest under this Agreement shall not relieve such Participant of its proportionate share of any Liabilities, including, without limitation, Continuing Obligations, Environmental Liabilities and Environmental Compliance, whether arising before or after such reduction or elimination, arising out of ownership of a Participating Interest or out of acts or omissions occurring or conditions resulting out of Operations conducted during the term of this Agreement but prior to such reduction or elimination, regardless of when any funds may be expended to satisfy such liability. For purposes of this Section 7.8, such Participant's share of such liability shall be equal to its Participating Interest at the Effective Date or at the time the act or omission giving rise to the liability occurred, as the case maybe, after first taking into account any reduction of Participating Interests under Sections 7.4, 7.5 or 7.6 (or, as to such liability arising out of acts or omissions occurring or conditions existing prior to the Effective Date, equal to such Participant's Initial Participating Interest). Should the cumulative cost of satisfying Continuing Obligations be in excess of cumulative amounts accrued for such Continuing Obligations, each of the Participants shall be liable for its proportionate share (i.e., Participating Interest at the time of the act or omission giving rise to such liability occurred, after first taking into account any reductions of Participating Interests under Sections 7.4, 7.5 and 7.6 prior to such act or omission), of the cost of satisfying such Continuing Obligations, notwithstanding that either Participant has previously withdrawn from the Joint Venture or that its Participating Interest has been reduced or converted to the Royalty pursuant to Section 7.7.

7.9 Supplementary Joint Ventures

Once a Feasibility Study has been delivered, the Participants may elect to sever the Joint Venture and the Property in respect of that portion of the claims comprising the Property that include the orebody that is the subject of the Feasibility Study that is necessary for purposes of placing such orebody into production and additional surface rights on other claims reasonably necessary for access, tailings and Operations (the "**Carved-Out Property**"). The Carved-Out Property shall be treated as a separate Joint Venture on the same terms and conditions as this Agreement with the balance of the Property (the "**Remaining Property**") subject to the interests of the Parties immediately following the delivery of the Feasibility Study and with the actual and deemed Expenditures made and interests of the Parties calculated to the date of delivery of the Feasibility Study deemed to apply to both the Remaining Property and the Carved-Out Property. Thereafter, all Operations in respect of the Carved-Out Property and the Remaining Property shall be accounted for separately as separate Joint Ventures.

8. TECHNICAL COMMITTEE

8.1 Organization and Composition

Within **[thirty (30) days]** after the Effective Date, the Participants by notice to each other of their respective appointed members shall establish a Technical Committee to determine overall policies, objectives, procedures, methods and actions under this Agreement. The Technical Committee shall consist of **[two]** members appointed by each of the Participants. Each Participant may appoint one or more alternates to act in the absence of a regular member. Any alternate so acting shall be deemed a member of the Technical Committee. Appointments shall be made or changed by notice to the other Participant.

8.2 Decision

Each Participant acting through its appointed members shall have the number of votes on the Technical Committee equal to its Participating Interest. Unless otherwise provided in this Agreement, decisions of the Technical Committee shall be determined by a majority vote and the Operator shall have a tie or casting vote.

8.3 Meetings

The Technical Committee shall hold regular meetings at least every **[three (3) months]** in Toronto, Ontario or at such other locations agreed to by the Participants. In the event there is no work in progress occurring, the Participants can opt to have meetings every **[six (6) months]**. The Operator shall give **[thirty (30) days']** advance notice to the Participants of such regular meetings. Additionally, either Participant may call a special meeting upon **[ten (10) days']** advance notice to the Operator and the other Participant. In the case of an emergency, reasonable notice of a special meeting shall suffice. A quorum of the Technical Committee shall consist of at least one member representing each Participant present at a duly called meeting of the Technical Committee or in attendance by telephone conference; provided, however, that if a Participant fails to attend two consecutive properly called meetings, then a quorum shall exist at the second meeting if the other Participant is represented by at least one appointed member, and a vote of such Participant shall be considered the vote required for the purposes of the conduct of all business properly noticed even if such vote would otherwise require unanimity. Each notice of a meeting shall include an itemized agenda prepared by the Operator in the case of a regular meeting or by the Participant calling the meeting in the case of a special meeting, but any matters may be considered at a meeting with the consent of both Participants. The Operator shall prepare detailed minutes of all meetings and shall distribute copies of such minutes to the Participants within **[fifteen (15) days]** after each meeting. Failure by a Participant to sign or furnish written detailed notice of objection to the minutes within **[fifteen (15) days]** after receipt from the Operator shall be deemed acceptance of such minutes by the Participants. When signed or deemed accepted by both Participants, the minutes shall be the official record of the decisions made by the Technical Committee and shall be binding on the Operator and the Participants. If personnel employed in Operations are required to attend a Technical Committee meeting,

reasonable costs incurred in connection with such attendance shall be a Joint Venture cost. All other costs shall be paid by the Participants individually.

8.4 Action Without Meeting

In lieu of meetings, the Technical Committee may hold telephone conference meetings provided that all decisions of the Technical Committee are immediately confirmed in minutes in writing by the Operator and distributed for review, objection and accepted by the Participants in accordance with Section 8.3.

8.5 Matters Requiring Approval

Except as otherwise provided by this Agreement, the Technical Committee shall have exclusive authority to determine all management matters related to this Agreement.

8.6 Matters Requiring Unanimous Approval

Notwithstanding any other provision of this Agreement the following matters shall require the unanimous approval of the Technical Committee and the Operator shall not have a tie or casting vote with respect to such items:

(a) Changing the accounting year end of the Joint Venture.

(b) Selling or otherwise disposing of all or substantially all of the Assets or any Asset or Assets or surplus Material in accordance with Section IV of the Accounting Procedure.

(c) Entering into any transaction in respect of the Joint Venture with an Affiliate of a Participant or any party related to a Participant other than on an arm's length basis in accordance with the Accounting Procedure.

(d) Any discussions, negotiations or consultations with any First Nation or other aboriginal peoples related to the Property or Operations on the Property or the related rights and obligations of the Participants hereunder or under Laws with respect to such Property or Operations, including as to the nature, scope, direction and content of such discussions, negotiations or consultations, and the entering into of any agreement whatsoever (verbal or written) with any such First Nations or other aboriginal peoples with respect to the Property or Operations on the Property.

(e) Entering into any acquisition or investment in respect of the Joint Venture other than in the ordinary course of the business of the Joint Venture.

(f) Executing and delivering any agreement with respect to the disposition or encumbrance of all or any part of the Property.

(g) Carrying on any business by the Joint Venture other than Operations.

(h) Having the Joint Venture give financial assistance to any Participant or Affiliate of a Participant or any associate or other related party thereof.

(i) Make or permit any substantial alteration (including cessation) to the general nature of the business carried on by the Joint Venture.

(j) Enter into any contract in respect of the Joint Venture of a long-term, onerous or unusual nature or assume any material liability, other than in the ordinary course of business of the Joint Venture.

(k) Lease, transfer or sell any assets (except real property) of the Joint Venture in excess of the limitations set out in Section IV of the Accounting Procedure, per transaction and per annum, excluding asset sales in the ordinary course of the Joint Venture's business and any asset sales provided for in the Joint Venture's then-current budget.

(l) Issue or offer of any debt instruments in respect of the Joint Venture in excess of budgeted amounts.

(m) Having the Joint Venture issue any loan, guarantee or similar instrument for the obligations of any third party or enter into any agreement for the same.

(n) Initiate or settle any litigation or arbitration in respect of the Joint Venture, except in accordance with Section II, paragraph 9 of the Accounting Procedure.

8.7 Participant May Require Mining Operations To Be Shut Down

Either Participant shall be entitled, by notice in writing to the Operator and the other Participant, to require that Mining Operations be suspended if such Participant can demonstrate (as set forth in such notice) that its proportionate share of Expenditures based on its Participating Interest has exceeded its proceeds from the sale of Products for a period of **[six (6) consecutive months]**. If such notice is given to the Operator, the Operator shall prepare a Program and Budget for placing the Mining Operations on care and maintenance and shall convene a meeting of the Technical Committee to approve such Program and Budget.

8.8 Resumption of Operations

If at any time after the suspension of Operations pursuant to Section 8.7, the Operator determines that the Operations can be placed back into Commercial Production with the Participants' proportionate share of Expenditures based on its Participating Interest being not more than eighty percent (80%) of the proceeds which they should realize on the sale of their share of Products, the Operator shall prepare a Program and Budget for the resumption of Operations and shall convene a meeting of the Technical Committee to approve such Program and Budget.

8.9 Mine Maintenance Plan

In addition to the rights of the Participants under Section 8.7, the Operator may, at any time subsequent to the commencement of Commercial Production, on at least **[thirty (30) days]** notice to all Participants, recommend that the Technical Committee approve the suspension of Mining Operations. In considering whether to make such a recommendation, the Operator will take into account good and reasonable mining, environmental and commercial reasons for making the recommendations but will not make a recommendation on the basis of matters particular to the Participant acting as Operator. The Operator's recommendation will include a Program and Budget (the "**Mine Maintenance Plan**"), in reasonable detail, of the activities to be performed to maintain the Assets during the period of suspension and the Expenditures to be incurred. The Technical Committee may approve the Mine Maintenance Plan with such changes as the Technical Committee deems necessary:

(a) by simple majority if the Mine Maintenance Plan provides for a suspension of **[one hundred and eighty (180) days]** or less; or

(b) by unanimous approval if the Mine Maintenance Plan provides for a suspension of more than **[one hundred and eighty (180) days]**,

If the Technical Committee approves the Mine Maintenance Plan, with or without modifications, then the Participants will be committed to pay their proportionate share of Expenditures incurred in connection with the Mine Maintenance Plan based on their then Participating Interest. The Operator shall call a meeting of the Technical Committee upon the reasons for the suspension of Mining Operations ceasing to have effect and, in any event, within **[ninety (90) days]** of approval of the Mine Maintenance Plan. The Technical Committee may cause Mining Operations to be resumed at any time (for greater certainty, by unanimous approval if the suspension has lasted for more than **[one hundred and eighty (180) days]**) and will take all reasonable steps to cause Mining Operations to be resumed upon the reasons for the suspension of Mining Operations ceasing to have effect.

8.10 Mine Closure Plan

The Operator may, at any time following a period of at least **[one hundred and eighty (180) days]** during which Mining Operations have been suspended, upon at least **[thirty (30) days]** notice to all Participants, recommend that the Technical Committee approve the permanent termination of Mining Operations. The Operator's recommendation will include a Program and Budget (the "**Mine Closure Plan**"), in reasonable detail, of the activities to be performed to cease Mining Operations and reclaim the Property and the estimated Expenditures to implement the Mine Closure Plan. Approval of the Operator's recommendation shall be by unanimous approval of the Technical Committee and such unanimous approval may be granted with such changes to the Mine Closure Plan as the Technical Committee deems necessary.

8.11 Implementation of Mine Closure Plan

If the Technical Committee unanimously approves the Mine Closure Plan, then the Operator shall:

(a) implement the Mine Closure Plan, whereupon the Participants will be committed to pay their proportionate share of the Expenditures required to implement the Mine Closure Plan based on their Participating Interests prevailing at the time the liabilities and obligations to be addressed by such Mine Closure Plan occurred; and

(b) remove, sell and dispose of such Assets as may reasonably be removed and disposed of profitably and such other Assets as the Operator may be required to remove pursuant to applicable environmental and mining laws.

8.12 Non-Approval of Mine Closure Plan

If the Technical Committee does not approve the Mine Closure Plan, then the Operator will, unless obliged to implement the Mine Closure Plan by order or direction of applicable Government Authorities, maintain Mining Operations in accordance with the Mine Maintenance Plan as approved pursuant to Section 8.9. If the Mining Operations have been suspended for a period of **[one (1) year]** or more and the Technical Committee does not approve a Mine Closure Plan, either Participant may refer the matter to arbitration in accordance with Section 16.1.

8.13 Acquisition of Rights to Adjacent Lands

Notwithstanding the provisions of Section 6.2, if a Feasibility Study or other plan recommending the Development of the Property includes a recommendation for the use of property adjacent to the Property for any processing plant, leach pads, mill, tailings pond or other mining facilities (the "**Mining Facilities**"), the Operator shall negotiate on behalf of the Joint Venture for the acquisition of the necessary surface rights or access to such adjacent lands (the "**Adjacent Lands**") for the installation of the Mining Facilities at the cost of and for the benefit of the Participants, pro rata. If a Participant has any interest in such Adjacent Lands, that Participant shall use its best efforts to ensure that the necessary rights to the Adjacent Lands are acquired by the Operator on behalf of the Joint Venture on reasonable commercial terms.

9. ABANDONMENT AND SURRENDER OF PROPERTIES

9.1 Abandonment and Surrender of Properties

The Operator may surrender or abandon part or all of the Properties. If the Operator authorizes any such surrender or abandonment and one of the Participants indicates interest in maintaining part of all of the Properties, the Participant that desires to surrender or abandon shall assign to the Participant, by special warranty deed and without cost to the interested Participant, all of the abandoning Participant's interest in the Properties sought to be abandoned or surrendered, free and clear of all Encumbrances created by, through or under the abandoning

Participant other than those to which both Participants have agreed. Upon the assignment, such properties shall cease to be part of the Property. The Participant that desires to abandon or surrender shall remain liable for its share of any liability with respect to such Properties, including, without limitation, Continuing Obligations, Environmental Liabilities and Environmental Compliance, whether accruing before or after such abandonment, arising out of activities prior to the Effective Date and out of Operations conducted prior to the date of such abandonment, regardless of when any funds may be expended to satisfy such liability.

10. OPERATOR

10.1 Appointment

Commencing on the Effective Date, KWG shall be the initial Operator of the Joint Venture. The Operator shall have overall administrative responsibility for Operations.

10.2 Powers and Duties of Operator

Subject to the ongoing general oversight and direction of the Technical Committee, the Operator is vested with the full authority to conduct all Operations pursuant to the terms of this Agreement and the most recently approved Program and Budget and to manage and carry out the day-to-day management of the Property as required thereby. The Operator agrees to carry out its duties as Operator itself or through its Agents in accordance with the terms and intent of this Agreement and on behalf of and for the account of the Participants in accordance with their Participating Interests. Without limiting the generality of the foregoing, the Operator shall have the following powers and duties:

(a) The Operator shall manage, direct and control Operations.

(b) The Operator shall implement the decisions of the Technical Committee, make all Expenditures necessary to carry out approved Programs and promptly advise the Technical Committee if it lacks sufficient funds to carry out its responsibilities under this Agreement.

(c) The Operator shall: (i) purchase or otherwise acquire all material, supplies, equipment, water, utility and transportation services required for Operations; (ii) obtain such customary warranties and guarantees as are available in connection with such purchases and acquisitions; and (iii) keep the Assets free and clear of all Encumbrances except for those existing at the time of or created concurrent with the acquisition of such Assets, the terms of any leases (including the Leases) and permits related to the Property and those encumbrances contemplated in this Agreement, any construction, mechanic's or materialmen's liens, which shall be released or discharged in a diligent manner by the Operator, or Encumbrances specifically approved by the Technical Committee.

(d) The Operator shall preserve and protect title to the Property at all times (including the renewal of any and all related Leases).

(e) The Operator shall: (i) make or arrange for all payments required by all leases (including any Leases), licenses, permits, contracts and other agreements related to the Assets; (ii) pay or arrange for payment of all taxes, assessments and like charges on Operations and Assets except taxes determined or measured by a Participant's sales revenue or net income (if authorized by the Technical Committee, the Operator shall have the right to contest in court or otherwise, the validity or amount of any taxes, assessments or charges if the Operator deems them to be unlawful, unjust, unequal or excessive or to undertake such other steps or proceedings as the Operator may deem reasonably necessary to secure a cancellation, reduction, readjustment or equalization thereof, but in no event shall the Operator permit or allow title to the Assets to be lost as the result of the non-payment of any taxes, assessments or like charges); and (iii) do or cause to be done all other acts reasonably necessary to maintain the Assets and to maintain the title thereto in good standing including, without limitation, the performance of all assessment and other Work that is required by applicable Laws.

(f) The Operator shall: (i) apply for all permits, licenses and approvals necessary to conduct Operations; (ii) use reasonable best efforts to comply with all Laws; (iii) notify promptly the Technical Committee of any allegations of material violation of the foregoing; and (iv) prepare and file all reports or notices required for or arising out of the conduct of Operations.

(g) The Operator shall prosecute and defend, but shall not initiate without the consent of the Technical Committee, all litigation or administrative proceedings arising out of the conduct of Operations. The other Participant shall have the right to participate in such litigation or administrative proceedings at its own expense. The other Participant shall approve in advance any settlement of litigation or administrative proceedings involving payments, commitments or obligations of the Joint Venture in excess of Two Hundred and Fifty Thousand dollars ($250,000).

(h) The Operator shall obtain or arrange and keep in force insurance for the benefit of each of the Participants and their respective Agents, including comprehensive general public liability and property damage insurance and automobile insurance in the amounts of coverage of not less than Five Million dollars ($5,000,000) per insured per incident and with severability of interest and rights of subrogation, insuring against claims for bodily injury or death or property damage arising out of or resulting from Operations, and covering such claims, losses and risks as will adequately protect the interests of the Participants and their respective Agents, including by enabling the Operator to repair or cause to be repaired or rebuilt all Facilities on the Property and to continue Operations, all in accordance with sound mining practice and customary industry standards.

(i) The Operator may dispose of Assets (other than the Property or part thereof) whether by abandonment, surrender, or Transfer in the ordinary course of business, but subject to the terms of this Agreement, including the Accounting Procedure.

(j) With respect to the Goods and Services Tax or the Harmonized Sales Tax (collectively the "**HST**") under Part IX of the *Excise Tax Act* S.C. 1990, c.45, (the "**Act**"), the Operator shall account for all HST in respect of any supplies made to or by the Joint Venture. The Participants shall be registrants and will each execute and provide to the Operator a joint venture election (the "**Election**") pursuant to the Act, confirming that the Operator shall account for all HST in respect of any supplies made to or by the Joint Venture and the Operator shall file the Election with Revenue Canada, Customs and Excise along with the Operator's return as and when required under the Act. Accounting for HST shall include paying HST on all taxable purchases and claiming the corresponding input tax credits for all purchases made pursuant to this Agreement.

(k) The Operator shall have the right to carry out its responsibilities hereunder through its Agents, but shall be and remain liable to the other Participant during the term of this Agreement for any acts or omissions of its Agents.

(l) The Operator shall keep and maintain all required accounting and financial records pursuant to Canadian generally accepted accounting principles (or IFRS, as applicable), the Accounting Procedure and in accordance with customary accounting practices in the mining industry.

(m) The Operator shall keep the Participants advised of all Operations by submitting in writing to the Participants: (i) monthly progress reports in respect of Operations which reports shall include statements of Expenditures and comparisons of such Expenditures to the adopted Program and Budget, and all other pertinent data including, without limitation, drill and assay results, survey results, geological and reserve figures and production reports; (ii) periodic summaries of data acquired as reasonably required by the Participants; (iii) copies of all reports concerning Operations; (iv) a detailed final report within **[thirty (30) days]** after completion of each Program and Budget which shall include comparisons between actual and budgeted Expenditures and comparisons between the objectives and results of the Program; (v) reports of all significant results as soon as assay results are available; and (vi) such other reports as the Technical Committee may request. At all reasonable times the Operator shall provide the Technical Committee or the representative of any Participant access to and the right to copy all maps, drill logs, core tests, reports, surveys, assays, analyses, production reports, operations, technical, accounting and financial records and other information acquired in Operations. In addition, the Operator shall allow the other Participant, at its sole risk and expense, and subject to reasonable safety regulations, to inspect the Assets and Operations at all reasonable times, provided that such inspection does not unreasonably interfere with Operations.

(n) The Operator shall undertake all other activities reasonably necessary to fulfill its obligations as Operator under this Agreement and shall undertake and is hereby empowered on behalf of the Joint Venture to take all such other actions and do all such other things as are reasonably necessary to advance and conduct the business of the Joint Venture.

(o) The Operator shall keep the financial and accounting records, to the extent and in such detail and at such places as the Technical Committee may determine, such books and records pertaining to the Joint Venture and Operations and to the costs and expenses thereof and the performance of the Operator hereunder, as will properly reflect, in accordance with generally accepted accounting principles in Canada (or IFRS, as applicable) and the Accounting Procedures set out in **Schedule "B"** and the terms of this Agreement, all transactions of the Operator in relation to the Joint Venture and Operations and the performance of its duties hereunder and all costs paid by it in the performance thereof and for which it will seek reimbursement hereunder, all of which books and records shall be made available to each of the Participants and the Technical Committee, upon reasonable notice and at all reasonable times, for inspection, audit and reproduction.

(p) The Operator shall maintain accounts ("**Equity Accounts**") for each Participant to reflect their Participating Interests in the Joint Venture. Each Participant's Equity Account shall be credited with the value of such Participant's contributions under Sections 7.1, 7.3, and 7.6. Each Participant's Equity Account shall be charged with the cash and the fair market value of property distributed to such Participant (net of liabilities assumed by such Participant and liabilities to which such distributed property is subject). Contributions and distributions shall include all cash contributions or distributions plus the agreed value (expressed in dollars) of all in-kind contributions or distributions. Solely for purposes of determining the Equity Account balances of the Participants, the Operator shall reasonably estimate the fair market value of all Products distributed to the Participants, and such estimated value shall be used regardless of the actual amount received by each Participant upon disposition of such Products.

(q) Upon termination of the Joint Venture, the Operator shall, at the cost and expense of the Participants pro rata, be responsible for Environmental Compliance with respect to the Property, including, but not limited to, the rehabilitation and reclamation of the Property as required by applicable Environmental Laws and other applicable Laws and to the standard required by all Governmental Authorities having jurisdiction including, without limitation, filing or posting or causing to be filed or posted, all letters of credit, surety, bonds or other forms of security for all reclamation or rehabilitation obligations of the Participants as may be required by any Governmental Authority having jurisdiction.

(r) The Operator shall perform or cause to be performed all assessment and other work required by applicable Laws to maintain the Property in good standing. The Operator shall have the right to perform the assessment work required hereunder

pursuant to a common plan of exploration and continued actual occupancy of such claims and sites shall not be required. The Operator shall not be liable on account of any determination by any court or Governmental Authority that the work performed by the Operator does not constitute the required annual assessment work or occupancy for the purposes of preserving or maintaining ownership of the Property, provided that the work done is in accordance with an adopted Program and Budget. The Operator shall timely record with the appropriate Governmental Authorities, evidence in proper form attesting to the performance of assessment work or notices of intent to hold in proper form, and in so doing allocate, to or for the benefit of the Property, at least the minimum amount required by Law to maintain such claim or site.

(s) If authorized by the Technical Committee, the Operator may: (i) locate, amend or relocate any of the assets; (ii) locate any fractions resulting from such amendment or relocation; (iii) apply for further mineral rights, permits to mine and/or mining leases or other forms of mineral tenure for any such mineral rights; (iv) abandon any mining claims for the purpose of relocating such mining claims or otherwise acquiring from a Government Authority rights to the ground covered thereby; (v) exchange with or convey to a Governmental Authority any of the mining claims for the purpose of acquiring rights to the ground covered thereby or other adjacent ground; (vi) convert any mining claims into one or more leases or other forms of mineral tenure pursuant to any Law; and (vii) contract with and pay compensation to any person including any Governmental Authority for surface rights, rights of access, easements, rights of way or any other form of other tenement whether located at or near the Property or elsewhere useful in connection with the activities of the Joint Venture.

(t) The Operator shall undertake to perform continuing obligations when and as economic and appropriate, whether before or after termination of the Agreement. The Operator shall have the right to delegate performance of continuing obligations to Persons having demonstrated skill and experience in relevant disciplines. As part of each Program and Budget submission, the Operator shall prepare and distribute to the Parties a Program and Budget for performance of continuing obligations and specify in such Program and Budget the measures to be taken for performance of continuing obligations and the cost of such measures. The Operator shall keep the Parties reasonably informed about the Operator's efforts to discharge continuing obligations. Each Party shall have the right from time to time to enter the Property to inspect work directed toward satisfaction of continuing obligations and audit books, records, and accounts related thereto.

(u) The Operator shall prepare an environmental compliance plan for all Operations consistent with the requirements of any applicable Laws or contractual obligations and shall include in each Program and Budget sufficient funding to implement the environmental compliance plan and to satisfy the financial assurance requirements of any applicable Law or contractual obligation pertaining to environmental compliance. To the extent practical, the environmental compliance

plan shall incorporate concurrent reclamation of Property disturbed by Operations.

(v) The Operator shall establish and maintain an environmental compliance and reclamation account as a separate, interest bearing cash management account, which may include, but is not limited to, money market investments and money market funds, and/or in longer term investments if approved by the Technical Committee. Such funds shall be used solely for environmental compliance and continuing obligations, including the committing of such funds, interests in property, insurance or bond policies, or other security to satisfy Laws regarding financial assurance for the reclamation or restoration of the Property, and for other environmental compliance requirements. If Participating Interests are adjusted in accordance with the Agreement the Operator shall propose from time to time one or more methods for fairly allocating costs for continuing obligations.

(w) The Operator shall undertake all other activities reasonably necessary to fulfil the foregoing.

10.3 Standard of Care and Good Faith

The Operator shall conduct all Operations in a good, workmanlike and efficient manner in accordance with sound mining and other applicable industry standards and practices in accordance with all applicable Laws of all Governmental Authorities having jurisdiction and in compliance with the terms and provisions of all leases, licenses, permits, contracts and other agreements relating to the Property. The Operator acknowledges that it shall conduct all of its activities in respect of the Joint Venture in accordance with the terms of this Agreement with good faith vis-à-vis the other Participant and at all times not profit from its position as Operator hereunder, other than pursuant to the Administrative Charge or in accordance with the Accounting Procedure, and at all times fully disclose all material events relating to the Operations of the Joint Venture to the other Participant using full, true and plain disclosure in a frank manner.

10.4 Resignation; Deemed Offer to Resign

The Operator may resign as Operator of the Joint Venture upon **[ninety (90) days]** prior written notice to the other Participant, in which case the other Participant may elect to become the new Operator by notice to the resigning Participant to such effect within **[thirty (30) days]** after receipt of the notice of resignation. Such appointment of the new Operator shall take effect immediately upon the resignation of the outgoing Operator taking effect. If any of the following shall occur, the Operator shall be deemed to have offered to resign as Operator, which offer shall be rejected or accepted by the other Participant within **[thirty (30) days]** following such deemed offer (and if accepted the other Participant may elect to become the new Operator by notice to the resigning Participant) and in the absence of written acceptance of such resignation by the other Participant within such **[thirty (30) day]** period, the Operator shall continue to be Operator hereunder:

(a) the Participating Interest of the Operator becomes less than fifty percent (50%);

(b) the Operator fails to perform a material obligation imposed upon the Operator under this Agreement and fails to commence curing or contesting such default within **[thirty (30) days]** after notice from the other Participant demanding performance of such material obligation; or

(c) the Operator shall generally not pay its debts as such debts become due or has committed an act of bankruptcy, is insolvent, has proposed a compromising arrangement to its creditors generally, has had any petition for a receiving order in bankruptcy filed against it, has made a voluntary assignment in bankruptcy, has taken proceedings with respect to a compromise or arrangement, has taken proceedings to have itself declared bankrupt or wound-up, has taken proceedings to have a receiver appointed of any part of its assets, has had any encumbrancer take possession of any of its property or has had any execution or distress become enforceable or become levied upon any of its property.

10.5 Payments to Operator

The Operator shall be reimbursed for its costs and expenses hereunder in accordance with the Accounting Procedure.

10.6 Transactions with Affiliates

If the Operator engages Affiliates to provide services hereunder, it shall do so on terms no more favourable to such Affiliate than would be the case with unrelated persons in arm's-length transactions.

10.7 First Nations Matters

In the event, and during any period, that either Party is the Operator hereunder, it agrees that it shall not at any time (i) commence discussions, negotiations or consultations with any First Nation or other aboriginal peoples related to the Property or Operations on the Property or the related rights and obligations hereunder or under Laws with respect to such Property or Operations, without prior consultation with, and the co-operation of, the other Party, including as to the nature, scope, direction and content of such discussions, negotiations or consultations, nor (ii) enter into any agreement or commitment whatsoever (verbal or written) with any such First Nations or other aboriginal peoples with respect to the Property or Operations on the Property without the prior review, consultation and written approval of the other Party.

11. PROGRAMS AND BUDGETS

11.1 Operations Pursuant to Programs and Budgets

Except as otherwise provided in Section 11.9, from and after the Effective Date Operations shall be conducted, Expenditures shall be made or incurred and Assets shall be acquired only pursuant to approved Programs and Budgets. The Operator shall prepare and submit an initial Program and Budget covering the remainder of the then current calendar year and the next calendar year to the Participants within **[sixty (60) days]** following the Effective Date of this Agreement.

11.2 Presentation of Programs and Budgets

For each calendar year after the period covered by the Initial Program and Budget, the Operator shall submit to the Participants, a proposed Program and Budget on or before September 30, covering the period from January 1 to December 31 of the following year. Each approved Program and Budget shall, regardless of the term of such Program and Budget, be reviewed at least once a year at a regular meeting of the Technical Committee. If (i) the Operator fails to propose a Program and Budget as contemplated in Section 11.1 or proposes a Program and Budget that the non-Operator Participant considers unreasonable, or (ii) if at any time during the term of the Joint Venture no Work is conducted on the Property during any **[eighteen (18) month]** period, then the non-Operator Participant shall have the right to submit to the Operator a proposed Program and Budget for a minimum period of **[twelve (12) months]** (the "**Non-Operator's Program and Budget**"). The Non-Operator's Program and Budget shall be reviewed at a meeting of the Technical Committee, which meeting shall be called forthwith for such purpose pursuant to Section 8.3.

11.3 Review and Approval of Proposed Programs and Budgets

Within **[thirty (30) days]** after submission of a proposed Program and Budget or a Non-Operator's Program and Budget, each Participant shall submit to the Technical Committee:

(a) Notice that the Participant approves the proposed Program and Budget or the Non-Operator's Program and Budget, as the case may be; or

(b) Proposed modifications of the proposed Program and Budget or the Non-Operator's Program and Budget, as the case may be; or

(c) Notice that the Participant rejects the proposed Program and Budget or the proposed Non-Operator's Program and Budget, as the case may be.

If a Participant fails to give any of the foregoing responses within such **[thirty (30) day]** period, such failure shall be deemed to be an approval by the Participant of the Operator's proposed Program and Budget or the Non-Operator's Program and Budget. If a Participant

makes a timely submission to the Technical Committee pursuant to Section 11.3(b) or 11.3(c), then the Technical Committee shall meet to consider and develop a Program and Budget acceptable to the Participants. If the Technical Committee does not unanimously approve a Program and Budget or a Non-Operator's Program and Budget within **[fifteen (15) days]** after the Operator's receipt of a notice pursuant to Section 11.3(b) or 11.3(c), a proposed Program and Budget or Non-Operator's Program and Budget may be approved by a majority vote of the Technical Committee. If a Non-Operator's Program and Budget is not approved, or modified and approved, by the Technical Committee, then the Non-Operator Participant who has proposed the Non-Operator's Program and Budget may submit the matter to arbitration pursuant to Article 16 for determination as to whether such non-approval is reasonable in the circumstances. If a Non-Operator's Program and Budget is approved by the Technical Committee, then the same shall be deemed to be a Program and Budget for the purposes of this Agreement.

11.4 Preparation of Feasibility Study

At the request of the Technical Committee, the Operator shall prepare or have prepared and submit (i) a Feasibility Study, or (ii) a pre-Feasibility Study (which study shall be based on such terms as the Technical Committee shall determine), the purpose of which shall be to establish whether a mineralized deposit on the Property is of sufficient size and grade to justify development of a mine and such other related facilities as may be desirable, including, a beneficiation plant for processing Products.

11.5 Request for Feasibility Study

Subject to the provisions of Section 7.9, any Participant may request the Technical Committee to instruct the Operator to prepare or have prepared (i) a Feasibility Study or (ii) a pre-Feasibility Study (which study shall be based on such terms as such Participant shall propose), prepared when, in the reasonable good faith opinion of such Participant, sufficient mineralization has been found to justify preparation of a Feasibility Study or pre-Feasibility Study, and if the Technical Committee fails or refuses to direct the Operator to prepare such Feasibility Study or pre-Feasibility Study, such Participant may at its own expense, prepare and submit such Feasibility Study or pre-Feasibility Study along with its recommendation to the Technical Committee.

11.6 Approval of Feasibility Study

The Technical Committee shall have **[ninety (90) days]** after receipt of any Feasibility Study or pre-Feasibility Study and the recommendations of the Participant commissioning or conducting such Feasibility Study or pre-Feasibility Study to meet and consider, and to approve or reject, the Feasibility Study or pre-Feasibility Study and its recommendations. If the Technical Committee approves or makes substantial use of the Feasibility Study or pre-Feasibility Study prepared by a non-Operator (the "**Non-Operator FS**") in its decision to proceed to place the Property into Commercial Production, the reasonable costs of the non-Operator of preparing the Non-Operator FS shall be deemed to be Expenditures and the non-Operator shall be reimbursed for such costs. If the Technical Committee rejects a Feasibility

Study or pre-Feasibility Study, it may in its discretion direct the Operator to perform or have performed such additional work as the Technical Committee deems necessary to revise the Feasibility Study or pre-Feasibility Study. In such event, the Operator shall promptly perform such additional work, revise the Feasibility Study or pre-Feasibility Study accordingly and submit it to the Technical Committee for approval or rejection.

11.7 Election to Participate

By notice to the Technical Committee within **[sixty (60) days]** after the final approval of a Program and Budget pursuant to Section 11.3, a Participant may elect to contribute to Expenditures which are a part of such Program and Budget an amount less than its Participating Interest, or to not contribute to such Expenditures at all, in which case the Participating Interests shall be recalculated as provided in Section 7.5. If a Participant fails to so notify the Technical Committee, the Participant shall be deemed to have elected to contribute to such Program and Budget, including Capital Expenditures, in proportion to its respective Participating Interest as of the beginning of the period covered by the Program and Budget.

11.8 Budget Overruns; Program Changes

The Operator shall immediately notify the Technical Committee of any departure from an adopted Program and Budget of an amount equal to fifteen percent (15%) or more of the original budgeted amount of such Program. The Operator may not exceed an approved Program or Budget by more than fifteen percent (15%) without the unanimous approval of the Technical Committee and the Operator shall not have a tie or casting vote in respect thereof. If the Technical Committee unanimously approves excess Expenditures in an amount of not more than ten percent (10%) of an approved Program or Budget, such approved amount (and in all cases any excess Expenditure amount up to ten percent (10%) of an approved Program or Budget) shall become part of the approved Program and Budget. If the Operator exceeds an approved Program or Budget by more than fifteen percent (15%) without the unanimous approval of the Technical Committee, the Operator shall be solely responsible for Expenditures which exceed the approved Program or Budget by more than fifteen percent (15%) (unless subsequently unanimously approved by the Technical Committee). The Operator shall advance the non-Operator's proportionate share of Expenditures which exceed the approved Program or Budget by up to fifteen percent (15%) and the Operator shall be entitled to repayment by the non-Operator of such advances plus interest at an annual rate equal to the Prime Rate plus one percent calculated from the dates of such advances, and the non-Operator shall make such payments within **[ninety (90) days]** after the date of each such advance.

11.9 Emergency or Unexpected Expenditures

In the case of an emergency, the Operator may take any reasonable action it deems necessary to protect life, limb, property, the environment, or public safety, to protect the Assets or to comply with all applicable Laws of any Governmental Authority having jurisdiction. The Operator may also make reasonable Expenditures for unexpected events which are beyond its reasonable control and which do not result from a breach by it of its standard of care. The

Operator shall promptly notify the Participants of the emergency or unexpected Expenditures and the Operator shall be reimbursed for all resulting costs by the Participants in proportion to their respective Participating Interests at the time the emergency or unexpected Expenditures are incurred, provided that the Participant that is not the Operator shall reimburse the Operator for its proportionate share of such emergency or unexpected Expenditures plus interest at an annual rate equal to the Prime Rate plus one percent (1%) calculated from the date of such unexpected or emergency Expenditures, within **[ninety (90) days]** after the date of each such Expenditures.

12. ACCOUNTS AND SETTLEMENTS

12.1 Monthly Statements

Within **[twenty (20) days]** of the end of each calendar month, the Operator shall deliver to each Participant financial statements and other relevant information reflecting in reasonable detail all transactions of the Joint Venture during the preceding month.

12.2 Cash Calls

The Operator shall, at least **[seven (7) days]** but not more than **[twenty-one (21) days]**, prior to the start of each calendar month present to each Participant an invoice based on the most recently approved Program and Budget to each Participant for their proportionate share based on their then Participating Interest of:

(a) if advances for the prior month are less than actual Expenditures, an amount equal to actual Expenditures less advances for the prior month; and

(b) estimated Expenditures for the succeeding month; and

(c) estimated Expenditures for the second succeeding month to maintain a minimum **[thirty (30) day]** cash balance;

less:

(d) if advances for the prior month are greater than actual Expenditures, an amount equal to advances less actual Expenditures for the prior month; and

(e) estimated Expenditures for the second succeeding month from the prior month billing; and

(f) interest or other revenues received by the Operator for the account of the Joint Venture; and

(g) any cash receipts from the sale of Assets received by the Operator for the account of the Joint Venture;

plus or less:

(h) any other adjustment necessary to comply with this Agreement.

Where a monthly invoicing results in a negative amount the Operator shall, at the sole option of each Participant, refund to the Participants their proportionate share of the over-contribution or apply such amount as a credit to amounts invoiced for the next ensuing month.

12.3 Payment of Cash Calls

Each Participant shall advance to the Operator its proportionate share of the invoicing within **[fifteen (15) days]** of receipt of the invoicing; the intention being that the Operator be in possession of the funds required under the Cash Call from each Participant prior to Expenditures being made.

12.4 Failure to Meet Cash Calls

A Participant that fails to meet cash calls in the amount and at the times specified in Sections 12.2 and 12.3, respectively shall be deemed to be in default of its obligations under this Agreement and the amounts of the defaulted cash call shall bear interest from the date due in accordance with Section 7.6 and the non-defaulting Participant shall have those rights, remedies and elections specified in Section 7.6.

12.5 Audits and Adjustments

Each Participant shall also have the right to audit the records of the Operator in respect of the Joint Venture on reasonable notice to the Operator and at its own expense in accordance with the Accounting Procedure. All claims for adjustment made as a result of an audit must be made within **[twenty-four (24) months]** of delivery of the audit report to the Participant making the claim.

13. DISPOSITION OF PRODUCTS

13.1 Division of Production

Each Participant shall take in kind and separately dispose of its pro rata share of all Products produced by the Joint Venture from the Property at their highest state of beneficiation on the Property, and title and risk to such Products shall pass to the Participants in accordance with their then Participating Interest, and each Participant shall concurrently take delivery of its share of such Products, as the same are produced and placed in the storage facilities for the account of such Participant.

13.2 Liens

Each Participant shall have a lien and continuing collateral security interest on and in and to the other Participant's share of Products to secure payment of such other Participant's proportionate share of Expenditures based on its Participating Interest. If a Participant defaults in making a cash contribution in accordance with the terms of this Agreement or to repay a Cover Payment (and accrued interest), or interest accrued pursuant to Section 7.6(a), to the non-defaulting Participant in accordance with Section 7.6, then the non-defaulting Participant may without limitation to its other rights at Law, in equity or under this Agreement:

(a) elect to treat the default as an immediate and automatic assignment to the non-defaulting Participant of the defaulting Participant's share of the Products and from and after the non-defaulting Participant making such election, the non-defaulting Participant may require the purchaser of the defaulting Participant's share of Products to make payment therefor to the non-defaulting Participant while the default continues; and

(b) enforce such lien and security interest created herein by taking possession of all or any part of the defaulting Participant's share of Products and, at its election, selling the same. The value of the Products or proceeds of the sale shall be firstly applied by the non-defaulting Participant in payment of any Expenditures to be paid by the defaulting Participant and not paid by it and any balance remaining shall be paid to the defaulting Participant after deducting reasonable costs of the sale. Any sale made aforesaid shall be a perpetual bar both at law and in equity against any claims to the Products sold by the defaulting Participant and its assigns and against all other Persons claiming the Products or any part or parcel thereof, sold as aforesaid, from, through or under the defaulting Participant or its assigns.

In the event that the value of such Products so assigned to the non-defaulting Participant or the proceeds thereof are sufficient to cure a default or repay a Cover Payment (and all interest) pursuant to the terms of Section 7.6, the defaulting Participant shall be deemed to be back in good standing under the terms of this Agreement.

13.3 Failure of Participant to Take in Kind

If, after reasonable notice by the Operator, a Participant fails to take in kind its share of Products, the Operator shall have the right, but not the obligation, to purchase the Participant's share of Products for its own account or to sell such share as agent for the Participant on terms and conditions that are not less than the then prevailing fair market value having regard to the quantity of Product to be sold and other applicable market conditions. The Operator shall facilitate the sale of Products on behalf of each Participant on such terms as may be agreed in writing. Subject to the terms of any contracts of sale then outstanding, during any period that the Operator is purchasing or selling a Participant's share of production, the Participant may elect by notice to the Operator to take Product in kind. The Operator shall be entitled to deduct from

proceeds of any sale by it for the account of a Participant reasonable expenses incurred in such a sale.

14. WITHDRAWAL AND TERMINATION

14.1 Termination by Expiration or Agreement

This Agreement shall terminate as expressly provided in Section 14.2 and, subject to Section 22.1, shall also terminate (i) by written agreement of both Participants or (ii) if one Participant acquires an one hundred percent (100%) Participating Interest in accordance with the terms of this Agreement.

14.2 Withdrawal

A Participant may elect to withdraw as a Participant from this Agreement by giving notice to the other Participant of the effective date of withdrawal, which date shall be the later of the end of the then current Program and Budget or **[sixty (60) days]** after the date of the notice. Upon any such withdrawal with the result that there remains only one participant, this Agreement shall, subject to Section 22.1, terminate and the withdrawing Participant shall be deemed to have transferred to the remaining Participant, all of its Participating Interest in the Assets without cost and free and clear of any and all Encumbrances arising by, through or under such withdrawing Participant, except Permitted Encumbrances and those to which both Participants have given their written consent after the date of this Agreement, and subject to the terms and conditions of all Leases, permits, licences or other approvals related to the Property.

14.3 Continuing Obligations

On termination of this Agreement under Section 14.1 or 14.2, each Participant shall remain liable for its respective share of Liabilities arising out of ownership of a Participating Interest or out of Operations conducted prior to such withdrawal (including to third Persons) whether such arises before or after such withdrawal, including Environmental Liabilities, Environmental Compliance, and Continuing Obligations. A withdrawing Participant's share of such liabilities shall be equal to its Participating Interest at the time that the conduct of Operations or other circumstances giving rise to such liabilities occurred, as contemplated in Section 7.8.

14.4 Disposition of Assets on Termination

Promptly after termination of the Joint Venture and this Agreement, the Operator shall take all action necessary to wind up the activities of the Joint Venture and all costs and expenses incurred in connection with the termination of the Joint Venture shall be expenses chargeable to the Joint Venture. Any Participant that has a negative Equity Account balance when the Joint Venture is terminated for any reason shall contribute to the Assets of the Joint Venture an amount sufficient to raise such balance to zero. The Assets shall first be paid, applied or

distributed in satisfaction of all liabilities of the Joint Venture to third Persons and then to satisfy any debts, obligations or liabilities owed to the Participants. Before distributing any funds or Assets to Participants, the Operator shall have the right to segregate amounts which are necessary to discharge Continuing Obligations or to purchase for the account of Participants, all required letters of credit, surety bonds or other security for the performance of such obligations as may be required by any Governmental Authority having jurisdiction. The foregoing shall not be construed to include the repayment of any Participant's capital contributions. Thereafter any remaining cash and all other Assets shall be distributed to the Participants in proportion to their respective Participating Interests subject to any dilution, reduction or termination of such Participating Interests as may have occurred pursuant to the terms of this Agreement. No Participant shall receive a distribution of any interest in Products or proceeds from the sale thereof if such Participant's Participating Interest therein has been terminated pursuant to this Agreement other than by conversion to the Royalty in accordance with the terms of this Agreement.

14.5 Right to Data After Termination

Each withdrawing Participant under Section 14.2 shall be entitled to all information acquired in the conduct of the Joint Venture prior to such withdrawal and pursuant to any approved Program and Budget of which the withdrawing Participant has duly paid its proportionate share of costs and expenses, including copies of maps, data and reports which can be reproduced and which have not theretofore been furnished to such withdrawing Participant, but such withdrawing Participant shall for a period of **[five (5) years]** from the date of such withdrawal or the completion of the aforementioned approved Program and Budget, whichever is the later, hold in strict confidence all information acquired by it in the conduct of the Joint Venture.

14.6 Continuing Authority of Operator

On termination of the Joint Venture or the deemed withdrawal of a Participant from the Joint Venture or the withdrawal of a Participant pursuant to Section 14.2, the Operator shall have the power and authority, subject to control of the Technical Committee, if any, to do all things on behalf of the Participants which are reasonably necessary or convenient to: (a) wind up Operations; and (b) complete any transaction and satisfy any obligation, unfinished or unsatisfied at the time of such termination or withdrawal if the transaction or obligation arises out of Operations prior to such termination or withdrawal. The Operator shall have the power and authority to grant or receive extensions of time or change the method of payment of an existing liability or obligation, prosecute and defend actions on behalf of the Participants and the Joint Venture, mortgage Assets and take any other reasonable action in any matter with respect to which the former Participants continue to have or appear or are alleged to have, a common interest or a common liability.

15. TRANSFER OF INTEREST

15.1 Limitations on Free Transferability

Subject to Section 15.6 below, neither Participant shall transfer only part of its Participating Interest or its interest in this Agreement and neither Participant shall transfer the whole of its Participating Interest other than in accordance with this Article 15.

15.2 Right of First Refusal

If either Participant desires or intends to Transfer all of its Participating Interest to a third party, (an "**Offered Interest**") such Participant ("**Transferor**") shall promptly notify the other Participant of such desire or intention. The notice shall state the price and all other pertinent terms and conditions of the intended Transfer, and shall be accompanied by a copy of the offer or the contract for sale. If the consideration for the Offered Interest is, in whole or in part, other than monetary, the notice shall describe such consideration and its monetary equivalent (based upon the fair market value of the non-monetary consideration and stated in terms of cash or currency). The other Participant shall have **[thirty (30) days]** from the date such notice is delivered to notify the Transferor whether it elects to acquire the Offered Interest at the same price (or its monetary equivalent in cash or currency) and on the same terms and conditions as set forth in the notice. If it does so elect, the acquisition by the other Participant shall be consummated promptly after notice of such election is delivered.

(a) If the other Participant fails to elect to acquire the Offered Interest within the period provided for above, the Transferor shall have **[one hundred and twenty (120) days]** following the expiration of such period to consummate the Transfer of the Offered Interest to a third party at a price and on terms no less favourable to the Transferor than those offered by the Transferor to the other Participant in the aforementioned notice.

(b) If the Transferor fails to consummate the Transfer of the Offered Interest to a third party within the period set forth above, the pre-emptive right of the other Participant in such Offered Interest shall be deemed to be revived. Any subsequent proposal to Transfer such Offered Interest shall be conducted in accordance with all of the procedures set forth in this Section 15.2.

(c) If the Transferor transfers the Offered Interest pursuant to this Section 15.2, the Transferor shall be released from all liabilities and obligations under this Agreement provided that the third party delivers to the other Participant an agreement in writing covenanting to be bound by and perform the obligations of the Transferor under this Agreement.

15.3 Exceptions to Pre-emptive Right

Section 15.2 shall not apply to the following.

(a) Transfer by either Participant of all or any part of its Participating Interest to an Affiliate, in which case the Participant so Transferring shall remain liable for all obligations of such Participant under this Agreement.

(b) Corporate reorganization of either Participant, or corporate consolidation or other corporate arrangement of either Participant by which the surviving entity shall possess substantially all of the stock or all of the property rights and interests, and be subject to substantially all of the liabilities and obligations of that Participant.

(c) Subject to Section 15.5 of this Agreement, the grant by either Participant of a security interest in its Participating Interest by Encumbrance.

(d) As contemplated in Section 15.6 below.

15.4 Conditions Applicable to Transfers

The Transfer right of a Participant in this Article 15 shall be subject to the following terms and conditions:

(a) No transferee of the Offered Interest shall have the rights of a Participant unless and until the transferring Participant has provided to the other Participant notice of the Transfer and the transferee, prior to and effective as of date of the Transfer, has committed in writing to and in favour of the other Participant (on terms satisfactory to such other Participant acting reasonably having regard to the financial, strength and industry experience and reputation of such transferee to perform the terms of this Agreement) to be bound by the terms of this Agreement and the terms of the Joint Venture to the same extent as the Transferor.

(b) No Transfer permitted by this Article 15 shall relieve the Transferor of its share of any liability, cost, penalty, or fine whether accruing before or after such Transfer, which arises out of Operations conducted prior to such Transfer.

(c) The Transferor and the transferee shall bear all tax consequences of the Transfer.

15.5 Restrictions on Mortgages

(a) Other than as set out below, neither Participant shall mortgage, pledge, charge, hypothecate or otherwise encumber its Participating Interest or any part thereof without the approval of the other Participant, such approval not to be unreasonably withheld.

(b) Notwithstanding the provisions of Section 15.5(a) above, each of the Participants shall be entitled to mortgage, pledge, hypothecate or otherwise encumber its Participating Interest provided that the proceeds of such mortgage, charge, pledge or hypothec are applied by such Participant to fund its participation in Programs and Budgets pursuant to this Agreement and then only if the holder of the mortgage, pledge, charge, hypothecation or other encumbrance shall have agreed

in writing with the other Participant upon realization of its security to be bound by the provisions of this Agreement, including this Article 15, and shall have agreed in writing with the other Participant to require any purchaser of the Participating Interest from it to be bound by the terms of this Agreement.

15.6 Bold Transfer to Dundee

Each of KWG and Bold hereby acknowledges that the respective beneficial interests of Bold and Dundee are subject to mutual rights of first refusal in favour of Bold and Dundee (as the case may be) pursuant to the Bold/Dundee Agreement; and acknowledges and agrees that the rights of Bold pursuant to Sections 15.2 and 15.4 shall not apply to any Transfer of Participating Interest (legal or beneficial or in whole or in part) by Bold to Dundee or any such Transfer by Dundee to Bold pursuant to the Bold/Dundee Agreement (whether by dilution or otherwise); provided that each of KWG and Bold further acknowledges that the rights of Bold pursuant to Sections 15.2 and 15.4 shall again apply to any Transfer of Participating Interest (legal or beneficial or in whole or in part) by Bold or Dundee to any third party, whether occurring before or after any such Transfer from Bold to Dundee or any such Transfer from Dundee to Bold.

16. ARBITRATION

16.1 Dispute Resolution

Except in respect of any breach of Article 18, any dispute, whether based on contract, tort, statute, or otherwise in law or equity arising out of or relating to this Agreement or the relationship which results from this Agreement, the interpretation, breach, termination or validity of this Agreement, the events leading up to the formation of this Agreement, and any issue related to the creation of this Agreement or its scope, including the scope and validity of this Article 16 (a "**Dispute**") shall be resolved as follows:

(a) The Participants shall endeavour for a period of two weeks to resolve the Dispute by negotiation. This period may be extended by mutual agreement of the Participants.

(b) If the Dispute is not settled by negotiation, the Dispute shall be submitted to binding arbitration in accordance with the *Arbitrations Act*, 1991 (Ontario), as amended (the "**Arbitrations Act**"), as modified and supplemented by the provisions of this Article 16.

16.2 Initiation of Arbitration Proceedings

(a) If any Participant to this Agreement wishes to have a Dispute arbitrated in accordance with the provisions of this Agreement, it shall give notice to the other Participant hereto specifying particulars of the Dispute and proposing the name of the person it wishes to be the single arbitrator. Within **[ten (10) days]** after receipt of such notice, the other Participant to this Agreement shall give notice to

the first Participant advising whether such Participant accepts the arbitrator proposed by the first Participant. If such notice is not given within such **[ten (10) day]** period, the other Participant shall be deemed to have accepted the arbitrator proposed by the first Participant. If the Participants do not agree upon a single arbitrator within such **[ten (10) day]** period, such arbitrator shall be chosen in accordance with the Arbitrations Act.

(b) The individual selected as the arbitrator shall be qualified by education and experience to decide the Dispute. The Arbitrator shall be at arm's length from both Participants and shall not be a member of the audit or legal firm or firms who advise either Participant, nor shall the arbitrator be a person who is otherwise regularly retained by either of the Participants.

16.3 Submission of Written Statements

(a) Within **[twenty (20) days]** of the appointment of the Arbitrator, the Participant initiating the arbitration (the "**Claimant**") shall send the other Participant (the "**Respondent**") a statement of claim setting out in sufficient detail the facts and any contentions of law on which it relies, and the relief that it claims.

(b) Within **[fifteen (15) days]** of the receipt of the statement of claim, the Respondent shall send the Claimant a statement of defence stating in sufficient detail which of the facts and contentions of law in the statement of claim it admits or denies, on what grounds, and on what other facts and contentions of law it relies.

(c) Within **[ten (10) days]** of receipt of the statement of defence, the Claimant may send the Respondent a statement of reply.

(d) All statements of claim, defence and reply shall be accompanied by copies (or, if they are especially voluminous, lists) of all essential documents on which the Participant concerned relies and which have not previously been submitted by any Participant, and (where practicable) by any relevant samples.

(e) After submission of all the statements, the arbitrator will give directions for the further conduct of the arbitration consistent with the provisions of this Agreement and the Arbitrations Act.

16.4 Meetings and Hearings

(a) The arbitration shall take place in the City of Toronto, Ontario, or in such other place as the Participants shall agree upon in writing. The arbitration shall be conducted in English unless otherwise agreed by such Participants and the arbitrator. Subject to any adjournments which the arbitrator allows, the final hearing will be continued on successive Business Days until it is concluded.

(b) All meetings and hearings will be in private unless the Participants otherwise agree.

(c) Any Participant may be represented at any meetings or hearings by legal counsel.

(d) Each Participant may examine, cross-examine and re-examine all witnesses at the arbitration.

16.5 The Decision

(a) The arbitrator will make a decision in writing and, unless the Participants otherwise agree, will set out reasons for the decision in the decision.

(b) The arbitrator will send the decision to the Participants as soon as practicable after the conclusion of the final hearing, but in any event no later than **[thirty (30) days]** thereafter, unless that time period is extended for a fixed period by the arbitrator on written notice to each Participant because of illness or other cause beyond the arbitrator's control.

(c) The decision shall award to the prevailing Participant its costs and lawyer's fees on a solicitor/client basis, unless the arbitrator determines that each Participant should bear its own costs and share the common costs of arbitration.

(d) The arbitrator's decision shall be final and binding on the Participants and shall not be subject to any appeal or review procedure provided that the arbitrator has followed the provisions of this Article 16 in good faith. In the event either Participant initiates any court proceeding in respect of the decision of the arbitrator or the Dispute arbitrated, such Participant, if unsuccessful in the court proceeding, shall pay the other Participant's costs on a solicitor/client basis, all reasonable expenses incurred by such other Participant and related to such court proceeding.

16.6 Jurisdiction and Powers of the Arbitrator

(a) By submitting to arbitration under these rules, the Participants shall be taken to have conferred on the arbitrator the following jurisdiction and powers, to be exercised at the arbitrator's discretion subject only to the provisions of this Article 16 and the Arbitrations Act with the object of ensuring the just, expeditious, economical and final determination of the Dispute.

(b) Without limiting the jurisdiction of the arbitrator at law or in equity, the Participants agree that the arbitrator shall have jurisdiction to:

(i) determine any question of law arising in the arbitration;

(ii) determine any question as to the arbitrator's jurisdiction;

(iii) determine any question of good faith, dishonesty or fraud arising in the dispute;

(iv) order any Participant to furnish further details of that Participant's case, in fact or in law;

(v) proceed in the arbitration notwithstanding the failure or refusal of any Participant to comply with this Article 16 or with the arbitrator's orders or directions, or to attend any meeting or hearing, but only after giving that Participant written notice that the arbitrator intends to do so;

(vi) receive and take into account such written or oral evidence tendered by the Participants as the arbitrator determines is relevant, whether or not strictly admissible in law;

(vii) make one or more interim awards;

(viii) hold meetings and hearings, and make a decision (including a final decision) in Toronto, Ontario or elsewhere with the concurrence of the Participants thereto;

(ix) order the Participants to produce to the arbitrator, and to each other for inspection, and to supply copies of, any documents or other evidence or classes of documents in their possession or power which the arbitrator determines to be relevant; and

(x) make interim orders to secure all or part of any amount in dispute in the arbitration.

16.7 Effect of Arbitration Ruling

Any judgment upon the award rendered by the arbitrator shall be final and binding on the Participants and may be entered by any court having jurisdiction thereof.

17. FORCE MAJEURE

17.1 Force Majeure

Time shall be of the essence of this Agreement, provided however that notwithstanding anything to the contrary contained herein, if either Participant should at any time or times during the currency of this Agreement be delayed in or prevented from complying with this Agreement by reason of wars, acts of God, strike, lockouts or other labour disputes, inability to access its place of business or the Property (other than the inability to access the Property because of the seasonality of weather conditions for which a Participant as Operator has not properly or adequately planned), acts of public insurrection, riots, fire, storm, flood, explosion, government restriction, failure to obtain any approvals required from any Governmental Authority having jurisdiction (but only in the circumstances where the Operator has filed timely and complete applications for approval from such Governmental Authorities having jurisdiction), including environmental protection agencies, interference of persons primarily concerned about

environmental issues or aboriginal rights issues or by aboriginal or aboriginal rights groups, or other causes whether of the kind enumerated above or otherwise which are not reasonably within the control of the applicable Participant, including but not limited to the inability to obtain the required Aboriginal Consent to proceed with development and mining of the Property, but excluding for greater certainty, unavailability of funds, or changes in economic markets or changes in Laws, the period of all such delays resulting from such causes or any of them, shall be excluded in computing the time within which anything required or permitted by the applicable Participant to be done, is to be done hereunder, and the time within which anything is to be done hereunder shall be extended by the total period of all such delays. Nothing contained in this Article 17 shall require the applicable Participant to settle any labour dispute or to test the constitutionality of any enacted Law. In the event that any Participant asserts that an event of force majeure has occurred, it shall give notice in writing to the other Participant specifying the following:

(a) the cause and nature of the alleged event of force majeure;

(b) a summary of the actions it or its Agents have taken to the date of such notice to correct the alleged event of force majeure;

(c) confirmation as to all acts, actions and things done by it or its Agents to terminate the event of force majeure; and

(d) the reasonably expected duration of the period of force majeure.

Any Participant asserting an event of force majeure shall provide ongoing periodic notice in writing to the other Participant with respect to such events of force majeure, including the matters set out above, within **[fifteen (15) days]** of the end of each calendar month during the period of force majeure and shall provide prompt notice in writing to the other Participant upon the termination of the event of force majeure.

18. CONFIDENTIALITY

18.1 Business Information

All Business Information shall be owned jointly by the Participants. Both before and after the termination of the Joint Venture, all Business Information may be used by either Participant for any purpose, whether or not competitive with the business of the Joint Venture, without consulting with, or obligation to, the other Participant. Except as provided in Sections 18.3 and 18.4, or with the prior written consent of the other Participant, each Participant shall keep confidential and not disclose to any third party or the public any portion of the Business Information that constitutes Confidential Information.

18.2 Participant Information

In performing its obligations under this Agreement, neither Participant shall be obligated to disclose any Participant Information. If a Participant elects to disclose Participant Information in performing its obligations under this Agreement, such Participant Information, together with all improvements, enhancements, refinements and incremental additions to such Participant Information that are developed, conceived, originated or obtained by either Participant in performing its obligations under this Agreement ("**Enhancements**"), shall be owned exclusively by the Participant that originally developed, conceived, originated or obtained such Participant Information. Each Participant may use and enjoy the benefits of such Participant Information and Enhancements in the conduct of the Business hereunder, but the Participant that did not originally develop, conceive, originate or obtain such Participant Information may not use such Participant Information and Enhancements for any other purpose. Except as provided in Sections 18.3 and 18.4, or with the prior written consent of the other Participant, which consent may be withheld in such Participant's sole discretion, each Participant shall keep confidential and not disclose to any third party or the public any portion of Participant Information or Enhancements owned by the other Participant that constitutes Confidential Information.

18.3 Permitted Disclosure of Confidential Business Information

Either Participant may disclose Business Information (or, in the case of KWG, as contemplated in (d) below, Participant Information of Bold that is related to the Property) that is Confidential Information:

(a) to a Participant's officers, directors, partners, members, employees, Affiliates, shareholders, agents, attorneys, accountants, consultants, contractors, subcontractors or advisors, who have a bona fide need to know the Confidential Information;

(b) to any party to whom the disclosing Participant contemplates a Transfer of all or any part of its Participating Interest, for the sole purpose of evaluating the proposed Transfer;

(c) to any actual or potential lender, underwriter or investor for the sole purpose of evaluating whether to make a loan to or investment in the disclosing Participant; or

(d) to a third party with whom the disclosing Participant contemplates any independent business activity or operation, including, in the case of Bold, to Dundee pursuant to the Bold/Dundee Agreement.

The Participant disclosing Confidential Information pursuant to this Section 18.3, shall disclose such Confidential Information to only those parties who have a bona fide need to have access to such Confidential Information for the purpose for which disclosure to such parties is permitted under this Section 18.3 and provided that those parties to whom disclosure is to be

made under Sections 18.3(b), 18.3(c) or 18.3(d) have agreed in a writing supplied to, and enforceable by, the other Participant to protect the Confidential Information from further disclosure, to use such Confidential Information solely for such purpose and to otherwise be bound by the provisions of this Article 18. Such writing shall not preclude parties described in Section 18.3(b) from discussing and completing a Transfer with the other Participant. The Participant disclosing Confidential Information shall be responsible and liable for any use or disclosure of the Confidential Information by such parties in violation of this Agreement and such other writing. On request, the disclosing Participant shall notify the other Participant of the identity of each of the Agents to whom any Confidential Information has been delivered or disclosed.

18.4 Disclosure Required By Law

Notwithstanding anything contained in this Article 18, a Participant may disclose any Confidential Information if, in the opinion of the disclosing Participant's legal counsel:

(a) such disclosure is legally required to be made in a judicial, administrative or governmental proceeding pursuant to a valid subpoena or other applicable order; or

(b) such disclosure is legally required to be made pursuant to the rules or regulations of a stock exchange or similar trading market applicable to the disclosing Participant.

Prior to any disclosure of Confidential Information under this Section 18.4, the disclosing Participant shall give the other Participant at least **[two (2) Business Days]** prior written notice (unless less time is permitted by such rules, regulations or proceeding) and shall not make such disclosure without the consent of the other Participant, which consent shall not be unreasonably delayed, withheld, or conditioned. The disclosing Participant shall disclose only that portion of Confidential Information required to be disclosed and shall take all reasonable steps to preserve the confidentiality thereof, including, without limitation, obtaining protective orders and supporting the other Participant in intervention in any such proceeding.

18.5 Public Announcements

A Participant shall not make or issue any press release or other public announcement or disclosure of Business Information or Confidential Information without first giving the other Participant at least **[two (2) Business Days]** prior written notice as to the content and timing of such announcement or disclosure and without the consent of the other Participant, which consent shall not be unreasonably delayed, withheld, or conditioned, unless in the good faith judgment of such Participant, there is not sufficient time to consult with the other Participant before such announcement or disclosure must be made under applicable Laws; but in such event, the disclosing Participant shall notify the other Participant as soon as possible of the pendency of such announcement or disclosure, and it shall notify the other Participant before such announcement or disclosure is made if at all reasonably possible.

18.6 Return of Confidential Participant Information

Each Participant agrees that upon written request by the other Participant it will:

(a) promptly return, within **[five (5) Business Days]** of receipt of such request, all Confidential Information belonging to the requesting Participant and any and all Enhancements and copies thereof to the requesting Participant and shall require each of its Agents to do likewise; and

(b) certify in writing that it and its Agents have permanently deleted any Confidential Information stored by it in a computer or electronic retrieval system so that it is incapable of retrieval.

18.7 Remedies

The Participants acknowledges that Confidential Information is proprietary and confidential and that the Participants and the Joint Venture will be irreparably damaged if any of the provisions contained in this Article 18 are breached. Each Participant agrees that, without prejudice to any other remedy they may have, the other Participant and the Operator shall have the right to an immediate injunction or other available equitable relief in any court of competent jurisdiction, enjoining any breach or threatened breach of these provisions by the Participant or its Agents.

19. INDEMNIFICATION

19.1 Indemnification by the Participants

From and after the Effective Date, all Liabilities with respect to the Property or arising out of or related to ownership of the Property or out of or related to Operations shall be obligations of the Participants to be shared in accordance with the terms of this Agreement in proportion to their respective Participating Interests and each Participant hereby indemnifies the other Party and the Operator (including their respective officers, directors and employees) and agrees to save such Persons harmless in respect of such proportionate share of Liabilities, other than as caused by the wilful misconduct or negligence of such indemnified Persons.

19.2 Indemnification by the Operator

The Operator shall indemnify the Participants for all Liabilities caused by the Operator or its Agents arising out of the wilful misconduct or negligence of the Operator or its Agents.

20. EVENT OF DEFAULT OF PARTICIPANT

20.1 Event of Default

The occurrence with respect to any Participant of any one or more of the following shall constitute an Event of Default.:

(a) The failure of a Participant to comply with a material obligation of this Agreement, which failure is not remedied within **[thirty (30) days]** of notice by the other Participant.

(b) If the whole or any material part of the Participating Interest of the Participant shall be the subject of a lien, charge or attachment other than in accordance with the terms of this Agreement and such lien, charge or attachment shall not have been discharged within **[sixty (60) days]** thereafter.

(c) A Participant has committed an act of bankruptcy, is insolvent, has proposed a compromising arrangement to its creditors generally, or is otherwise unable to perform its obligations as they come due, has had any petition for a receiving order in bankruptcy filed against it, has made a voluntary assignment in bankruptcy, has taken any proceedings with respect to a compromise or arrangement, has taken any proceeding to have itself declared bankrupt or wound-up, has taken any proceeding to have a receiver appointed in respect of any part of its assets, has had any encumbrancer take possession of any of its property or has had any execution or distress become enforceable or become levied upon any of its property.

20.2 Additional Remedies

In the event of the occurrence with respect to any Participant of an Event of Default, each non-defaulting Participant, without prejudice to any other remedy it may have, shall have the right to pursue any remedy available at law or in equity, it being acknowledged by each of the Participants that specific performance, injunctive relief (mandatory or otherwise) or other equitable relief may be the only adequate remedy for a default.

21. NOTICE

21.1 Notices

All notices, requests, demands or other communications which by the terms hereof are permitted to be given by either Party to the other shall be given in writing by personal delivery or by fax, addressed to such other Party or delivered to such other Party as follows:

to Bold at:

Suite 1000
15 Toronto Street
Toronto, ON M5C 2E3

Attention: President
Facsimile: (416) 864-1443

to KWG at:

Suite 400
141 Adelaide Street West
Toronto ON M5H 3L5

Attention: President
Facsimile: (416) 644-0592

or at such other addresses and to such other Person that may be given by any of them to the others in writing from time to time on **[five (5) days']** prior written notice and such notices, requests, demands or other communications shall be deemed to have been received when delivered.

22. MISCELLANEOUS - GENERAL

22.1 Survival

The following clauses shall survive termination of this Agreement: Sections 6.1, 6.2, 6.4, 7.8, 14.3, 14.4, 14.5, 14.6 and Articles 16, 18, 19, 20 and 22.

22.2 Severability

Any provision of this Agreement which is invalid or unenforceable shall not affect any other provision and shall be deemed to be severable herefrom.

22.3 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in such province.

22.4 Further Assurances

The Participants shall sign such further and other documents and do such further acts or things as may be reasonably within their control as may be necessary or desirable in order to give full force and effect to this Agreement and every part hereof.

22.5 Amendment

This Agreement may not be amended or modified in any respect except by written instrument signed by the Participants.

22.6 Entire Agreement

This Agreement, including its attachments, and the Bold/KWG Option Agreement, constitute the entire agreement between the Participants with respect to the subject matter hereof and subject as otherwise set out herein, supersedes all previous arrangements, correspondence, representations, proposals, undertakings and communications whether written or oral and there are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory other than those expressly contained herein. The execution of this Agreement has not been induced by nor do the Participants rely upon or regard as material, any covenants, representations or warranties whatsoever not incorporated herein and made a part hereof.

22.7 Waiver

A waiver of any breach of a provision of this Agreement shall not be binding upon a Party unless the waiver is in writing and such waiver shall not affect such Party's rights in respect of any subsequent or other breach.

22.8 Enurement

This Agreement shall enure to the benefit of and be binding upon the Participants and each of their successors and permitted assigns, but no other Person.

22.9 Counterparts

This Agreement may be executed and delivered in two (2) or more counterparts by original or facsimile or electronic signature, each of which so executed shall be deemed to be an original and all such counterparts together shall be deemed to constitute one and the same document.

22.10 Language

The Parties confirm that it is their wish that this Agreement, as well as any other documents relating to this Agreement, including notices, schedules and authorizations, have been and shall be drawn up in the English language only. Les signataires conferment leur volonte que presente convention, de meme que tons les documents s'y rattachant, y compris tout avis, annexe et autorisation, soient rediges en anglais seulement.

IN WITNESS WHEREOF the Participants have executed these presents as of the Effective Date.

KWG RESOURCES INC.

Per: _____
Name:
Title:

BOLD VENTURES INC.

Per: _____
Name:
Title:

SCHEDULE "A" TO JV AGREEMENT

DESCRIPTION OF PROPERTY

Township/Area	Claim Number	Units	Recorded Date	Expiry Date
BMA 527 862 (G-5130)	3012254	16	April 22, 2003	April 22, 2015
BMA 527 862 (G-5130)	3012255	16	April 22, 2003	April 22, 2015
BMA 526 862 (G-5130)	3012257	16	April 22, 2003	April 22, 2015
BMA 526 862 (G-5130)	3012258	16	April 22, 2003	April 22, 2015

All in the Porcupine Mining Division

SCHEDULE "B" TO JV AGREEMENT

ACCOUNTING PROCEDURE

SECTION I. GENERAL PROVISIONS

1. **Definitions**

(i) "**Administrative Charge**" means the overhead and general administrative expenses payable to the Operator under Section II, Paragraph 4.

(ii) "**Agreement**" shall mean the Joint Joint Venture Agreement to which this Accounting Procedure is attached as **Schedule "B"**.

(iii) "**Allowable Costs**" as used in Section II, Paragraph 4 below for a particular phase of Operations shall mean all direct charges to the account of the Joint Venture as provided by Section II, excluding: (i) the Administrative Charge referred to in Section II, Paragraph 4; (ii) depreciation, depletion or amortization of tangible or intangible Assets; and (iii) amounts charged in accordance with Section II, Paragraphs 2, 9 and 10.

(iv) "**Field Office**" means any necessary office in each place where Work is being performed on or solely in relation to the Property.

(v) "**Joint Account**" means the account for Operations established by the Operator under Section I, Paragraph 2 to account for all Expenditures made in respect of Operations for the Joint Venture.

(vi) "**Material**" shall mean personal property, equipment or supplies acquired or held for use in Operations.

(vii) "**Section**" and "**Paragraph**" followed by a number shall mean and refer to the specified Section or the Paragraph of the specified Section of this Schedule.

All other terms defined in the Agreement and used herein shall, unless otherwise defined herein, have the same meaning ascribed thereto in the Agreement.

2. **General Accounting Records**

The Operator shall maintain detailed and comprehensive cost accounting records in accordance with the requirements of the laws of Canada and in accordance with this Accounting Procedure and Canadian generally accepted accounting principles or IFRS (as applicable), including general ledgers, supporting and subsidiary journals, invoices, cheques and other customary documentation sufficient to provide a record of revenues and expenditures and periodic statements of financial position and the results of operations for Operator, tax, regulatory or other financial reporting purposes. Such records shall be retained for the longer of the duration of the period allowed the Participants for audit or the period necessary to comply with tax or other regulatory requirements. The records shall include Equity Accounts for each Participant which

shall reflect all obligations, advances and credits of the Participants in accordance with their Participating Interests as contemplated in the Agreement.

3. **Reporting**

The Operator shall provide, not later than **[sixty (60) days]** after the end of each accounting year of the Joint Venture all financial statements, reports and other information required by Participants to complete their accounting procedures. As part of the annual audit of the financial statements of the Operator, the auditor for the Operator shall review the receipts and disbursements of the Joint Account and provide a comfort letter or such other assurance as the auditor for the Operator is able to provide with respect to the reporting provided by the Operator under this section, it being expressly understood that the audit of the Operator is completed on a consolidated basis and the auditor for the Operator will not be required to do a separate audit of the Joint Account as if it were a separate legal entity.

4. **Bank Accounts**

The Operator shall maintain one or more separate bank accounts for the payment of all expenses and the deposit of all cash receipts in respect of Operations.

5. **Conflict with Agreement**

In the event of a conflict between the provisions of this Accounting Procedure and the provisions of the Agreement, the provisions of the Agreement shall govern.

6. **Statements and Invoices**

The Operator shall invoice each Participant for its proportionate share of Expenditures in accordance with the terms of the Agreement in respect of a Program in which such Participant has agreed to participate in accordance with the terms of the Agreement. Such invoices will be accompanied by complete and accurate statements reflecting all charges and credits summarized by appropriate classifications indicative of the nature thereof. Expenditures for all tangible and intangible assets and any unusual charges shall be detailed. If the Operator does not request a Participant to pay its share of estimated Expenditures in advance, the Participant shall pay its share of actual Expenditures within **[twenty (20) days]** following receipt of a Operator's invoice related thereto.

7. **Adjustments**

Payments of invoices shall not prejudice the rights of a Participant to protest or question the correctness thereof; provided, however, all invoices and statements rendered to a Participant by the Operator during any accounting year shall conclusively be presumed to be true and correct after **[twenty-four (24) months]** following the end of such accounting year, unless within the said **[twenty-four (24) month]** period a Participant takes written exception thereto and makes a claim on the Operator for adjustment. No adjustment favourable to the Operator shall be made unless a claim is made within the same prescribed period. The provisions of this paragraph shall not prevent adjustments resulting from a physical inventory of the Material purchased for Operations.

8. **Review of Accounts**

(i) A Participant, upon reasonable notice to the Operator, shall have access and the right, at its sole expense, to audit all records relating to the accounting and Operations hereunder, including any records originating from an Affiliate or other offices of the Operator for any accounting year of the Joint Venture or portion thereof, within the **[twenty-four (24) month]** period following the end of such accounting year.

(ii) The Operator's verification of contractors' invoices shall not be construed as constituting a bona fide audit of contractors' records of original entry. In the event that an audit of contractors' records of original entry is deemed necessary by the Operator or by a Participant, the cost of such audit shall be charged to the Joint Account.

SECTION II. DIRECT CHARGES

Subject to limitations hereinafter prescribed, the Operator shall charge the Joint Account for all costs necessary to conduct Operations as follows:

1. **District and Camp Expense (Field Supervision and Camp Expenses)**

A pro rata portion of (i) the salaries and expenses of the Operator's superintendent and other employees serving Operations whose time is not allocated directly to such Operations, and (ii) the costs of maintaining and operating an office (herein called "the **Operator's Project Office**"). Such charges shall be apportioned to the Joint Account on the basis of the Operator's best estimate of the proportionate amount such expenses are incurred for the benefit of the Joint Venture.

2. **Rentals and Royalties**

All fees, rent and royalties paid in respect of mining claims, exploration permits, Leases, licences, or other similar grants, forming part of the Property.

3. **Labour**

(i) Salaries and wages of all employees, including the Operator's employees, directly engaged on a full time basis in the conduct of the Operations, and a charge for the salaries or wages of employees who are temporarily assigned on a full time basis to and directly employed in the Operations in proportion to the time spent by such employees to provide such services. No costs will be charged to the Joint Venture for salaries and wages that relate to employment other than employment in the Operations.

(ii) All directly incurred and provable costs for employee benefits, including vacations, statutory holidays, sickness and disability benefits, group life insurance, hospitalization, pensions, dental, major medical and other benefit plans of a like nature and for mandatory payments to the local, provincial and federal

governments for worker's compensation, unemployment insurance, pension and any other similar charges that any government may impose on the Operator based on salary and wage costs. No costs shall be charged to the Joint Venture for benefits that relate to employment other than employment directly related to Operations.

4. **Administrative Charge**

Each month, the Operator shall charge the Joint Account a sum for each phase of Operations as provided below, which shall be a liquidated amount to reimburse the Operator and its Affiliates for its and their home office overhead and general and administrative expenses to conduct each phase of the Operations, and which shall be in lieu of any management fee:

(i) Exploration Phase – fifteen percent (15%) of Allowable Costs other than third party service contracts exceeding $100,000 for which the fee shall be ten percent (10%) of Allowable Costs. The "**Exploration Phase**" shall cover those activities conducted to ascertain the existence, location, extent or quantity of any deposit of ore or mineral. Such phase shall cease when a commercially recoverable reserve is determined to exist. Includes all work on a pre-Feasibility or Feasibility Study as approved by the Technical Committee;

(ii) Major Construction Phase – five percent (5%) of Allowable Costs. The "**Major Construction Phase**" means the period following the Exploration Phase and shall cover those activities conducted to access a commercially feasible orebody or to extend production of an existing orebody, and to construct or install related fixed assets, and shall include all activities involved in the construction of a mine, mill, smelter or other ore processing facilities.

(iii) Mining Phase – two and one-half percent (2.5%) of Allowable Costs. The "**Mining Phase**" means the period following the commencement of Commercial Production and shall include all other activities not otherwise covered above, including activities conducted after mining operations have ceased.

The following is a representative list of items that constitute the Operator's principal business office expenses that are expressly covered by the Administrative Charge provided above, except to the extent that such items are directly chargeable as direct costs under other provisions of this Section II:

(i) Administrative supervision, which includes all services rendered by Operators, department supervisors, officers and directors of the Operator for Operations;

(ii) Accounting, data processing, personnel administration, billing and record keeping in accordance with governmental regulations and the provisions of the Agreement, and preparation of reports;

(iii) The services of tax counsel and tax administration employees for all tax matters, including any protests, except any outside professional fees which the Technical Committee may approve as a direct charge to the Joint Account;

(iv) Routine legal services rendered by outside sources and the Operator's legal staff not otherwise charged as direct costs under Section II, Paragraph 9, including property acquisition, attorney management and oversight, and support services provided by Operator's legal staff concerning any litigation; and

(v) Rentals and other charges for office and records storage space, telephone service, office equipment and supplies.

5. **Material**

All Material shall be purchased, leased or furnished by the Operator for use in Operations. To the extent reasonably practical and consistent with efficient and economical operation, only such Material shall be purchased or leased for or transferred to the Operations as may be required for reasonably anticipated use. The Operator shall use reasonable commercial efforts to limit the accumulation of surplus stocks. Costs shall include costs of maintenance, repairs, other operating expenses, insurance and taxes.

6. **Transportation**

Reasonable transportation costs of Agents of the Operator (and the Agents of the other Participant as necessary for the conduct of Operations) and Material necessary for the conduct of Operations.

7. **Services**

(i) The cost of contract services and utilities procured from outside sources other than services covered by Section II, Paragraph 9. If contract services are performed by the Operator or an Affiliate thereof, the cost charged to the Joint Account shall not be greater than that for which comparable services and utilities are available in the open market within the vicinity of the Operations.

(ii) Use and service of equipment and facilities furnished by the Operator as provided in Section III.

8. **Damages and Losses to Assets**

All costs or expenses necessary for the repair or replacement of Assets made necessary because of damages or losses resulting from fire, flood, storm, theft, accident, or any other cause.

The Operator shall furnish the other Participant with written notice of damages or losses incurred forthwith after a report thereof has been received by the Operator.

9. **Legal Expenses**

Subject to the terms of the Agreement, all reasonable costs and expenses of handling, investigating, and settling litigation or claims arising in respect of the Operations, including but not limited to, independent counsel's fees, court costs, costs of investigation or procuring evidence and amounts paid in settlement or satisfaction of any such litigation or claims, provided that no settlement shall be entered into when the amount of such settlement exceeds Two

Hundred and Fifty Thousand dollars ($250,000) without the unanimous approval of the Technical Committee as set out in the Agreement.

10. **Taxes**

All taxes of every kind and nature assessed or levied upon or in connection with the Operations, which have been paid by or for the benefit of the Joint Venture. Each Participant is separately responsible for its income taxes.

11. **Insurance Premiums**

Premiums paid for insurance required to be carried in respect of the Operations as set out in the Agreement.

12. **Marketing Costs**

Any costs actually incurred in the sale of Products including, but not limited to, labour costs, as set out in Section II, Paragraph 3 of this Schedule, transportation, insuring sampling, assaying, impurity penalties and marketing fees, including such marketing fees as are contemplated by the Agreement.

13. **Audit**

The cost of any audits approved by the Technical Committee.

14. **Other Expenditures**

Any other expenditures not covered or dealt with in the foregoing provisions of this Section II and which are reasonably incurred by the Operator for the necessary and proper conduct of the Operations.

SECTION III. MATERIAL FURNISHED BY THE OPERATOR

1. **Purchase**

Material and equipment purchased and services procured shall be charged at the price paid by the Operator after deduction of all discounts actually received.

2. **Material Furnished by the Operator**

Material required for Operations shall be purchased for direct charge to the Joint Account whenever practicable, except that the Operator may furnish such Material from the Operator's own stocks under the following conditions:

(i) New Material (Condition "A"). New Material transferred from the Operator's own warehouse or other properties shall be priced f.o.b. the nearest reputable supply store or railway receiving point, where such Material is available, at current replacement cost of the same kind of Material.

(ii) Used Material (Conditions "B" and "C").

(I) Material which is in sound and serviceable condition and suitable for reuse without reconditioning shall be classed as Condition "B" and priced at seventy-five percent (75%) of new price.

(II) Material which cannot be classified as Condition "B" but which:

(a) after reconditioning will be further serviceable for its original function as good second-hand Material (Condition "B"); or

(b) is serviceable for its original function but is substantially not suitable for reconditioning,

shall be classified as Condition "C" and priced at fifty percent (50%) of new price.

(III) Material which cannot be classified as Condition "B" or Condition "C" shall be priced at a value commensurate with its use or at prevailing prices.

(iii) Material Furnished by the Operator when not Readily Available - when Material or supplies are not readily available from reputable sources, the Operator may furnish such material from its stock or properties at its nearest available supply and charge the Operator's full cost of same to the Joint Account including, without limitation, purchase price, procurement, warehousing, handling, transportation and all other costs incurred in connection therewith up to the time of delivery to the Property.

(iv) Material Over Two Hundred and Fifty Thousand dollars ($250,000) - the Operator shall obtain two quotes in advance in respect of any Material and equipment purchased, other than New Material, or services procured at a price over Two Hundred and Fifty Thousand dollars ($250,000) (calculated on an aggregate basis in respect of all Material or services procured in any one transaction) and shall make such quotes available for review to the non-Operator Participant. The non-Operator Participant shall be entitled to appoint a third party evaluator when Used Material over Two Hundred and Fifty Thousand dollars ($250,000) is furnished by the Operator.

3. **Premium Prices**

Whenever Material is not readily obtainable at the customary supply point or at prices specified in Section III, Paragraphs 1 and 2 because of causes over which the Operator has no control, the Operator may charge the Joint Account for the required Material on the basis of the Operator's direct cost and expense incurred in procuring such Material, in making it suitable for use, and in moving it to the required location, provided, however, that notice in writing is furnished to the Participants of the proposed charge prior to invoicing the Participants for such Material, whereupon the Participants shall have the right, by so electing and notifying the Operator, within **[fifteen (15) days]** after receiving such notice from the Operator, to furnish in kind, all or part of its share of such Material which shall be reasonably suitable for use and acceptable to the

Operator. Transportation costs on such Material furnished by a Participant, at any point other than at the required location, shall be borne by the Participant. If a Participant furnishes Material pursuant to the provisions of this paragraph, the Operator shall make appropriate credits therefore to the account of such Participant.

4. **Warranty of Material Furnished by the Operator**

The Operator does not warrant the Material furnished beyond the dealer's or manufacturer's guarantee; and in case of defective Material, credit shall not be passed until adjustment has been received by the Operator from the manufacturers or their agents.

SECTION IV. DISPOSAL OF EQUIPMENT AND MATERIAL

1. **Disposition of Surplus Material**

The Operator shall be under no obligation to purchase surplus, new or second-hand Material. The disposition of items with a replacement value in excess of Two Hundred and Fifty Thousand dollars ($250,000) of surplus Material shall be subject to the unanimous approval of the Technical Committee; provided that the Operator shall dispose of normal accumulations of junk and scrap Material either by transfer or sale from the Property. Proceeds of such sale shall be credited to the Joint Account.

2. **Material Purchased by the Operator or a Participant**

Material purchased by either the Operator or a Participant shall be credited by the Operator to the Joint Account at an amount equal to the reasonable fair market value thereof for the month in which the Material is removed by the purchaser.

3. **Sales to Participants or to Third Parties**

Sales to Participants or third parties of Material from the Operations shall be credited by the Operator to the Joint Account at the net amount collected by the Operator from such purchaser. All sales to Participants or third parties of Material from Operations in excess of Two Hundred and Fifty Thousand dollars ($250,000) (calculated on an aggregate basis in respect of all Material or services procured in any one transaction) shall require prior unanimous approval of the Technical Committee. Any claims by a purchaser for defective Material or otherwise shall be charged back to the Joint Account if and when paid by the Operator.

SECTION V. INVENTORIES

1. **Inventories**

(i) At reasonable intervals and, in any event, at least once per accounting year of the Joint Venture, inventories shall be taken by the Operator, which shall include all such Material as is ordinarily considered controllable by Operators of mining properties and the expense of conducting such periodic inventories shall be charged to the Joint Account. The Operator shall give written notice to the Participants of its intent to take any inventory at least **[thirty (30) days]** before

such inventory is scheduled to take place. A Participant shall be deemed to have accepted the results of any inventory taken by the Operator if the Participant fails to be represented at such inventory.

(ii) Reconciliation of the inventory with charges to the Joint Account shall be made, and a list of overages and shortages shall be furnished to the Participants within **[one (1) month]** after the inventory is taken. Inventory adjustments shall be made by the Operator to the accounting records for overages and shortages, but the Operator shall be held accountable only for shortages due to lack of reasonable diligence.

SECTION VI. CREDITS

1. The Operator will credit the Joint Account with revenues received by the Operator as such including, for example:

(i) collection of insurance proceeds related to Operations when the insurance premiums have been charged to the Joint Account;

(ii) sales of geologic or other information authorized by the Participants;

(iii) sales of property, plant, equipment and materials of Operations in the normal course of the day-to-day business;

(iv) rentals received, refunds of taxes, customs, duties or transportation claims, rebates, and other credits pertaining to Operations;

(v) credits received from third parties for the use of facilities or services of the Operations;

(vi) refunds for defective equipment when the Operator receives the corresponding payments from the manufacturers or agents; and

(vii) any other credits for materials recovery or from other sources which correspond to the Joint Account.

SCHEDULE "C" TO JV AGREEMENT

NET SMELTER RETURNS ROYALTY

SCHEDULE "C"

NET SMELTER RETURNS ROYALTY

1. If ore is mined from the Property and milled or concentrated by the Payor or its successors in interest, it shall pay to the Holder or its successors in interest a Royalty equal to two (2%) per cent of the net smelter returns realized, or deemed to be realized as hereinafter provided, from the sale or other disposition of concentrates derived from such ore. For the purposes hereof "net smelter returns" means the net amount paid by the smelter purchasing such concentrates, after deduction of the treatment charges, penalties and such other deductions made by the smelter from the full metal content of economically recoverable minerals contained in such concentrates and after deductions of insurance relating to the concentrate, assaying charges, including the costs of a referee, security costs and the transportation costs of delivering such concentrates from the concentrator to such smelter. In the event that such concentrates are sold to or further processed by the Payor or the Holder or any affiliate or associate (within the meaning of the Securities Act (Ontario), as amended from time to time) of either of them or their respective successors in interest, the net smelter returns realized shall be deemed to be equal to the fair market value of such concentrates F.O.B. the concentrator, which shall be determined by using the prices and terms quoted by the smelter closest to the mine dealing at arm's length with the Payor and the Holder and their respective successors in interest, making due allowances for the cost of delivering such concentrates from the concentrator to such smelter. In the event that ore mined from the Property is sold, as such, to the Holder or to a purchaser not dealing at arm's length with the Payor or to their respective successors in interest, the net smelter returns realized shall be deemed to be equal to the gross metal value of economically recoverable minerals contained in such ore after deduction of the cost of delivering such ore from the minehead to the said purchaser.

2. Payments of the net smelter returns royalty shall be made at least quarterly within thirty (30) days after the calendar quarter for which the Royalty is payable and shall be accompanied by reasonable details concerning the basis on which it was computed. The amount of any quarterly Royalty may be estimated. Payment for the last quarter of the calendar year shall be subject to adjustment, further payments or repayments of Royalty as the case may be by the party affected. The statement of net smelter returns royalty for the calendar year shall be audited at the expense of the Payor or its successors in interest within ninety (90) days of the calendar year end by a firm of chartered accountants, which may be a firm used otherwise by the Payor or its successors in interest. The Holder or its successors in interest shall have ninety (90) days after receipt of the audited statement for the calendar year to object thereto, and failing such objection the audited

statement shall be final. In the event any objections so raised by the Holder or its successors in interest cannot be amicably resolved within sixty (60) days, they shall have the right to conduct, at their expense, an independent audit by another firm of chartered accountants, which may be a firm used otherwise by them, and if any objections remain after such audit has been conducted, the matter in dispute shall be submitted to arbitration, as provided for in this Schedule. Any payments or repayments or Royalty required by any final audit shall be made immediately by the party affected.

3. Any dispute concerning the calculation of the net smelter returns royalty payable herein shall be finally settled by arbitration in accordance with the provisions of Article 16 of the Agreement.

4. The Holder shall have the right, at any time and from time to time, to assign, transfer, convey, mortgage, pledge or charge any portion or all of the Royalty subject to:

   (i) the execution by any such transferee, assignee, mortgagee or pledgee (a "Royalty Transferee") of any securityholder or priority agreement as the Payor may reasonably require where more than one party has an interest in the Royalty or the execution of such acknowledgement as the Payor may reasonably require that the Royalty Transferee is bound by the terms of this Royalty; and

   (ii) subject to the Payor having the right of first refusal to acquire such interest pursuant to the terms of Article 15 of the Agreement as if such interest were an Offered Interest.

   The Payor covenants and agrees that it shall be bound by and shall perform, and that it will acknowledge in writing in favour of such assignee, transferee, mortgagee, pledgee or chargee that it is bound by and shall perform, the terms of this Royalty upon any such assignment, transfer, conveyance, mortgage, pledge or charge. Holder shall notify the Payor in writing of the completion of any such assignment, transfer or conveyance, confirming the identity of such transferee and the new address for notice to such transferee.

5. The Payor shall be entitled to assign, sell, transfer, lease, mortgage, charge or otherwise encumber the Property or the Products or the proceeds thereof and its rights and obligations pursuant to the Royalty, provided the following conditions are satisfied, and upon such conditions being satisfied in respect of any such assignment, sale or transfer only (but not in respect of any such lease, mortgage, charge or other encumbrance), and subject to the provision of section 6 below, the Payor shall be released from all obligations under the Royalty:

   (i) any purchaser, transferee, lessee or assignee of such Property agrees in advance in writing in favour of Holder to be bound by the terms of this Royalty including, without limitation, this section 5;

(ii) any purchaser, transferee, leasee or assignee of the obligations of this Royalty has simultaneously acquired the Payor's right, title and interest in and to such Property;

(iii) any mortgagee, chargee, lessee, assignee or encumbrancer of such Property agrees in advance in writing in favour of the Holder to be bound by and subject to the terms of this Royalty in the event it takes possession of or forecloses on all or part of such Property and acknowledges that Holder shall be entitled to receive the Royalty payments to which it is entitled hereunder in priority to any payments to such mortgagee, chargee, lessee, assignee or encumbrancer and undertakes to obtain an agreement in writing in favour of the Holder from any subsequent purchaser, lessee, assignee or transferee of such mortgagee, chargeholder, lessee or encumbrancer that such subsequent purchaser, lessee, assignee or transferee will be bound by the terms of this Royalty including, without limitation, this section 5; and

(iv) any royalty or other similar interest in or to such Property, or in and to any Products, granted by the Payor after the date hereof, shall contain a term to the effect that no payment thereof, in cash or in product in kind, shall be made until the Royalty hereunder has been paid in full for the relevant time period in accordance with the terms of this Royalty.

6. Any assignment, transfer, conveyance, mortgage, pledge or charge or lease or purported assignment, transfer, conveyance, mortgage, pledge or charge or lease of any interest in the Property by the Payor, or in, to or arising under this Royalty by the Payor or the Holder, which does not comply with the terms of this Royalty shall be null and void and of no force or effect whatsoever. Notwithstanding any other provision in this Royalty, including the provisions of section 5 of this Royalty, the Payor shall remain liable for all covenants, agreements, obligations, representations and warranties of the Payor contained in this Royalty, despite any assignment, transfer, conveyance, mortgage, pledge, charge or lease of any interest in the Property by the Payor (or an Affiliate of the Payor), or in, to or arising under this Royalty, to any Affiliate of the Payor, during the period prior to the date upon which the transfer occurs.

7. Subject to sections 5 and 6, this Royalty shall enure to the benefit of and be binding upon the Parties and their respective successors and assigns, but no other Person.

SCHEDULE "D" TO JV AGREEMENT

Nemis NSR

RICHARD NEMIS
53 Yonge Street, Suite 200
Toronto, Ontario M5E 1J3
Telephone (416) 864-1456 Telefax (416) 367-5444
email efinlay@sympatico.ca

June 17, 2003

Fancamp Exploration Ltd.
340 Victoria Avenue,
Montreal, Quebec,
H3Z 2M8

Dear Sirs:

Re: Richard Nemis ("Trustee") hereinafter referred to as the "Vendor" and Fancamp Exploration Ltd. hereinafter referred to as "Purchaser"
4 Units Porcupine Mining Division

Further to our discussions, this letter will confirm and document a proposal made with respect to the sale of mineral interests (4 units) located in the Porcupine Mining Division as more particularly set out in Schedule "A", attached and hereinafter referred to as the "Property".

In this letter agreement, Richard Nemis ("Trustee") will be referred to as the "Vendor" and Fancamp Exploration Ltd., will be referred to as the "Purchaser".

The Terms of our agreement are as follows:

1. The Vendor represents and warrants to the Purchaser that:

   (a) The Property is properly and accurately described in Schedule "A" hereto and registered to the Vendor;
   (b) To the best of the Vendor's knowledge, information and belief, each of the mining units comprising the Property have been properly staked, tagged and recorded under laws of the Province of Ontario;
   (c) The Vendor has the full right and authority to enter into this agreement;
   (d) There are no adverse interests or other agreements affecting the Property;
   (e) The Property is free and clear of all liens and encumbrances, recorded or unrecorded , save and except for a 2% NSR over the property as set out herein;
   (f) There are no outstanding or pending actions, suits or claims affecting all or any part of the Property; and

2. The Vendor does by the execution hereof grant to the Purchaser the right to acquire the Property subject to the terms and conditions hereinafter set forth.

(a) The Vendor does by the execution hereof grant to the Purchaser the right to acquire a one hundred percent (100%) interest in the Property subject to the retention by the Vendor of a two percent (2%) net smelter return, and by paying to the Vendor or to whomsoever he may direct, the sum of $7200 Dollars in lawful money of Canada.

(b) The purchaser shall have the right to purchase from the Vendor a one percent (1%) Net Smelter Return Royalty, at any time prior to commencement of production from the claims, upon payment of One Million ($1,000,000) Dollars to the Vendor.

3. On the execution of this agreement, the Vendor shall deliver to the Purchaser, a duly executed Transfer of the claims in favour of the Purchaser.

4. The term "net smelter return" as used in this agreement shall mean the net proceeds realized from the sale to a bona fide purchaser in an arm's length transaction of minerals recovered from ore mined from the Property. The net proceeds shall be determined by deducting from the dollar value paid for the recovered minerals, the cost of smelting and refining the ore/or concentrates thereof, marketing and insurance charges, and transportation costs, including the costs of transporting the ore and/or concentrates thereof to the milling facilities and to the smelter or refinery.

If the foregoing is satisfactory to you, please so indicate by signing and returning the enclosed copy of this letter.

Richard Nemis (Trustee)

Fancamp Exploration Ltd., hereby accepts the terms and conditions as set out above are accepted.

Dated this 30 day of June, 2003.

Per: _____

SCHEDULE "A"

Schedule "A" to Letter Agreement dated June 17th 2003 between Richard Nemis Trustee and Fancamp Exploration Ltd.

McFaulds Lake area Porcupine Mining Division, Northern Ontario

Claim number	Units
3012254	16
3012255	16
3012257	16
3012258	16

CORPORATE AFFIDAVIT

I, PETER SMITH of Toronto, Ontario HEREBY MAKE OATH AND SAY AS FOLLOWS:

1. I am the President of Fancamp Exploration Ltd. (the "Company") and have a personal knowledge of the matters and things herein deposed to and have authority to make this Affidavit on behalf of the Company.
2. Fancamp Resources Ltd. entered into a Letter of Agreement with Richard Nemis In Trust dated June 17th, 2003 a true copy of which is attached hereto as Schedule "A" to this my Affidavit.
3. The signature Peter Smith affixed to the Letter of Agreement is the signature of the President of the Company and the signature is in the proper handwriting of me this deponent on behalf of the Company.
4. I am an authorized signing officer authorized to execute documents in the name and on behalf of Fancamp Exploration Ltd.

SWORN before me at the)
City of Montreal, Province of)
Quebec, this 15 day of)
December 2009.)

Peter Smith

Commissaire à l'Assermentation
France Duquette
120 338

E

Schedule "E"
ENCUMBRANCES

- the Nemis Royalty and the Gross Metal Royalty;
- the Summons annexed hereto as **Schedule "E1"**;
- the MNR Letter annexed hereto as **Schedule "E2"**; and
- the Cliffs Easement as reflected in Ministry of Northern Development and Mines ("MNDM") Document M1260.00128 annexed hereto as **Schedule "E3"** and MNDM Document M1260.00285 annexed hereto as **Schedule "D4"**.

Schedule "E1"

SUMMONS

SUMMONS
ASSIGNATION

ONTARIO COURT OF JUSTICE
COUR DE JUSTICE DE L'ONTARIO
PROVINCE OF ONTARIO
PROVINCE DE L'ONTARIO
Northwest / Nord-Ouest
(Region / *Région*)

Under Section 24 of the *Provincial Offences Act*
Aux termes de l'article 24 de la Loi sur les infractions provinciales

Form / *Formule* 106
Courts of Justice Act
Loi sur les tribunaux judiciaires
R.R.O. / *R.R.O.* 1990
O. Reg. / *Règl. de l'Ont.* 200

To / *À*
Peter H. Smith
340 Victoria Avenue, West Mount Quebec
of / *de(du)*
H3Z 2M8

Whereas you have been charged before me that you,
Attendu que vous avez été accusé(e) devant moi d'avoir

on or about the / *le ou vers le* 16 th day of / *jour de* December, 2010, to the 10th of March, yr. / *an* 2011 at / *à* Koper Lake area, Unorganized Territory, District of Kenora (Patricia Portion), Northwest Region

did commit the offence of / *commis l'infraction suivante*

did continue an activity, or cause an activity to be continued in contravention of a Stop Work Order dated December 16, 2010,

contrary to / *contrairement à* **Public Lands Act, R.S.O. 1990, Chapter P. 43 as amended** section / *article* **14(6)**

THEREFORE YOU ARE COMMANDED IN HER MAJESTY'S NAME TO APPEAR BEFORE THE ONTARIO COURT OF JUSTICE
À CES CAUSES, VOUS ÊTES SOMMÉ(E), AU NOM DE SA MAJESTÉ, DE COMPARAÎTRE DEVANT LA COUR DE JUSTICE DE L'ONTARIO

at / *à(au)* **299 East Street, Geraldton Ontario**

on the / *le* **27** day of / *jour de* **March**, 20 **12**, at / *à* **10:00 am** (time / *heure*) .m. / *h*

at / *à* **Centre Culturel (French Club)** (courtroom / *salle d'audience*)

and to appear thereafter as required by the court to be dealt with according to law.
et de comparaître par la suite selon les exigences du tribunal, afin d'être traité(e) selon la loi.

Issued at / *Délivrée à* **Municipality of Greenstone, Geraldton On.**

this / *ce* **14** day of / *jour de* **February**, 20 **12**

Judge or Justice of the Peace in and for the Province of Ontario
Juge ou juge de paix dans et pour la province de l'Ontario

NOTICE TO DEFENDANT

You may appear personally, or by agent or counsel.

If you do not appear:

a) the court may issue a warrant for your arrest, or
b) your trial may proceed in your absence and evidence be taken, and
c) if you are convicted, you could be sentenced in your absence, and
d) depending on the offence of which you have been convicted, you could be sentenced to jail and a warrant issued for your arrest.

If you do appear:

a) the trial may proceed; or
b) you, or the prosecutor, may ask the court to adjourn your case to another date. The court may grant or refuse such a request.

REMARQUE à la partie défenderesse :

Vous pouvez comparaître personnellement, par mandataire, ou par un avocat.

Si vous ne comparaissez pas :

a) le tribunal peut émettre un mandat d'arrestation à votre encontre,
b) votre procès peut se dérouler en votre absence et des témoignages entendus,
c) si vous êtes reconnu(e) coupable, votre peine pourrait être prononcée en votre absence,
d) selon l'infraction pour laquelle vous avez été condamné(e), vous pourriez recevoir une peine d'emprisonnement et un mandat d'arrestation pourrait être émis à votre encontre.

Si vous comparaissez :

a) le procès peut être tenu ; ou
b) vous pouvez, vous ou le poursuivant, demander au tribunal un ajournement. Le tribunal peut accorder ou refuser cette demande.

FOR INFORMATION ON ACCESS TO ONTARIO COURTS
FOR PERSONS WITH DISABILITIES, CALL
1-800-387-4456
TORONTO AREA 416-326-0111

POUR PLUS DE RENSEIGNEMENTS SUR L'ACCÈS DES PERSONNES HANDICAPÉES AUX TRIBUNAUX DE L'ONTARIO, COMPOSEZ LE
1 800 387-4456
RÉGION DE TORONTO 416-326-0111

SCHEDULE "E2"

MINISTRY OF NATURAL RESOURCES LETTER

Ministry of Natural Resources
Legal Services Branch

3rd floor, Room 3420
99 Wellesley Street West
Toronto ON M7A 1W3
Fax (416)314-2030

Ministère des Richesses naturelles
Division des services juridiques

3e étage, bureau 3420
99, rue Wellesley ouest
Toronto ON M7A 1W3
Téléc (416)314-2030

Ontario

Direct Line (416) 314-2007

Sent by Fax

Our File No. 939-12-2074

February 14, 2013

Re Kopar Lake Camp.

RE: R. v. Webequie Logistics Ltd. (Ont. Corp. No. 1778736), Clayton Downton, Samuel Lappage, Fancamp Exploration Ltd., Peter H. Smith

- **Charged under the *Public Lands Act*, R.S.O. 1990, c. P.43 and O.Reg. 453/96 under the *Public Lands Act***

The Crown is of the view that the circumstances of this case require rehabilitation of the site and fines.

Yours truly,

Demetrius Kappos
Crown Counsel
Legal Services Branch

SCHEDULE "E3"

MINISTRY OF NORTHERN DEVELOPMENT AND MINES DOCUMENT M1260.00128

M1260.00128

LAWSON LUNDELL

Toby Kruger
T: (604) 631-9285
F: (604) 669-1620
tkruger@lawsonlundell.com

May 5, 2012

BY EMAIL & DELIVERED

Provincial Mining Recorder
Ministry of Northern Development and Mines
B3-933 Ramsey Lake Road
Sudbury, ON P3E 6B5
lisette.prudhomme@ontario.ca

RECORDED
APR 30 2012
Receipt

Attention: Lisette Prud'homme

Dear Sirs and Mesdames:

Re: Consents Obtained for 2274659 Ontario Inc.'s Application for Disposition Under the *Public Lands Act* of Surface Rights

1600 Cathedral Place
925 West Georgia Street
Vancouver, British Columbia
Canada V6C 3L2
604 685 3456
604 669 1620
www.lawsonlundell.com
Vancouver
Calgary
Yellowknife

As you are aware from our previous correspondence, we are counsel to Cliffs Chromite Ontario Inc. ("**Cliffs**"). Cliffs, through its affiliate 2274659 Ontario Inc., has made an application (the "**Application**") for an easement under the *Public Lands Act* for a 100 metre-wide road corridor (the "**Road Corridor**") from Cliffs proposed Black Thor mine site in and around the McFaulds Lake area to a proposed transload facility located to the northwest of Cavell, Ontario and the existing Ontario road and rail network.

Cliffs has sought the consent of various unpatented mining claim holders along the Road Corridor with respect to the Application. Fancamp Exploration Ltd. ("**Fancamp**") has provided its consent. Copies of Cliffs' correspondence with Fancamp is enclosed.

We write pursuant to s. 51(2) of the *Mining Act* to request the mining recorder to make an entry of the consent on the record of the following mining claims held by Fancamp:

3012258	Fancamp Exploration Ltd. (100%)
3012255	Fancamp Exploration Ltd. (100%)
3012254	Fancamp Exploration Ltd. (100%)

If you have any questions or wish to discuss this matter further please contact the writer.

Yours very truly,

LAWSON LUNDELL LLP

Toby Kruger

Enc.

PROVINCIAL RECORDING OFFICE - SUDBURY
RECEIVED
MAY 08 2012
A.M. P.M.

Lawson Lundell LLP is a British Columbia Limited Liability Partnership

Cliffs Natural Resources
Cliffs Chromite Ontario Inc.
1159 Alloy Drive, Suite 200, Thunder Bay, ON P7B 6M8
P 807.346.0777 cliffsnaturalresources.com

April 6, 2012

Fancamp Exploration Ltd.
Peter Smith – President & Director
7290 Gray Avenue
Burnaby, B.C. V5J 3Z2

Re: Updated - Consent to Grant by Crown of Transportation Corridor Surface Rights

Dear Mr. Smith:

As you may know, Cliffs Natural Resources ("**Cliffs**") acquired the Black Thor chromite deposit, located in the McFaulds Lake or "Ring of Fire" area, by its acquisition of Cliffs Chromite Ontario Inc. (formerly, Freewest Resources Canada Inc.) ("**CCOI**") in 2010. Cliffs, through its affiliates, including CCOI, are proceeding with the development of a mine and on-site ore processing facility and anticipate transporting concentrate by truck from the proposed mine site south to the existing CN railway corridor for onward shipping to other production facilities and to world markets. In order to facilitate our operations, we are planning to build a road and related infrastructure from, in and around our proposed mine site, south to a proposed transload facility northwest of Cavell, Ontario (the "**Road**").

Cliffs has made application on behalf of its wholly owned subsidiary 2274659 Ontario Inc., to the Ministry of Natural Resources for the disposition of surface rights under the *Public Lands Act* (an easement) to 2274659 Ontario Inc. over the surface of a road corridor (the "**Road Corridor**") within which we propose to locate the Road. While it is our expectation that the Road will be located near to centreline of the Road Corridor, we recognize that it may be necessary to make adjustments to the location of the Road to lands located within the Road Corridor. Cliffs may also seek your separate consent in the future to any adjustments outside the Road Corridor to the extent that the relocated portion of the Road overlies any of your additional unpatented mining claims.

Fancamp Exploration Ltd. is currently the recorded holder of certain unpatented mining claims within the Road Corridor as depicted in Attachment A and as listed in Attachment B. We understand from the Ministry of Natural Resources that our request for an easement over the surface of the Road Corridor will be facilitated if those with mining claims in the area consent to the grant of such easement. As a result, Cliffs is writing on behalf of 2274659 Ontario Inc., to request Fancamp Exploration Ltd.'s consent to the granting of the proposed easement for the purposes of Section 51(2) of the *Mining Act*, in respect of all unpatented mining claims held by Fancamp Exploration Ltd. that the Road Corridor crosses.

We expect that the proposed easement is compatible with development of your mining claims but are prepared to discuss alternative locations for the easement if you do not share that view.

A summary of Cliffs Chromite Project (the "Project") can be found at http://www.cliffsnaturalresources.com/EN/aboutus/globaloperations/chromite/Pages/default.aspx.

We would be happy to discuss this matter with you and to provide you with any reasonable information you may need to satisfy yourself that the Road Corridor will not interfere with your plans to develop your

mining claims. Our point person in respect of this matter will be Gabe Johnson who can be reached at (906) 475-3637 and Gabriel.Johnson@CliffsNR.com.

As the Project is currently scheduled to begin operation in 2015, we are eager to proceed with development of the Road quickly. As a result, we would appreciate receiving your consent as contemplated in this letter as soon as possible.

If Fancamp Exploration Ltd. is willing to provide its consent as described in this letter, please have an authorized representative of your company sign below and return the original of this letter to this office, retaining a signed copy for your file.

Once accepted, this letter may be recorded by Cliffs in offices of public record in the Province of Ontario.

Best regards,

Jason Aagenes
Director, Environmental Affairs – Cliffs Ferroalloys

ACCEPTED and AGREED by:

Fancamp Exploration Ltd.

By: _____

Name: PETER H SMITH

Title: President

Date: 5/04/12

I have the authority to bind the corporation.

ACCEPTED and AGREED by:

Bold Ventures Inc.

By: _____

Name: _____

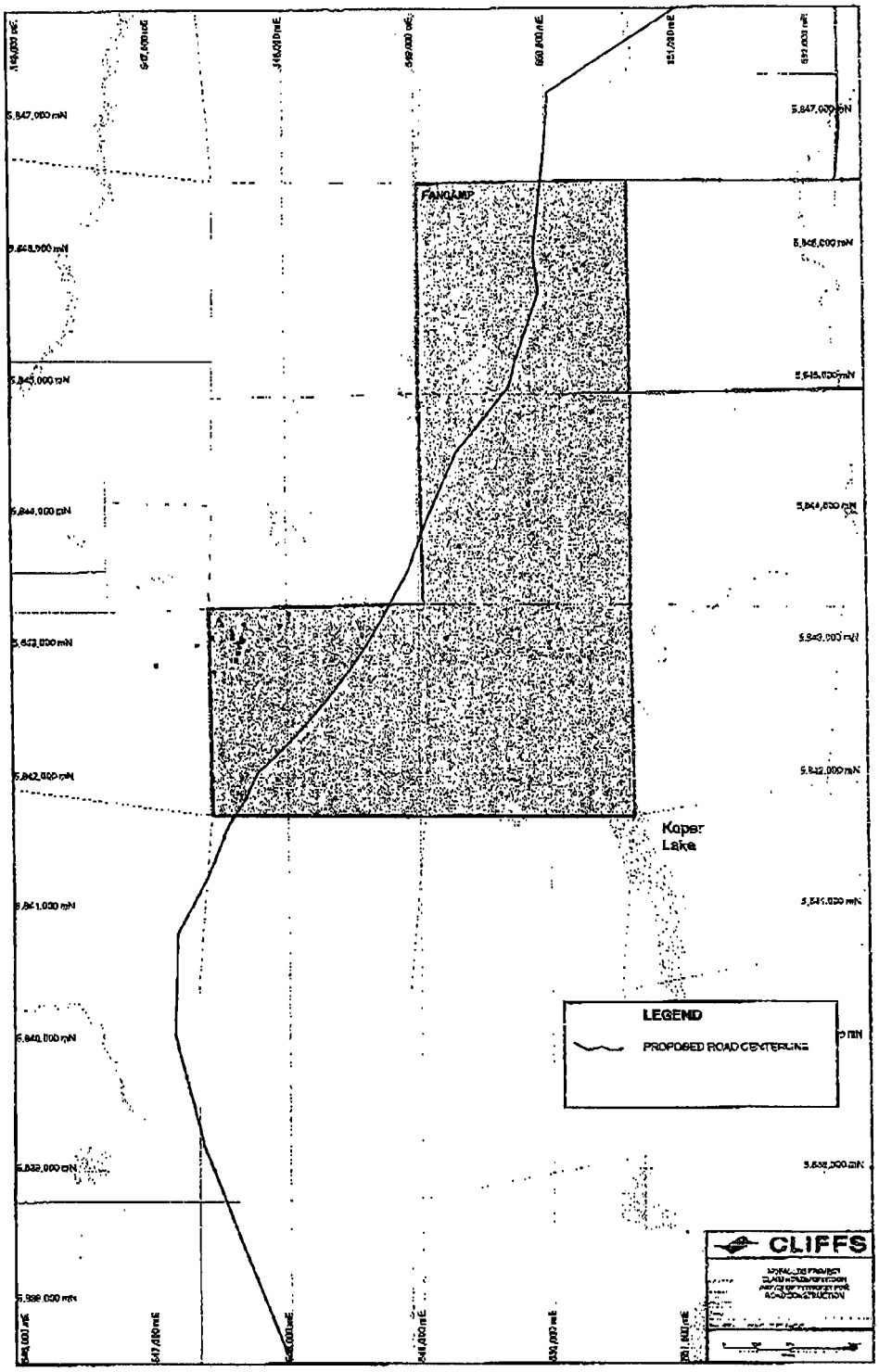
Title: _____

Date: _____

I have the authority to bind the corporation.

906 475-3993 FAX

Aitachment A



Attachment B

3012258	FANCAMP EXPLORATION LTD. (100.00 %)	2015-APR-22
3012255	FANCAMP EXPLORATION LTD. (100.00 %)	2015-APR-22
3012254	FANCAMP EXPLORATION LTD. (100.00 %)	2015-APR-22

Schedule "E4"

MINISTRY OF NORTHERN DEVELOPMENT AND MINES DOCUMENT M1260.00285

LAWSON LUNDELL

PROVINCIAL RECORDING OFFICE - SUDBURY
RECEIVED
OCT 01 2012
A.M. P.M.

M1260.00285

September 27, 2012

Toby Kruger
T: (604) 631-9285
F: (604) 669-1620
tkruger@lawsonlundell.com

BY EMAIL & DELIVERED

Provincial Mining Recorder
Ministry of Northern Development and Mines
B3-933 Ramsey Lake Road
Sudbury, ON P3E 6B5
tony.scarr@ontario.ca

Attention: Tony Scarr

1600 Cathedral Place
925 West Georgia Street
Vancouver, British Columbia
Canada V6C 3L2
Telephone 604 685 3456
Facsimile 604 669 1620

www.lawsonlundell.com

Vancouver
Calgary
Yellowknife

Dear Sirs and Mesdames:

Re: Consent Obtained for 2274659 Ontario Inc.'s Application for Disposition Under the *Public Lands Act* of Surface Rights

As you are aware from our previous correspondence, we are counsel to Cliffs Chromite Ontario Inc. ("**Cliffs**"). Cliffs, through its affiliate 2274659 Ontario Inc., has made an application (the "**Application**") for an easement under the *Public Lands Act* for a 100 metre-wide road corridor (the "**Road Corridor**") from Cliffs proposed Black Thor mine site in and around the McFaulds Lake area to a proposed transload facility located to the northwest of Cavell, Ontario and the existing Ontario road and rail network.

The Ministry of Natural Resources confirmed receipt of the Application on January 12, 2012. As a result of discussions with various interests, Cliffs has recently updated the Application, so that it now crosses fewer unpatented mining claims and crosses certain unpatented mining claims in a different location than originally proposed. Accordingly, Cliffs has sought the renewed consent of various unpatented mining claim holders along the Road Corridor with respect to the updated Application. Fancamp Exploration Ltd. ("**Fancamp**") has provided its updated consent. A copy of Cliffs' correspondence with Fancamp is enclosed.

We write pursuant to s. 51(2) of the *Mining Act* to request the mining recorder to make an entry of the consent on the record of the following mining claims held by Fancamp:

3012254	Fancamp Exploration Ltd. (100%)
3012255	Fancamp Exploration Ltd. (100%)
3012257	Fancamp Exploration Ltd. (100%)
3012258	Fancamp Exploration Ltd. (100%)

If you have any questions or wish to discuss this matter further please contact the writer.

Lawson Lundell LLP is a British Columbia Limited Liability Partnership

Yours very truly,

LAWSON LUNDELL LLP

Toby Kruger

MTK/stb
Enc.

CLIFFS

Cliffs Natural Resources
Cliffs Chromite Ontario Inc.
1159 Alloy Drive, Suite 200, Thunder Bay, ON P7B 6M8
P 807.346.0777 cliffsnaturalresources.com

September 21, 2012

Fancamp Exploration Ltd.
Peter Smith – President & Director
7290 Gray Avenue
Burnaby, B.C. V5J 3Z2

Re: **Updated Consent to Grant by Crown of Transportation Corridor Surface Rights**

Dear Mr. Smith:

We write further to our April 5, 2012 letter requesting your consent to a grant by the Crown of an easement over the surface of a road corridor (the "**Road Corridor**") within which Cliffs Natural Resources ("**Cliffs**") and its affiliate 2274659 Ontario Inc. propose to locate a road (the "**Road**") from the Ring of Fire area south to a proposed transload facility northwest of Cavell, Ontario. You previously consented to the granting of the proposed easement in respect of all unpatented mining claims held by Fancamp Exploration Ltd. that the Road Corridor crosses.

As suggested in our April 5, 2012 consent letter, it has been necessary to make adjustments to the location of the Road, and as a result, the Road Corridor. The purpose of this letter is to update Fancamp Exploration Ltd. as to the changes in the Road Corridor and to seek your additional consent to the granting of the proposed easement.

Fancamp Exploration Ltd. is currently the recorded holder of certain unpatented mining claims within the Road Corridor as depicted in Attachment A and as listed in Attachment B. We understand from the Ministry of Natural Resources that our request for an easement over the surface of the Road Corridor will be facilitated if those with mining claims in the area consent to the grant of such easement. As a result, Cliffs is writing on behalf of 2274659 Ontario Inc., to request Fancamp Exploration Ltd.'s additional consent to the granting of the proposed easement for the purposes of Section 51(2) of the *Mining Act*, in respect of all unpatented mining claims held by Fancamp Exploration Ltd. that the updated Road Corridor crosses.

As previously discussed, we expect that the proposed easement is compatible with the development of your mining claims but are prepared to discuss alternative locations for the easement if you do not share that view. We have included the location of Fancamp's drill collars in Attachment A, which you previously provided on March 26, 2012. For clarification there are three (3) maps in Attachment A: the first is an overview map of the updated Road Corridor, the second a comparison between the previous consent letter and the updated Road Corridor, and the last maps is a detailed map of the current request.

A summary of Cliffs Chromite Project (the "Project") can be found at http://www.cliffsnaturalresources.com/EN/aboutus/globaloperations/chromite/Pages/default.aspx.

We would be happy to discuss this matter with you and to provide you with any reasonable information you may need to satisfy yourself that the Road Corridor will not interfere with your plans to develop your mining claims. Our point person in respect of this matter will now be Beau Johnson who can be reached at (807) 768-3008 and Beau.Johnson@CliffsNR.com.

As the Project is currently scheduled to begin operation in 2016, we are eager to proceed with development of the Road quickly. As a result, we would appreciate receiving your consent as contemplated in this letter as soon as possible.

If Fancamp Exploration Ltd. is willing to provide its consent as described in this letter, please have an authorized representative of your company sign below and return the original of this letter to this office, retaining a signed copy for your file.

Once accepted, this letter may be recorded by Cliffs in offices of public record in the Province of Ontario.

Best regards,

Jason Aagenes
Director, Environmental Affairs – Cliffs Ferroalloys

ACCEPTED and AGREED by:

Fancamp Exploration Ltd.

By: _____

Name: PETER H. SMITH

Title: PRESIDENT

Date: 21/09/12

I have the authority to bind the corporation.

ACCEPTED and AGREED by:

Bold Ventures Inc.

By: _____

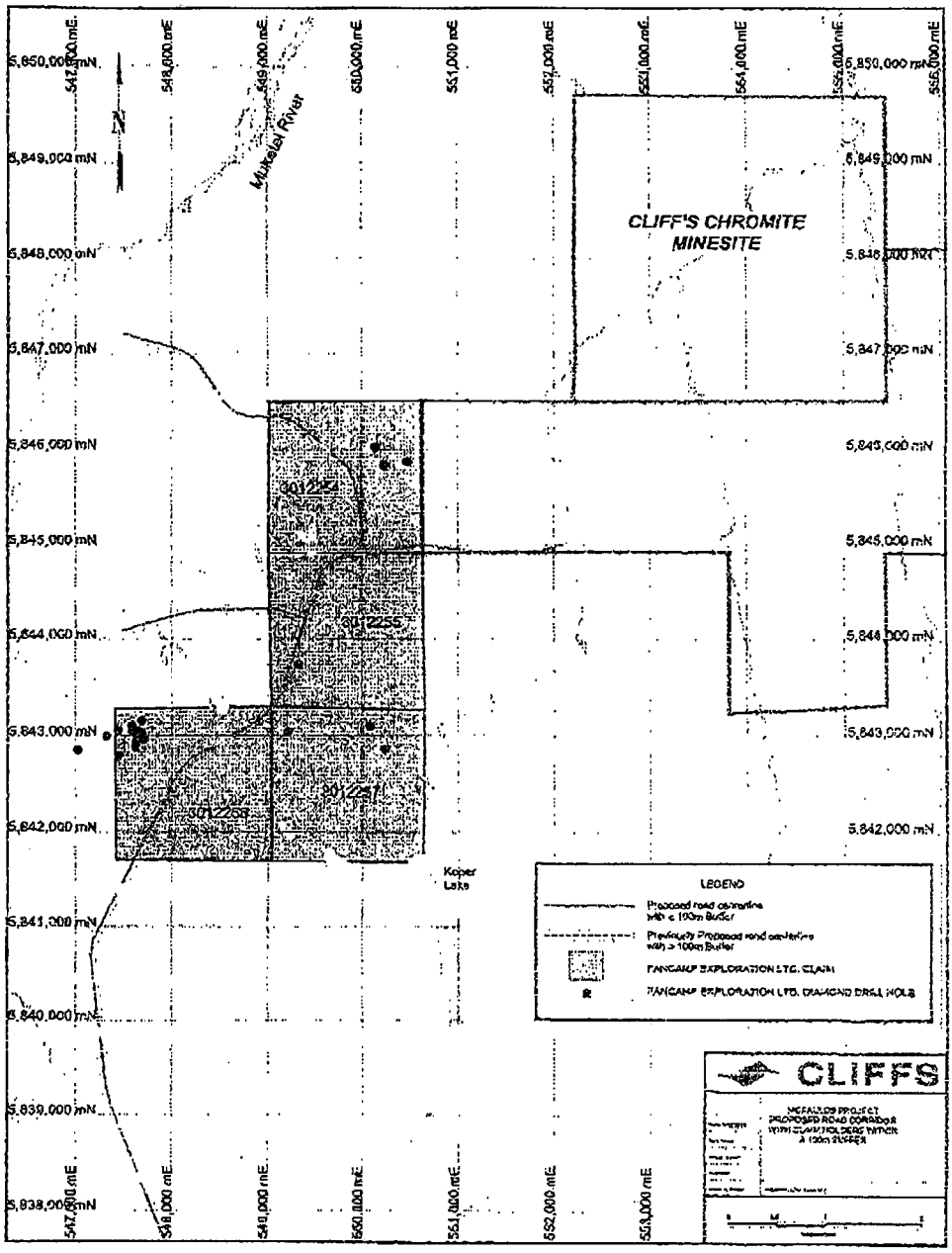
Name: _____

Title: _____

Date: _____

I have the authority to bind the corporation.

Attachment A: Detailed Map



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