

AGENCY AGREEMENT

April 11, 2012

CMX Gold & Silver Corp.
P.O. Box 60019
677 Cougar Ridge Drive NW
Calgary, Alberta T3H 5J0

Attention: Mr. Jan Alston
President, Chief Executive Officer and Secretary

Dear Sir:

Re: Offering of Units of CMX Gold & Silver Corp.

Union Securities Ltd. (the "**Agent**") understands that CMX Gold & Silver Corp. ("**CMX**" or the "**Corporation**") proposes to raise funds through the sale and issue (the "**Offering**") of units of the Corporation (the "**Units**"), at a price of \$0.15 per Unit, to public purchasers (the "**Subscribers**") of a minimum of 20,000,000 Units for total gross proceeds to the Corporation of \$3,000,000 (the "**Minimum Offering**") and a maximum of 28,000,000 Units for total gross proceeds to the Corporation of \$4,200,000 (the "**Maximum Offering**"). Each Unit is comprised of one common share in the capital of the Corporation ("**Common Share**") and one transferable common share purchase warrant (a "**Warrant**"). Capitalized terms not otherwise defined herein are defined in Section 1 below.

The Agent also understands that the Corporation has prepared and filed the Preliminary Prospectus and all necessary related documentation with respect to the Units with the Securities Commissions in the Selling Jurisdictions. The Agent also understands that the Corporation intends to file, without delay and on the terms and conditions set out herein, with the Securities Commissions the Prospectus and all necessary related documentation in order to qualify the Units for distribution in each of the Selling Jurisdictions.

The Agent also understands that Jan Alston (the "**Promoter**") is considered to be a "promoter" in accordance with the Applicable Securities Laws and has executed the Preliminary Prospectus and will execute the Prospectus in such capacity.

The closing of the purchase and sale of the Units shall be completed at the offices of Norton Rose Canada LLP, counsel to the Corporation, at 3700, 400 – 3rd Avenue SW, Calgary, Alberta at 7 a.m. (Calgary time) (the "**Closing Time**") on June 1, 2012 (the "**Closing Date**") or at such other time or such other date as the Corporation and the Agent may agree. Provided that subscriptions for the Minimum Offering are received and accepted at the Closing Date, there may be one or more subsequent closings in respect of the Units until the earlier of the receipt of subscriptions for the Maximum Offering and the date which is 90 days following the date of the Final Passport System Decision Document (all of which shall also be referred to herein as the "**Closing Date**").

If, for whatever reason, the Minimum Offering is not completed by the date which is 90 days after the issuance of the Final Passport System Decision Document, or such later date as agreed to by the Corporation, the Agent and the Subscribers and on such terms as may be prescribed by the Securities Commissions, all subscription funds shall be returned to the Subscribers without interest or deduction, unless such Subscribers have otherwise instructed the Agent.

The Agent shall be entitled, in connection with the offering and sale of the Units, to retain as sub-agents other registered securities dealers and may receive from other registered dealers (for delivery to the Corporation at the Closing Time) subscriptions for Units. The fee payable to such sub-agents shall be for the account of the Agent.

In consideration for the services hereunder, including but not limited to the ancillary service of acting as financial adviser to the Corporation and advising on the terms, conditions and structuring of the offering, the Agent shall be entitled to the fees and commissions provided for in Section 11, which fees shall be payable at the time or times specified and otherwise in accordance with Section 11.

The following are the terms and conditions of this Agreement (as defined herein):

1. **Definitions**

1.1 Where used in this Agreement, the following terms shall have the following meanings:

- (a) "**ABCA**" means the *Business Corporations Act* (Alberta), R.S.A. 2000, c. B-9, as amended, including the regulations promulgated thereunder;
- (b) "**affiliate**" has the meaning ascribed thereto in the ABCA;
- (c) "**Agent's counsel**" means Burstall Winger LLP or such other legal counsel as the Agent may appoint;
- (d) "**Agent's Fee**" has the meaning set forth in Section 11.1(b);
- (e) "**Agent's Options**" has the meaning set forth in Section 11.1(c);
- (f) "**Agent's Shares**" means Common Shares in the capital of the Corporation, making up part of the Agent's Units, and issued pursuant to the exercise of the Agent's Options;
- (g) "**Agent's Units**" means the Units, if any, to be issued to the Agent on exercise of the Agent's Options;
- (h) "**Agent's Warrant Shares**" means the Common Shares issuable upon the exercise of the Agent's Warrants;
- (i) "**Agent's Warrants**" means Warrants of the Corporation, making up part of the Agent's Units, and issued pursuant to the exercise of the Agent's Options;
- (j) "**Applicable Securities Laws**" means, collectively, the applicable securities and corporate laws of each of the Selling Jurisdictions in Canada and the respective regulations, rules, instruments, rulings and orders made thereunder and the applicable policy statements issued by the Securities Commissions thereunder;
- (k) "**ASC**" means the Alberta Securities Commission;
- (l) "**business day**" means a day which is not a Saturday, a Sunday or a statutory or civic holiday in the City of Calgary, Alberta;
- (m) "**Clayton Property**" means the property located approximately 1.5 miles from the town of Clayton in Custer County, in central Idaho;

- (n) "**Clayton Report**" means the March 12, 2012 technical report of the Clayton Property compliant with NI 43-101 prepared by J.A. Thomson Consulting, Ph.D., LG, LLC;
- (o) "**Closing Date**" means June 1, 2012 or such other date or dates as the Agent and the Corporation may agree;
- (p) "**Closing Time**" means 7 a.m. (Calgary time) or such other time, on the Closing Date, as the Agent and the Corporation may agree;
- (q) "**Common Shares**" means the common shares in the capital of the Corporation;
- (r) "**Corporation**" or "**CMX**" means CMX Gold & Silver Corp. (formerly known as Liard Resources Ltd.), a corporation duly incorporated pursuant to the provisions of the ABCA;
- (s) "**Corporation's counsel**" means Norton Rose Canada LLP or such other legal counsel as the Corporation may appoint;
- (t) "**distribution**" means "distribution" or "distribution to the public" of the Common Shares or Warrants, as the case may be, as those terms are defined in Applicable Securities Laws;
- (u) "**Due Diligence Session**" has the meaning ascribed thereto in Section 2.4;
- (v) "**Environmental Laws**" means applicable federal, provincial, state, municipal or local laws, regulations, orders, government decrees or ordinances with respect to environmental, health or safety matters;
- (w) "**Escrow Agreement**" means the escrow agreement dated April 11, 2012 among the Corporation, Olympia Trust Company and certain of the shareholders of the Corporation;
- (x) "**Expiry Date**" means the day that is 24 months following the Closing Date;
- (y) "**Final Passport System Decision Document**" means a receipt for the Prospectus issued in accordance with the Passport System;
- (z) "**Financial Information**" means, collectively, the Financial Statements, the Corporation's management's discussion and analysis in respect thereof, and all other financial information and accounting data included in the Prospectus;
- (aa) "**Financial Statements**" means, collectively, the audited financial statements of the Corporation as at and for the years ended December 31, 2010 and 2009, together with the auditors' reports thereon and the notes thereto and the unaudited financial statements of the Corporation as at and for the nine month periods ended September 30, 2011 and 2010;
- (bb) "**Indemnified Persons**" means the Agent, affiliates of the Agent and their respective directors, officers, employees, agents and consultants;
- (cc) "**J.A. Thomson**" means J.A. Thomson Consulting, Ph.D., LG, LLC, independent Qualified Person as such term is defined in NI 43-101;
- (dd) "**Marietta Property**" means the property situated within the Marietta Mining District, Mineral County, Nevada;

- (ee) "**Marietta Report**" means the March 14, 2012 technical report of the Marietta Property compliant with NI 43-101 prepared by J.A. Thomson Consulting, Ph.D., LG, LLC;
- (ff) "**material change**", "**material fact**" and "**misrepresentation**" have the meanings attributed thereto under Applicable Securities Laws;
- (gg) "**Material Subsidiary**" means CMX Gold & Silver Corp., a wholly-owned subsidiary incorporated on October 11, 2011 pursuant to the laws of the State of Idaho;
- (hh) "**NI 43-101**" means National Instrument 43-101 of the Canadian Securities Administrators, entitled "Standards of Disclosure for Mineral Projects";
- (ii) "**NP 11-202**" means National Policy 11-202 of the Canadian Securities Administrators, entitled "Process for Prospectus Reviews in Multiple Selling Jurisdictions";
- (jj) "**Preliminary Prospectus**" means the preliminary long form prospectus dated October 19, 2011, the amended and restated preliminary long form prospectus of the Corporation dated January 13, 2012, and the amended and restated long form prospectus of the Corporation dated April 9, 2012 and any amendments thereto, relating to the qualification for distribution of the Common Shares, Warrants, Warrant Shares and Agent's Options, filed with the Securities Commissions;
- (kk) "**Promoter**" means Jan Alston;
- (ll) "**Properties**" means collectively, the Clayton Property and the Marietta Property;
- (mm) "**Prospectus**" means the final long form prospectus of the Corporation to be dated April 11, 2012, relating to the qualification for distribution of the Common Shares, Warrants, Warrant Shares and Agent Options, to be filed with the Securities Commissions, including such prospectus as amended by any Prospectus Amendment;
- (nn) "**Prospectus Amendment**" means any amendment to the Prospectuses required to be prepared and filed by the Corporation under Applicable Securities Laws;
- (oo) "**Prospectuses**" means, collectively, the Preliminary Prospectus and the Prospectus;
- (pp) "**Public Record**" means all information filed by or on behalf of the Corporation with the Securities Commissions, including, without limitation, the Preliminary Prospectus, the Prospectus, any Supplementary Material and any other information filed with any Securities Commission in compliance, or intended compliance, with any Applicable Securities Laws or applicable U.S. securities laws;
- (qq) "**Securities Commissions**" means the securities commissions or similar securities regulatory authorities in each of the Selling Jurisdictions in Canada;
- (rr) "**Selling Firms**" means the investment dealers and brokers (other than the Agent) with which the Agent has a contractual relationship for the distribution of the Units;
- (ss) "**Selling Jurisdictions**" means the provinces of British Columbia, Alberta, Saskatchewan and Ontario;

- (tt) "**Standard Listing Conditions**" means the conditions for listing and posting for trading on the TSXV of the Common Shares and Warrants, subject only to satisfaction of the conditions imposed by the TSXV in its letter to the Corporation dated April 11, 2012;
- (uu) "**subsidiary**" has the meaning ascribed thereto in the *Securities Act* (Alberta);
- (vv) "**Supplementary Material**" means, collectively, any Prospectus Amendment and any ancillary material, information, evidence, return, report, application, statement or document that may be filed with the Securities Commissions by or on behalf of the Corporation under Applicable Securities Laws;
- (ww) "**this Agreement**", "**hereto**", "**herein**", "**hereby**", "**hereunder**", "**hereof**" and similar expressions refer to the agreement resulting from the acceptance by the Corporation of this offer and not to any particular paragraph or other portion of this Agreement;
- (xx) "**TSXV**" means the TSX Venture Exchange Inc.;
- (yy) "**United States**" or "**U.S.**" means the United States of America, its territories and possessions, any State of the United States and the District of Columbia;
- (zz) "**U.S. Exchange Act**" means the United States Securities Exchange Act of 1934, as amended;
- (aaa) "**U.S. Securities Act**" means the United States Securities Act of 1933, as amended;
- (bbb) "**U.S. securities laws**" means the U.S. Securities Act, the U.S. Exchange Act, applicable state securities laws and, in each case, the rules and regulations adopted thereunder;
- (ccc) "**Warrant Agent**" means Olympia Trust Company or such other party appointed with the consent of the Agent, acting reasonably, as warrant agent pursuant to the Warrant Indenture;
- (ddd) "**Warrant Indenture**" means the warrant indenture among the Corporation, the Agent and the Warrant Agent to be dated as of the Closing Date which governs the Warrants;
- (eee) "**Warrant Shares**" means the Common Shares issuable upon the exercise of the Warrants; and
- (fff) "**Warrants**" means the Common Share purchase warrants of the Corporation, with each whole Warrant entitling the holder thereof, subject to the terms and conditions of the Warrant Indenture, to purchase one Warrant Share at a price of \$0.25 at any time on or before 5:00 p.m. (Calgary time) on the day that is 24 months (the "**Expiry Date**") following the Closing Date. The Expiry Date is subject to acceleration if, on any 20 consecutive trading days occurring following the Closing Date, the closing price of the Common Shares on the TSXV (or the closing bid, if no sales were reported on a trading day) is greater than \$0.50, the Expiry Date may be accelerated, at the sole discretion of the Corporation, to the 30th day after the date on which the Corporation gives notice to the Subscribers in accordance with the Warrant Indenture of such acceleration.

2. **Qualification and Offering for Sale**

2.1 The Corporation shall forthwith following the execution of this Agreement and, in any event not later than 4:00 p.m. (Calgary time) on April 16, 2012 (or such later date as may be agreed to in writing by the Agent):

- (a) file the Prospectus and other documents required under Applicable Securities Laws with the Securities Commissions;
- (b) obtain a Final Passport System Decision Document from the ASC and from the Ontario Securities Commission on its own behalf and on behalf of the other Securities Commissions (other than Ontario); and
- (c) otherwise fulfill all legal requirements of the Corporation to qualify the Units for distribution to the public in each of the Selling Jurisdictions in Canada through the Agent and Selling Firms (if any) registered in the applicable Selling Jurisdiction.

2.2 The Corporation further agrees that until the date on which the distribution of the Units is completed, it shall promptly take or cause to be taken all additional steps and proceedings that from time to time may be required under Applicable Securities Laws to continue to qualify the Units for distribution or, in the event that the Units have, for any reason, ceased to so qualify, to again qualify the Units for distribution.

2.3 Prior to the filing of the Prospectuses and, during the period of distribution of the Units, prior to the filing with any Securities Commissions of any Supplementary Material, the Corporation shall have allowed the Agent and their counsel to participate fully in the preparation of, and to approve the form of, such documents.

2.4 During the period of distribution of the Units, the Corporation shall allow the Agent to conduct all due diligence which the Agent may require in order to enable the Agent to responsibly execute any certificate required by Applicable Securities Laws to be executed by the Agent in the Prospectuses and any Supplementary Material. Without limiting the generality of the foregoing, the Corporation shall make available the directors, senior management, authors of technical reports and auditors of the Corporation to answer any questions which the Agent may have and to participate in one or more due diligence sessions to be held prior to the Closing Time (the "**Due Diligence Session**"). The Agent shall distribute a list of written questions to be answered in advance of such Due Diligence Session and the Corporation shall provide written responses to such questions and shall use its best efforts to have the authors of technical reports and auditors of the Corporation provide written responses to such questions in advance of the Due Diligence Session.

2.5 The Corporation shall not at any time file or make any amendment to the Prospectus or any Prospectus Amendment of which the Agent shall not have previously been advised and furnished a copy, or to which the Agent shall have objected, after reasonable notice thereof.

2.6 Until the completion of the distribution of the Units, the Corporation shall take or cause to be taken all other steps and proceedings as may be necessary to enable the Units to be offered and sold to the public in all of the Selling Jurisdictions through the Agent or any other registrant who complies with the relevant provisions of Applicable Securities Laws.

3. **Delivery of Prospectus and Related Opinions and Certificates**

3.1 The Corporation shall cause to be delivered to the Agent the documents set out below at the respective times indicated:

- (a) as soon as they are available, copies of the Prospectus, signed as required by the Applicable Securities Laws, and a copy of the Final Passport System Decision Document as soon as possible after such document has been obtained by the Corporation;

- (b) as soon as they are available, copies of any Supplementary Materials required to be filed under the Applicable Securities Laws, signed as required by the Applicable Securities Laws;
- (c) prior to the filing of the Prospectus with the Securities Commissions, evidence satisfactory to the Agent, acting reasonably, of the approval of the listing and posting for trading on the TSXV of the Units, subject only to satisfaction by the Corporation of the Standard Listing Conditions; and
- (d) prior to the filing of the Prospectus with the Securities Commissions, a "long-form" comfort letter dated the date of the Prospectus, in form and substance satisfactory to the Agent, addressed to the Agent from the Corporation's auditors (including the former auditors of the Corporation, if applicable), with reference to those matters as the Agent may reasonably request including:
 - (i) to the effect that they have carried out certain procedures performed for the purposes of comparing certain specified Financial Information appearing in the Prospectus with indicated amounts in the Financial Statements or accounting records of the Corporation and have found such information to be in agreement and that, in their opinion, the Financial Information examined by them complies in all material respects with all applicable accounting requirements including, without limitation, Canadian generally accepted accounting principles and the applicable accounting requirements of the Applicable Securities Laws and related published rules and regulations;
 - (ii) verification of the Financial Information contained in the Prospectus and matters involving changes or developments since the respective dates as of which specified Financial Information is given in the Prospectus, to a date not more than two business days prior to the date of the letter; and
 - (iii) that the auditors of the Corporation are independent public accountants as required by the Applicable Securities Laws,

which letter will be in addition to the auditors' reports contained in the Prospectus and any auditors' consents and comfort letters addressed to the Securities Commissions.

Comfort letters similar to the foregoing shall be provided to the Agent with respect to any Prospectus Amendment and any other relevant document at the time the same is presented to the Agent for their signature or, if the Agent's signature is not required, at the time the same is filed. All such letters shall be in form and substance satisfactory to the Agent and the Agent's counsel, each acting reasonably, as contemplated by this Section 3.1.

3.2 The Corporation shall cause to be delivered to the Agent without charge, as soon as practicable and in any event not later than noon (local time) on April 20, 2012, at offices in such cities designated by the Agent the number of commercial copies of the Prospectus (and any Supplementary Material as may be required), as the Agent has specified to the Corporation on or before the date hereof. Commercial copies of any Prospectus Amendment (and any Supplementary Material as may be required) shall be delivered within similar time periods on the next business day following the date of filing such Prospectus Amendment with the Securities Commissions at offices in such cities and in such numbers as may be designated by the Agent.

3.3 Each delivery of the Prospectus or any Prospectus Amendment by the Corporation to the Agent shall constitute the Corporation's consent to the use by the Agent and the Selling Firms (if any) of such documents in connection with the distribution of the Units for sale in all of the Selling Jurisdictions.

3.4 The Corporation hereby represents, warrants and covenants to the Agent that each document filed or to be filed with any of the Securities Commissions complied, or will comply when so filed, in all material respects with Applicable Securities Laws.

4. Distribution and Certain Obligations of the Agent

4.1 During the course of the distribution of the Units to the public by or through the Agent, the Agent will offer the Units for sale to the public only in those jurisdictions where they may be lawfully offered for sale or sold. The Agent shall comply with all applicable laws and regulations in the Selling Jurisdictions in connection with the distribution of the Units. Except in the Selling Jurisdictions in Canada, the Agent will not, indirectly or directly, solicit offers to purchase or sell the Units so as to require registration of the Units or filing of a prospectus, registration statement or other notice or document with respect to the distribution of the Units under the laws of any jurisdiction and the Agent will not solicit offers to purchase or sell the Units in the United States. Each Agent will cause similar undertakings to be contained in any agreements among the Selling Firms.

4.2 The Agent shall use their reasonable commercial efforts (taking into account the respective interests of the Corporation and the Agent) to complete the distribution of the Units as soon as possible after the issuance of the Final Passport System Decision Document.

4.3 The Agent shall notify the Corporation promptly when, in the Agent's opinion, the distribution of the Units has been completed and provide the Corporation in writing with a breakdown of the number of Units distributed in each of the Selling Jurisdictions where such breakdown is required for the purpose of calculating fees payable to the Securities Commission in each jurisdiction where Units were distributed.

4.4 For the purposes of this Section 4, the Agent shall be entitled to assume that the Units are qualified for distribution in each of the Selling Jurisdictions unless the Agent receives notice to the contrary from the Corporation or any applicable Securities Commission.

4.5 The Agent shall not be liable to the Corporation under this Section 4 with respect to a default by another Selling Firm.

5. Material Changes

5.1 During the period of distribution of the Units, the Corporation shall promptly notify the Agent in writing of the full particulars of:

- (a) any material change (actual, contemplated or threatened) in the business, operations, capital or condition (financial or otherwise) of the Corporation or the Material Subsidiary or their respective assets or liabilities (absolute, accrued, contingent or otherwise) or results of operations of the Corporation or the Material Subsidiary;
- (b) any change in any material fact contained or referred to in the Preliminary Prospectus, the Prospectus or any Supplementary Material; and
- (c) the occurrence or discovery of a material fact or event, which, in any such case, is, or may be, of such a nature as to:
 - (i) render the Preliminary Prospectus, the Prospectus or any Supplementary Material untrue, false or misleading in any material respect;

- (ii) result in a misrepresentation in the Preliminary Prospectus, the Prospectus or any Supplementary Material; or
- (iii) result in the Preliminary Prospectus, the Prospectus or any Supplementary Material not complying with the Applicable Securities Laws or, if applicable, U.S. securities laws, as the case may be, or would reasonably be expected to have a significant effect on the market price or value of any securities of the Corporation,

provided that if the Corporation is uncertain as to whether a material change, change, occurrence or event of the nature referred to in this Section 5.1 has occurred, the Corporation shall promptly inform the Agent of the full particulars of the occurrence giving rise to the uncertainty and shall consult with the Agent as to whether the occurrence is of such nature.

5.2 During the period of distribution of the Units, the Corporation shall notify the Agent promptly, and confirm the notice in writing of:

- (a) the receipt of any communication from any Securities Commission, the TSXV or any similar regulatory authority relating to the Preliminary Prospectus, the Prospectus, any Supplementary Material or any other part of the Public Record or the distribution of the Units;
- (b) any request by any Securities Commission or any similar regulatory authority to amend or supplement the Prospectus, any Supplementary Material or any other part of the Public Record or for additional information; and
- (c) the issuance by any Securities Commission, the TSXV or any similar regulatory authority of any order having the effect of ceasing or suspending the distribution of the Units or the trading in any securities of the Corporation, or of the institution or, to the knowledge of the Corporation, threatening of any proceedings for any such purpose;

and the Corporation shall use its best efforts to prevent the issuance of any such cease trading order or suspension order and, if issued, to obtain the lifting thereof as soon as possible.

5.3 The Corporation shall comply to the reasonable satisfaction of the Agent and the Agent's counsel with all applicable filings and other requirements of the Applicable Securities Laws, including with respect to any material change, change, occurrence or event of the nature referred to in Section 5.1, and the Corporation shall prepare and file promptly any required Prospectus Amendment, or any other Supplementary Material which may be necessary or advisable and will otherwise comply with all legal requirements necessary to continue to qualify the Units for distribution in each of the Selling Jurisdictions for the period of distribution of the Units. During the period of distribution of the Units, the Corporation shall allow the Agent and the Agent's counsel to participate fully in the preparation of any Prospectus Amendment and any other Supplementary Material and shall allow the Agent and the Agent's counsel to conduct all due diligence investigations which the Agent may reasonably require in order to fulfil their obligations as agents and in order to enable the Agent responsibly to execute the certificate required to be executed by them in any Prospectus Amendment and any other Supplementary Material.

5.4 During the period of distribution of the Units, the Corporation will promptly provide to the Agent, for review by the Agent and the Agent's counsel, prior to filing or issuance:

- (a) any financial statements of the Corporation;
- (b) any press release of the Corporation;

- (c) any other document to be filed with any Securities Commission, the TSXV or any similar regulatory authority; and
- (d) any document or information to be sent to shareholders of the Corporation.

6. **Covenants of the Corporation**

6.1 The Corporation hereby covenants and agrees with the Agent and undertakes that:

- (a) it will use the net proceeds from the issuance and sale of the Units in accordance with the disclosure in the Prospectus;
- (b) it will use its best efforts to obtain, prior to the Closing Time, all necessary approvals of the TSXV for the issuance and listing on the TSXV of the Common Shares and Warrants (including the Warrant Shares), subject only to satisfaction by the Corporation of the Standard Listing Conditions and thereafter maintain its listing on the TSXV;
- (c) it will timely file all necessary forms and reports in connection with the issuance of the Units hereunder with the appropriate Securities Commissions and other regulatory authorities; and
- (d) it will duly, punctually and faithfully perform all of the obligations to be performed by it under this Agreement.

7. **Representations and Warranties**

7.1 Each delivery of the Preliminary Prospectus, the Prospectus and any Supplementary Material pursuant to Section 3.1 shall constitute a representation and warranty to the Agent by the Corporation that:

- (a) all of the information and statements (except information and statements furnished by and relating solely to the Agent) contained in the Preliminary Prospectus, the Prospectus and any Supplementary Material, as the case may be:
 - (i) are at the respective dates of such documents, true and correct in all material respects;
 - (ii) contain no misrepresentation; and
 - (iii) constitute full, true and plain disclosure of all material facts relating to the Corporation, the Material Subsidiary and the Units, Common Shares, Warrants and Warrant Shares;
- (b) the Preliminary Prospectus, the Prospectus and any Supplementary Material comply in all material respects with the Applicable Securities Laws;
- (c) except as is disclosed in the Preliminary Prospectus, the Prospectus or any Supplementary Materials, there has been no intervening material change (actual, proposed or prospective, whether financial or otherwise), from the date of the Preliminary Prospectus, the Prospectus and any Supplementary Material to the time of delivery thereof, in the business, operations, capital, properties, assets, liabilities (absolute, accrued, contingent or otherwise), condition (financial or otherwise) or results of operations of the Corporation or the Material Subsidiary; and
- (d) without prejudice to the generality of the foregoing, all statements, forecasts, estimates and expressions of opinion, belief, intention and expectation contained in the Preliminary Prospectus,

the Prospectus and any Supplemental Material are fairly and honestly given, expressed or held and have been made after due and proper consideration and are reasonably based on facts known to the Corporation and, to the extent that they are based on reasonable assumptions, having regard to the facts which are known to the Corporation, and there are no material facts or information known (including but not limited to title to the properties of the Corporation) or which could with due enquiry have been known to the Corporation which are not disclosed in the Preliminary Prospectus, the Prospectus and any Supplementary Material, and which would reasonably be considered to:

- (i) make any statement therein (whether of fact or opinion) inaccurate or misleading; or
- (ii) invalidate or qualify any assumption made in support of any statement therein (whether of fact or opinion); or
- (iii) be material for disclosure to the Agent in relation to the offering of Units or to a purchaser of any of the Units.

7.2 In addition to the representations and warranties contained in Section 7.1, the Corporation represents and warrants to the Agent and acknowledges that the Agent is relying thereon in connection with its execution and delivery of this Agreement, that:

- (a) each of the Corporation and the Material Subsidiary has been duly incorporated and organized and is validly existing under the laws of the jurisdiction of its incorporation and organization and has all requisite corporate authority and power to carry on its business, as now conducted and as presently proposed to be conducted and to own its assets;
- (b) the Corporation has full corporate power and authority to enter into this Agreement and the Warrant Indenture and to perform its obligations set out herein and therein (including, without limitation, to issue the Common Shares and Warrants comprising the Units and the Warrant Shares), and this Agreement has been, and the Warrant Indenture will, on the Closing Date be, duly authorized, executed and delivered by the Corporation, and this Agreement is, and the Warrant Indenture will, on the Closing Date be, a legal, valid and binding obligation of the Corporation enforceable against the Corporation in accordance with its terms subject to the general qualifications that:
 - (i) enforceability may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally;
 - (ii) equitable remedies, including without limitation the remedies of specific performance and injunctive relief, are available only in the discretion of the applicable court; and
 - (iii) rights to indemnity and contribution may be limited by applicable law;
- (c) the Corporation is the beneficial owner, directly or indirectly, of 100% of the outstanding shares in the capital of the Material Subsidiary with good and valid title to all such shares, free and clear of all liens and encumbrances and which shares are fully paid and non-assessable, and no person, firm, corporation or other entity holds any securities convertible or exchangeable into securities of the Material Subsidiary or now has any agreement, warrant, option, right or privilege (whether pre-emptive or contractual) being or capable of becoming an agreement, warrant, option or right for the purchase, subscription or issuance of any unissued or issued shares, securities (including convertible securities) or warrants of the Material Subsidiary;

- (d) the Corporation has no subsidiaries other than the Material Subsidiary, and is not affiliated with, nor is it a holding corporation of, any other body corporate, nor is it a partner of any partnership; and neither the Corporation nor the Material Subsidiary holds, directly or indirectly, any shares or other securities or any options or rights to subscribe for shares or securities of any other entity;
- (e) other than the Escrow Agreement, there is no agreement in force or effect to which the Corporation is a party which in any manner affects or will affect the voting or control of any of the securities of the Corporation;
- (f) to the knowledge of the Corporation, after reasonable inquiry, except as disclosed in the Prospectuses, there is no person who as of the date hereof directly or indirectly will beneficially own or have control or direction over greater than 10% of the outstanding Common Shares;
- (g) except as disclosed in the Prospectuses, none of the directors, officers or employees of the Corporation, any person who owns, directly or indirectly, more than 10% of any class of securities of the Corporation, or any associate or affiliate of any of the foregoing, had or has any material interest, direct or indirect, in any material transaction or any proposed material transaction with the Corporation which materially affects, is material to or will materially affect the Corporation or the Material Subsidiary;
- (h) at the Closing Date, (i) the Common Shares and Warrants comprising the Units will be duly and validly created and authorized and, upon receipt of payment in full for the Units, will be duly and validly issued as fully paid and non-assessable shares and warrants, as the case may be, of the Corporation; and (ii) the Warrant Shares will be duly and validly authorized and upon receipt of the exercise price therefor pursuant to the terms of the Warrant Indenture, will be duly and validly issued as fully paid and non-assessable shares of the Corporation;
- (i) the attributes and characteristics of the Units, Common Shares and Warrants conform in all material respects to the attributes and characteristics thereof described in the Prospectuses;
- (j) neither the Corporation nor the Material Subsidiary is in default or breach of, and the execution and delivery of, and the performance of and compliance with the terms of this Agreement and the Warrant Indenture by the Corporation or any of the transactions contemplated hereby and thereby do not and will not:
 - (i) result in any breach of, or constitute a default under, and do not and will not create a state of facts which, after notice or lapse of time or both, would result in a breach of or constitute a default under, any term or provision of the articles, by-laws or resolutions of the Corporation or the Material Subsidiary, or any indenture, mortgage, note, contract, agreement (written or oral), instrument, lease or other document to which the Corporation or the Material Subsidiary is a party or by which it is bound, or any judgment, decree, order, statute, rule or regulation applicable to the Corporation or the Material Subsidiary, which default or breach might reasonably be expected to materially adversely affect the business, operations, capital or condition (financial or otherwise) of the Corporation and the Material Subsidiary (taken as a whole) or their assets or properties (on a consolidated basis); or
 - (ii) create a right for any other party to terminate, accelerate or in any way alter any other rights existing under any indenture, mortgage, note, contract, agreement (written or oral), instrument, lease or other document to which the Corporation or the Material Subsidiary is a party or by which it is bound which, upon exercise of such right, might reasonably be

expected to materially adversely affect the business, operations, capital or condition (financial or otherwise) of the Corporation and the Material Subsidiary (taken as a whole) or their assets or properties (on a consolidated basis);

- (k) each of the Corporation and the Material Subsidiary is current with all filings required to be made by it in all jurisdictions in which it exists or carries on business and has conducted and is conducting its business in compliance in all material respects with all applicable laws, rules and regulations including, without limitation, all applicable licensing legislation, regulations or by-laws or other lawful requirement of any governmental or regulatory bodies applicable to the Corporation and the Material Subsidiary, of each jurisdiction in which the Corporation and the Material Subsidiary carry on business and hold all licenses, registrations and qualifications in all jurisdictions in which the Corporation and the Material Subsidiary carry on business which are necessary to carry on the business of the Corporation and the Material Subsidiary as now conducted and as proposed to be conducted in the Prospectus and all such licenses, registrations or qualifications are valid and existing and in good standing except where the failure to so hold such licences, registrations and qualifications, individually or in the aggregate, would not have a material adverse effect on the Corporation and the Material Subsidiary (taken as a whole) and none of such licences, registrations or qualifications contains any burdensome term, provision, condition or limitation which has or is likely to have a material adverse effect on the Corporation and the Material Subsidiary (taken as a whole);
- (l) there has not been any material change in the capital, assets, liabilities or obligations (absolute, accrued, contingent or otherwise) of the Corporation or the Material Subsidiary from the position set forth in the Financial Statements and since September 30, 2011 there has not been any material adverse change in the business, operations or condition (financial or otherwise) or results of operations or prospects of the Corporation or the Material Subsidiary that has not been disclosed in the Prospectuses, and there are no material facts, transactions, events or occurrences which could negatively impact the capital, assets, liabilities or obligations (absolute, accrued, contingent or otherwise), business, operations, condition (financial or otherwise) or results of operations or prospects of the Corporation or the Material Subsidiary;
- (m) the Financial Statements, including the notes thereto, fairly present, in accordance with generally accepted accounting principles in Canada applied on a consistent basis, the financial position and condition of the Corporation as at the dates thereof and the results of operations of the Corporation for the periods covered thereby and reflect all material liabilities (absolute, accrued, contingent or otherwise) of the Corporation, as at the dates thereof and for the periods covered thereby required to be disclosed in accordance with generally accepted accounting principles in Canada and the Financial Information included in the Prospectuses fairly present, in all material respects, the information shown therein and have been compiled on a basis consistent with that of the Financial Statements;
- (n) there are no actions, suits, proceedings or inquiries pending or, to the best of its knowledge after due inquiry, threatened against or affecting the Corporation or the Material Subsidiary at law or in equity or before or by any federal, provincial, municipal or other governmental department, commission, board, bureau, agency or instrumentality which in any way materially adversely affects, or may in any way materially adversely affect, the business, operations, capital or condition (financial or otherwise) of the Corporation and the Material Subsidiary (taken as a whole) or their assets or properties (on a consolidated basis) or which affects or may affect the distribution of the Units and the Corporation is not aware of any existing ground on which such action, suit, proceeding or inquiry might be commenced with any reasonable likelihood of success;

- (o) each of the Corporation and the Material Subsidiary has duly and on a timely basis filed all tax returns required to be filed by it, has paid all taxes due and payable by it and has paid all assessments and re-assessments and all other taxes, governmental charges, penalties, interest and other fines due and payable by it and which are claimed by any governmental authority to be due and owing, and adequate provision has been made for taxes payable for any completed fiscal period for which tax returns are not yet required and there are no agreements, waivers, or other arrangements providing for an extension of time with respect to the filing of any tax return or payment of any tax, governmental charge or deficiency by the Corporation or the Material Subsidiary and there are no actions, suits, proceedings, investigations or claims threatened or pending against the Corporation or the Material Subsidiary in respect of taxes, governmental charges or assessments or, except as disclosed to the Agent, any matters under discussion with any governmental authority relating to taxes, governmental charges or assessments asserted by any such authority;
- (p) all filings made by each of the Corporation and the Material Subsidiary under which it has received or is entitled to government incentives, have been made in accordance, in all material respects, with all applicable legislation and contain no misrepresentations of material fact or omit to state any material fact which could cause any amount previously paid to it or previously accrued on the accounts thereof to be recovered or disallowed;
- (q) except to the extent that any violation or other matter referred to in this subparagraph does not have a material adverse effect on the business, operations, capital or condition (financial or otherwise) of the Corporation and the Material Subsidiary (taken as a whole) or their assets or properties (on a consolidated basis):
 - (i) none of the Corporation or the Material Subsidiary is in violation of any Environmental Laws;
 - (ii) each of the Corporation and the Material Subsidiary has operated its business at all times and has received, handled, used, stored, treated, shipped and disposed of all contaminants without violation of Environmental Laws;
 - (iii) there have been no spills, releases, deposits or discharges of hazardous or toxic substances, contaminants or wastes into the earth, air or into any body of water or any municipal or other sewer or drain water systems by the Corporation or the Material Subsidiary that have not been remedied;
 - (iv) no orders, directions or notices have been issued and remain outstanding pursuant to any Environmental Laws relating to the business, assets or properties of the Corporation or the Material Subsidiary;
 - (v) none of the Corporation or the Material Subsidiary has failed to report to the proper federal, provincial, municipal or other political subdivision, government, department, commission, board, bureau, agency or instrumentality, domestic or foreign the occurrence of any event which is required to be so reported by any Environmental Law; and
 - (vi) each of the Corporation and the Material Subsidiary has conducted, and is conducting, its business in compliance in all material respects with all applicable Environmental Laws of each jurisdiction in which it carries on business and each of the Corporation and the Material Subsidiary holds all licenses, registrations, permits and approvals required under any Environmental Laws in connection with the operation of its business and the

ownership and use of its assets and all such licenses, registrations, permits and approvals are in full force and effect, and except for notifications and conditions of general application to assets of the type owned by the Corporation and the Material Subsidiary, none of the Corporation or the Material Subsidiary has received any notification pursuant to any Environmental Laws that any work, repairs, constructions or capital expenditures are required to be made by it as a condition of continued compliance with any Environmental Laws, or any licence, registration, permit or approval issued pursuant thereto, or that any licence, registration, permit or approval referred to above is about to be reviewed, made subject to limitation or conditions, revoked, withdrawn or terminated;

- (r) except as disclosed in the Prospectus, none of the Corporation or the Material Subsidiary has any liabilities (whether absolute, contingent, present, future or otherwise), including without limitation, under or pursuant to Environmental Laws, which individually or in the aggregate could have a material adverse effect on the business, operations, capital or condition (financial or otherwise) of the Corporation and the Material Subsidiary (taken as a whole) or their assets or properties (on a consolidated basis), whether or not it arises from transactions in the ordinary course of business;
- (s) any and all operations of each of the Corporation and the Material Subsidiary, and to the best of the Corporation's knowledge, after due inquiry, any and all operations by third parties, on or in respect of the assets and properties of the Corporation and the Material Subsidiary, have been conducted in accordance with good mining industry practices;
- (t) none of the Corporation or the Material Subsidiary has received any communications alleging that the Corporation or the Material Subsidiary has violated or, by conducting its business as proposed to be conducted, would violate any existing patents or patents pending of any other person or entity and neither the Corporation nor its Material Subsidiary is aware of any potential basis for such an allegation or of any reason to believe that such an allegation may be forthcoming or that there is any such violation;
- (u) except as described in the Prospectuses, none of the Corporation or the Material Subsidiary is a party to any mortgage, note, indenture, deed of trust, contract, agreement (written or oral), instrument, lease, licence or other document and the Corporation has provided the Agent and the Agent's counsel with true and complete copies of all indentures, mortgages, notes, contracts, agreements (written or oral), instruments, leases or other documents to which the Corporation or the Material Subsidiary is a party that can reasonably be regarded as presently material to the Corporation and the Material Subsidiary (taken as a whole) and each such contract, agreement, instrument, lease or other document constitutes a legally valid and binding agreement of the Corporation or the Material Subsidiary, as the case may be, enforceable in accordance with their respective terms and none of the Corporation or the Material Subsidiary and, to the best of the knowledge of the Corporation, any other party thereto, is in default thereunder;
- (v) the Corporation made available to J.A. Thomson, prior to the issuance of the Clayton Report and the Marietta Report (collectively, the "**Technical Reports**") for the purpose of preparing such reports, all information requested by J.A. Thomson which information did not contain any misrepresentation at the time such information was so provided. The Corporation has no knowledge of any material change in any information provided to J.A. Thomson since the date or dates that such information was so provided. The Corporation believes that the Technical Reports comply with the requirements of NI 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum Standards on Mineral Resources and Reserves Definitions and Guidelines, and fairly represent the status of the mineral resources of the Corporation;

- (w) although it does not warrant title, the Corporation does not have reason to believe that each of the Corporation and the Material Subsidiary does not have good and marketable title to or the irrevocable right to produce and sell its mineral resources as described in the Prospectus (for the purposes of this clause, the foregoing are referred to as the "**Interests**") and does represent and warrant that the Interests are free and clear of all liens, charges, encumbrances, restrictions or adverse claims created by, through or under the Corporation, other than any liens or encumbrances arising in the ordinary course of business or as disclosed in the Prospectus, which are not material in the aggregate, and to the knowledge of the Corporation after due inquiry, the Corporation and the Material Subsidiary holds its Interests under valid and subsisting leases, licenses, permits, concessions, concession agreements, contracts, subleases, reservations or other agreements;
- (x) the Corporation is not aware of any defects, failures or impairments in the title of the Corporation or the Material Subsidiary to its Properties, whether or not an action, suit, proceeding or inquiry is pending or threatened or whether or not discovered by any third party which, in aggregate, could have a material adverse effect on the current right and interests in the Interests;
- (y) the authorized capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of preferred shares, of which 23,352,274 Common Shares are issued and outstanding, which Common Shares are validly issued, fully paid and non-assessable and there are and, as at the Closing Time, there will be no other securities of the Corporation issued and outstanding;
- (z) other than 15,731,740 Common Shares issuable pursuant to outstanding common share purchase warrants of the Corporation, no person holds any securities convertible or exchangeable into securities of the Corporation or has any agreement, warrant, option, right or privilege (whether pre-emptive or contractual) being or capable of becoming an agreement, warrant, option or right (whether or not on condition(s)) for the purchase, issuance or other acquisition of any unissued securities of the Corporation;
- (aa) no director, officer or other non-arm's length party to the Corporation is entitled to receive any royalties, net profits, interest or other payments or has any other rights based on production from properties in which the Corporation or the Material Subsidiary has an interest;
- (bb) other than as disclosed in the Financial Statements, neither the Corporation nor the Material Subsidiary has advanced funds, extended credit or been a creditor of any insider of the Corporation or the Material Subsidiary or any person not dealing at arm's length with such person and neither the Corporation nor the Material Subsidiary has borrowed funds from, received extensions of credit from or otherwise been a debtor of any insider of the Corporation or the Material Subsidiary or any person not dealing at arm's length with such person;
- (cc) except as described in the Prospectus, neither the Corporation nor the Material Subsidiary has been a party to any related party transaction since incorporation;
- (dd) the form and terms of the definitive certificates representing the Common Shares have been, and the form and terms of the definitive certificates representing the Warrants will, on the Closing Date be, approved and adopted by the directors of the Corporation and comply with all legal requirements governing the Corporation, including the requirements of the TSXV;

- (ee) the minute books of each of the Corporation and the Material Subsidiary are true and correct and contain the minutes of all meetings and resolutions of directors (and any committee thereof) and shareholders thereof;
- (ff) the books of account and other records of each of the Corporation and the Material Subsidiary, whether of a financial or accounting nature or otherwise, have been maintained in accordance with prudent business practices;
- (gg) the Corporation is not a party to or bound by any agreement of guarantee, indemnification (other than an indemnification of directors and officers in accordance with the by-laws of the Corporation or its subsidiaries or any other like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any other person;
- (hh) the Corporation has not approved, entered into any agreement in respect of, or received any written notice with respect to, (i) the purchase of any material property or assets or any interest therein or the sale, transfer or other disposition of any material property or assets or any interest therein currently owned, directly or indirectly, by the Corporation or the Material Subsidiary whether by asset sale, transfer of shares or otherwise; (ii) the change of control of the Corporation or the Material Subsidiary (whether by sale or transfer of shares or sale of all or substantially all of the property and assets of the Corporation or the Material Subsidiary or otherwise); or (iii) a proposed or planned disposition of Common Shares by any shareholder who owns, directly or indirectly, 10% or more of the outstanding Common Shares;
- (ii) each of the Corporation and the Material Subsidiary shall as soon as reasonably practicable after the Closing Date obtain such policies of insurance as are appropriate to its operations, property and assets, in such amounts and against such risks as are customarily carried and insured against by owners of comparable businesses and assets.;
- (jj) except as disclosed in the Prospectuses neither the Corporation nor the Material Subsidiary is a party to any contracts of employment which contain express terms that require greater than one month's notice on termination or which provide for payments occurring on a change of control of the Corporation or the Material Subsidiary;
- (kk) the Corporation does not have in place a shareholder rights protection plan;
- (ll) the Corporation has made and/or obtained, on or prior to the Closing Time, all necessary filings, approvals, consents and acceptances of applicable regulatory authorities and under any applicable agreement or document to which the Corporation is a party or by which it is bound in respect of the execution and delivery of this Agreement, the offering and sale of the Units and the consummation of the other transactions contemplated hereby (subject to completion of filings with certain regulatory authorities following the Closing Date);
- (mm) Olympia Trust Company acts as the transfer agent and registrar for the Common Shares and will, on the Closing Date, be the transfer agent and registrar for the Warrants;
- (nn) none of the Securities Commission, other securities commission, TSXV or similar regulatory authority has issued any order which is currently outstanding preventing or suspending trading in any securities of the Corporation, no such proceeding is, to the knowledge of the Corporation pending, contemplated or threatened and the Corporation is not in default of any requirement of applicable securities laws in the Selling Jurisdictions;

- (oo) to the knowledge of the Corporation, after due inquiry, no insider of the Corporation or the Material Subsidiary has a present intention to sell any securities of the Corporation held by it;
- (pp) except for the Agent, there is no other person, firm or corporation acting or purporting to act at the request of the Corporation who is entitled to any brokerage, finder's, underwriter's or agency fee in connection with the transactions contemplated herein;
- (qq) there has not been a reportable disagreement (within the meaning of National Instrument 51-102 - *Continuous Disclosure Obligations*) with the auditors of the Corporation;
- (rr) the issued and outstanding Common Shares and Warrants will, on the Closing Date, be listed and posted for trading on the TSXV and the Corporation will be in material compliance with the rules and regulations of the TSXV;
- (ss) prior to the Closing Date, the Corporation will be a reporting issuer in good standing and not in default in the provinces of British Columbia, Alberta and Ontario, and will become a reporting issuer in good standing in Saskatchewan upon receiving the Final Passport System Decision Document;
- (tt) no authorization, approval or consent of any court of governmental authority or agency is required to be obtained by the Corporation in connection with the issuance, sale and delivery of the Units, except as contemplated hereby or otherwise described in the Prospectus;
- (uu) the responses given by the Corporation and its directors and officers in the Due Diligence Session shall be true and correct in all material respects as at the time such responses are given and such responses taken as a whole shall not omit any fact or information necessary to make any of the responses not misleading in light of the circumstances in which such responses are given;
- (vv) neither the Corporation nor the Material Subsidiary has, directly or indirectly:
 - (i) made or authorized any contribution, payment or gift of funds or property to any official, employee or agent of any governmental agency, authority or instrumentality of any jurisdiction except as otherwise permitted under applicable law; or
 - (ii) made any contribution to any candidate for public office, in either case, where either the payment or the purpose of such contribution, payment or gift was, is, or would be prohibited under the *Canada Corruption of Foreign Public Officials Act* (Canada) or the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) or the rules and regulations promulgated thereunder or under any other legislation of any relevant jurisdiction covering a similar subject matter applicable to the Corporation or its Subsidiary and their respective operations and have instituted and maintained policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance with such legislation; and
- (ww) the operations of each of the Corporation and the Material Subsidiary are and have been conducted at all times in compliance with all applicable anti-money laundering laws, regulations, rules and guidelines in its jurisdiction of incorporation and in each other jurisdiction in which such entity, as the case may be, conducts business (collectively, the "**Money Laundering Laws**") and no action, suit or proceeding by or before any court or governmental or regulatory agency, authority or body or any arbitrator involving the Corporation or its Subsidiary with respect to any

of the Money Laundering Laws is pending or, to the best knowledge of the Corporation, threatened or contemplated.

7.3 The Promoter hereby covenants, represents and warrants as follows to the Agent and acknowledges that the Agent is relying upon such representations, warranties and covenants in connection with its execution and delivery of this Agreement:

- (a) he has the necessary capacity to enter into this Agreement and to carry out his obligations hereunder;
- (b) there are no legal or governmental actions, proceedings or investigations pending to which he is a party or to which any of his property is subject or, to the best of his knowledge, contemplated or threatened, at law or in equity or before or by any federal, provincial, municipal or other governmental department, commission, board or agency, domestic or foreign, which (i) could result in a material adverse change to the Corporation or the Material Subsidiary; or (ii) questions the validity of the issuance, sale or delivery of the Units or the validity of any action taken or to be taken in connection with the transactions contemplated by this Agreement or the Prospectus; and
- (c) he has executed the certificate set forth in the Prospectus as a promoter and is subject to the liabilities under Applicable Securities Laws as a consequence thereof.

8. Closing

8.1 Provided the subscriptions meet the minimum public distribution requirements of the TSXV, the sale of the Units shall be completed at the Closing Time at the offices of the Corporation's counsel or at such other place as the Corporation and the Agent may agree. Subject to the conditions contained in this Agreement, the Agent, at the Closing Time, shall deliver by bank draft to the Corporation, the amount of \$0.15 per Unit sold, against delivery by the Corporation of:

- (a) the opinions, certificates and documents referred to in Section 8.3;
- (b) definitive certificates representing, in the aggregate, all of the Common Shares and Warrants comprising the Units to be issued and sold on the Closing Date registered in such name or names as the Agent shall notify the Corporation in writing not less than 24 hours prior to the Closing Time;
- (c) a certified cheque or bank draft payable to the Agent, representing the fee provided for in Section 11 in respect of the Units issued and sold; and
- (d) a definitive certificate representing the Agent's Options,

provided however that the payment to the Agent pursuant to paragraph (c) may be made by way of set-off against the payment to be made by the Agent to the Corporation in this Section 8.1.

8.2 If the Corporation determines to issue all or part of the Common Shares and Warrants comprising the Units as a book-entry only or non-certificated security in accordance with the rules and procedures of CDS Clearing and Depository Services Inc. ("CDS"), then, as an alternative to the Corporation delivering to the Agent definitive certificates representing the Units in the manner and at the time set forth in Section 8.1:

- (a) the Agent will provide a direction to CDS with respect to the crediting of the Common Shares and/or Warrants comprising the Units to the accounts of the participants of CDS as shall be designated by the Agent in writing in sufficient time prior to the Closing Date to permit such crediting; and
- (b) the Corporation shall cause Olympia Trust Company, as registrar and transfer agent of the Common Shares and Warrants, to deliver to CDS, on behalf of the Agent, the electronic equivalent of one fully registered global certificate for the Common Shares and/or the electronic equivalent of one fully registered global certificate for the Warrants to be purchased hereunder, registered in the name of "CDS & Co." as the nominee of CDS, to be held by CDS as a book-entry only or non-certificated security in accordance with the rules and procedures of CDS.

8.3 The following are conditions precedent to the obligations of the Agent to complete the transactions contemplated in this Agreement:

- (a) there shall be delivered to the Agent a certificate of the Corporation dated the Closing Date, addressed to the Agent and signed by the Chief Executive Officer and the Chief Financial Officer of the Corporation, certifying after having made due enquiries and examined the Preliminary Prospectus, the Prospectus and, if applicable, any Supplementary Material, that:
 - (i) the Corporation has complied in all material respects with all of its covenants and satisfied in all material respects all the terms and conditions of this Agreement on its part to be complied with and satisfied at or prior to the Closing Time;
 - (ii) the representations and warranties of the Corporation contained herein are true and correct in all material respects as at the Closing Time, with the same force and effect as if made at and as of the Closing Time (and, with respect to the representations and warranties contemplated by Section 7.1(a), as if the Prospectus was delivered to the Agent at the Closing Time);
 - (iii) no event of a nature referred to in Section 14.1(b), (c), (e) or (f) has occurred or to the knowledge of such officer is pending, contemplated or threatened; and
 - (iv) the Corporation has made and/or obtained, on or prior to the Closing Time, all necessary filings, approvals, consents and acceptances of applicable regulatory authorities and under any applicable agreement or document to which the Corporation is a party or by which it is bound in respect of the execution and delivery of this Agreement, the offering and sale of the Units and the consummation of the other transactions contemplated hereby (subject to completion of filings with certain regulatory authorities following the Closing Date);

and such statements shall in fact be true and the Agent shall have no knowledge to the contrary;

- (b) there shall be delivered to the Agent a certificate or certificates dated the Closing Date addressed to the Agent and signed by the Promoter, certifying, after having made due enquiries and examined the Preliminary Prospectus, the Prospectus and, if applicable, any Supplementary Material, that:
 - (i) the Promoter has complied with and satisfied in all material respects the covenants, terms and conditions of this Agreement on his part to be complied with and satisfied up to the Closing Time; and

- (ii) the representations and warranties of the Promoter contained in this Agreement are true and correct in all material respects as of the Closing Date with the same force and effect as if made at and as of the Closing Time after giving effect to the transactions contemplated by this Agreement;
- (c) there shall be delivered to the Agent a certificate of the Corporation dated the Closing Date addressed to the Agent and signed by the Chief Executive Officer and the Chief Financial Officer of the Corporation, in their capacities as officers and without personal liability, for and on behalf of the Corporation and the Material Subsidiary, in form and content satisfactory to the Agent and Agent's counsel, acting reasonably, certifying with respect to:
- (i) the currently effective constating documents of each of the Corporation and the Material Subsidiary;
 - (ii) the necessary approvals of the Corporation relevant to this Agreement, the Warrant Indenture, the Prospectuses and any Supplementary Material; and
 - (iii) the incumbency and signatures of signing persons of authority and officers of the Corporation; and
- with respect to such other matters as the Agent may reasonably request;
- (d) there shall be delivered to the Agent evidence satisfactory to the Agent that the Corporation has received all necessary approvals of the TSXV for the listing of the Common Shares and Warrants comprising the Units, subject only to the Standard Listing Conditions;
- (e) there shall be delivered to the Agent an opinion of the Corporation's counsel, addressed to the Agent and Agent's counsel and dated the Closing Date, in form and substance satisfactory to the Agent, acting reasonably, with respect to such matters as the Agent may reasonably request relating to the distribution of the Units and the Corporation, including, without limitation that:
- (i) each of the Corporation and the Material Subsidiary has been duly incorporated and is validly subsisting under the laws of the jurisdiction of its incorporation and has all requisite corporate capacity, power and authority to carry on its business as now conducted by it and to own its properties and assets as described in the Prospectuses and is qualified to carry on business under the laws of each jurisdiction in which a material portion of its business is conducted;
 - (ii) the authorized and issued capital of the Corporation and each of the Material Subsidiary and that all such shares have been duly authorized and validly issued and are outstanding as fully paid and non-assessable shares;
 - (iii) the registered ownership of the issued securities of the Material Subsidiary;
 - (iv) other than as disclosed in the Prospectus, no person, firm, corporation or other entity holds any securities convertible or exchangeable into securities of the Corporation or the Material Subsidiary or has any agreement, warrant, option, right or privilege (whether pre-emptive or contractual) being or capable of becoming an agreement for the purchase, subscription or issuance of any unissued shares, securities (including convertible securities) or warrants of the Corporation or the Material Subsidiary;

- (v) the attributes of the Units, Common Shares and Warrants conform in all material respects with the description thereof contained in the Prospectuses;
- (vi) the Common Shares and Warrants comprising the Units, have been duly and validly issued as fully paid and non-assessable securities of the Corporation;
- (vii) the Warrant Shares have been reserved and allotted for issuance and when issued in accordance with the terms of the Warrant Indenture will be validly issued as fully paid and non-assessable Common Shares;
- (viii) the Agent's Shares and Agent's Warrants comprising the Agent's Units have been reserved and allotted for issuance and when issued in accordance with the terms of the Agent's Option will be validly issued as fully paid and non-assessable Common Shares and Warrants;
- (ix) the Agent's Warrant Shares have been reserved and allotted for issuance and when issued in accordance with the terms of the Warrant Indenture will be validly issued as fully paid and non-assessable Common Shares;
- (x) the Corporation has full corporate power and authority to enter into this Agreement and the Warrant Indenture and to perform its obligations set out herein and therein, and this Agreement and the Warrant Indenture have been duly authorized, executed and delivered by the Corporation and constitute legal, valid and binding obligations of the Corporation enforceable against the Corporation in accordance with their terms;
- (xi) this Agreement has been duly executed and delivered by the Promoter and constitutes a legal, valid and binding obligation of the Promoter enforceable against the Promoter in accordance with its terms;
- (xii) the execution and delivery of this Agreement and the Warrant Indenture by the Corporation and the performance and compliance with the terms hereof and thereof by the Corporation do not and will not result in a material breach of, or constitute a default under, and do not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach (whether after notice or lapse of time or both) or permit acceleration or termination (if applicable) of and do not and will not materially conflict with or constitute a material default under:
 - (A) any laws of the Province of Alberta and the federal laws applicable therein;
 - (B) any term, condition or provision of the articles, by-laws or resolutions of the Corporation or the Material Subsidiary;
 - (C) to the knowledge of such counsel, any judgement, order, decree, statute, rule or regulation applicable to or the Material Subsidiary; or
 - (D) to the knowledge of such counsel, any mortgage, note, indenture, contract, agreement (written or oral), instrument, lease or other document to which the Corporation is a party or by which the Corporation or the Material Subsidiary is bound on the Closing Date;

which breach or default might reasonably be expected to materially adversely affect the business, operations, capital or condition (financial or otherwise) of the Corporation and the Material Subsidiary (taken as a whole);

- (xiii) the Corporation has the necessary corporate power and authority to execute and deliver the Prospectuses and all necessary corporate action has been taken by the Corporation to authorize the execution and delivery by or on behalf of the Corporation of the Prospectus and the filing thereof, in each of the Selling Jurisdictions in accordance with Applicable Securities Laws;
- (xiv) the form and terms of the definitive certificates representing the Common Shares and Warrants have been approved and adopted by the directors of the Corporation and comply with all legal requirements governing the Corporation, including the requirements of the TSXV;
- (xv) no filing with, or authorization, approval, consent qualification or decree of, any court or governmental authority or agency in any Selling Jurisdiction is necessary or required of the Corporation for the offering or sale of the Units in the manner contemplated by this Agreement, except such as have been obtained;
- (xvi) all necessary documents have been filed, all necessary proceedings have been taken and all legal requirements have been fulfilled by the Corporation under applicable laws of the Selling Jurisdictions to qualify the Common Shares and Warrants comprising the Units for sale and distribution to the public in each of the Selling Jurisdictions in Canada by or through investment dealers and brokers registered under the applicable laws of each of the Selling Jurisdictions in Canada who have complied with the relevant provisions of such applicable laws;
- (xvii) the issue and delivery of the Warrant Shares by the Corporation upon the exercise of the Warrants is exempt from the prospectus requirements of Applicable Securities Laws and no documents are required to be filed, proceedings taken or approvals, permits, consents, orders or authorizations required to be obtained under Applicable Securities Laws (other than such as have been filed or obtained) to permit such issue and delivery of Warrant Shares by the Corporation;
- (xviii) the first trade of the Warrant Shares is exempt from the prospectus requirements of Applicable Securities Laws and no documents are required to be filed, proceeding taken or approvals, permits, consents, orders or authorizations required to be obtained under Applicable Securities Laws (other than such as have been filed or obtained) to permit such trade made through a registrant properly registered under Applicable Securities Laws who has complied with the requirements thereof;
- (xix) the issue and delivery of the Agent's Shares and Agent's Warrants comprising the Agent's Units, by the Corporation upon the exercise of the Agent's Options is exempt from the prospectus requirements of Applicable Securities Laws and no documents are required to be filed, proceedings taken or approvals, permits, consents, orders or authorizations required to be obtained under Applicable Securities Laws (other than such as have been filed or obtained) to permit such issue and delivery of the Agent's Shares and Agent's Warrants comprising the Agent's Units by the Corporation;

- (xx) the first trade of the Agent's Shares is exempt from the prospectus requirements of Applicable Securities Laws and no documents are required to be filed, proceeding taken or approvals, permits, consents, orders or authorizations required to be obtained under Applicable Securities Laws (other than such as have been filed or obtained) to permit such trade made through a registrant properly registered under Applicable Securities Laws who has complied with the requirements thereof;
- (xxi) the issue and delivery of the Agent's Warrant Shares by the Corporation upon the exercise of the Agent's Warrants is exempt from the prospectus requirements of Applicable Securities Laws and no documents are required to be filed, proceedings taken or approvals, permits, consents, orders or authorizations required to be obtained under Applicable Securities Laws (other than such as have been filed or obtained) to permit such issue and delivery of Agent's Warrant Shares by the Corporation;
- (xxii) the first trade of the Agent's Warrant Shares is exempt from the prospectus requirements of Applicable Securities Laws and no documents are required to be filed, proceeding taken or approvals, permits, consents, orders or authorizations required to be obtained under Applicable Securities Laws (other than such as have been filed or obtained) to permit such trade made through a registrant properly registered under Applicable Securities Laws who has complied with the requirements thereof;
- (xxiii) the Corporation is a reporting issuer in each of the Selling Jurisdictions in Canada and is not on the list of defaulting issuers maintained by the Securities Commissions of each of such provinces;
- (xxiv) the Common Shares, Warrants and Warrant Shares have been conditionally accepted for listing upon the TSXV subject to any applicable filing requirements;
- (xxv) Olympia Trust Company has been duly appointed as the transfer agent and registrar for the Common Shares and Warrants, at its principal offices in Calgary, Alberta;
- (xxvi) the Common Shares and Warrants comprising the Units are qualified investments as set out under the heading "Eligibility for Investment" in the Prospectus; and
- (xxvii) subject to the qualifications set out therein, the statements in the Prospectus under the heading "Certain Canadian Federal Income Tax Considerations" constitute as at the Closing Date a fair and adequate summary of the principal Canadian federal income tax considerations under the *Income Tax Act* (Canada) of acquiring, holding and disposing of the Common Shares and Warrant comprising the Units generally applicable to a purchaser who will hold such securities as capital property for purposes of the *Income Tax Act* (Canada) and who, at all material times, deals at arm's length with, and is not affiliated with the Corporation for purposes of the *Income Tax Act* (Canada).

It is understood that the Corporation's counsel may rely on the opinions of local counsel acceptable to them as to matters governed by the laws of jurisdictions other than Alberta or Canada and on certificates of officers of the Corporation and the transfer agent as to relevant matters of fact;

- (f) if any Units are sold in the United States, there shall be delivered to the Agent an opinion of Norton Rose Canada LLP, United States counsel to the Corporation, addressed to the Agent and dated the Closing Date, in form and substance satisfactory to the Agent acting reasonably, to the

effect that the offer and sale of the Units in the United States does not require registration under the U.S. Securities Act, and as to such other matters as the Agent may reasonably request relating to the distribution of the Units;

- (g) there shall be delivered to the Agent a comfort letter from the Corporation's auditor (including the former auditors of the Corporation, if applicable) addressed to the Agent and dated the Closing Date, in form and substance satisfactory to the Agent, acting reasonably, bringing the information contained in the comfort letters of such auditor referred to in Section 3.1(d) hereof forward to the Closing Time, which comfort letter shall be based on a review having a cut-off date not more than two business days prior to the Closing Date;
- (h) there shall be delivered to the Agent a fully executed copy of the Warrant Indenture;
- (i) there shall be delivered to the Agent evidence from the Corporation as to the appointment of Olympia Trust Company as the registrar and transfer agent for the Common Shares and Warrants;
- (j) there shall be delivered to the Agent written confirmation from the Corporation's registrar and transfer agent of the number of Common Shares issued and outstanding as of the Closing Date; and
- (k) such further certificates and other documentation from the Corporation as the Agent may reasonably require, provided however that the Agent shall request such certificate or document within a reasonable period prior to the Closing Time that is sufficient for the Corporation to obtain and deliver such certificate or document.

The foregoing conditions are for the sole benefit of the Agent and may be waived in whole or in part by the Agent at any time and without limitation.

8.4 The Agent's obligations under this Agreement are also conditional upon and subject to the representations and warranties of the Corporation and the Promoter contained herein being true and correct in all material respects as at the Closing Time, with the same force and effect as if made at the Closing Time before giving effect to the transactions contemplated hereby, and the Corporation and the Promoter having complied with all the covenants and having satisfied all the terms and conditions of this Agreement on its respective part to be complied with and satisfied at or prior to the Closing Time, other than those which may have been waived by the Agent.

9. **Indemnity**

9.1 The Corporation shall indemnify and save each of the Indemnified Persons, harmless against and from all actual or threatened claims, actions, suits, investigations and proceedings and all demands, losses (other than losses of profit in connection with the distribution of the Units), costs, damages, obligations, payments, expenses, fees and liabilities to which any of the Indemnified Persons may be subject or which any of the Indemnified Persons may suffer or incur, whether under the provisions of any statute or otherwise, in any way caused by, or arising directly or indirectly from or in consequence of:

- (a) any information or statement contained in the Prospectuses, any Supplementary Material or in any other document or material filed or delivered pursuant hereto (other than any information or statement relating solely to the Agent and furnished to the Corporation by the Agent expressly for inclusion in the Preliminary Prospectus, the Prospectus or Supplementary Materials) which is or is alleged to be untrue or any omission or alleged omission to provide any information or state

any fact the omission of which makes or is alleged to make any such information or statement untrue or misleading in light of the circumstances in which it was made;

- (b) any misrepresentation or alleged misrepresentation (except a misrepresentation which is based upon information relating solely to the Agent and furnished to the Corporation by the Agent expressly for inclusion in the Prospectuses or Supplementary Materials) contained in the Prospectuses, Supplementary Materials or in any other document filed with a Securities Commission by or on behalf of the Corporation or any other part of the Public Record filed by or on behalf of the Corporation;
- (c) any prohibition or restriction of trading in the securities of the Corporation or any prohibition or restriction affecting the distribution of the Units imposed by any competent authority if such prohibition or restriction is based on any misrepresentation or alleged misrepresentation by the Corporation of a kind referred to in Section 9.1(b);
- (d) any order made or any inquiry, investigation (whether formal or informal) or other proceeding commenced or threatened by any one or more competent authorities (not based upon the activities or the alleged activities of the Agent or the Selling Firms) relating to or materially affecting the trading or distribution of the Units, Common Shares or Warrants;
- (e) any breach of, default under or non-compliance by the Corporation or the Promoter with any representation, warranty, term or condition of this Agreement or any requirement of Applicable Securities Laws; or
- (f) the exercise by any investor of any statutory right of rescission in connection with the purchase of Units.

9.2 The rights of indemnity contained in Section 9.1 shall not apply if the Corporation has complied with the provisions of Sections 2 and 3 and the person asserting any claim contemplated by Section 9.1 was not provided with a copy of the Prospectus, Prospectus Amendment, Supplementary Material or other document which corrects any misrepresentation or omission or alleged misrepresentation or omission which is the basis of such claim and which was required, under this Agreement or Applicable Securities Laws, to be delivered to such person by the Agent.

9.3 Further, the indemnity contemplated by Section 9.1 shall cease to apply in the event and to the extent that a court of competent jurisdiction in a final judgment from which no appeal can be made or regulatory authority in a final ruling from which no appeal can be made shall determine that any proceedings or liabilities in respect of which indemnity may be sought hereunder resulted from the gross negligence, fraud or wilful misconduct of any party entitled to indemnity hereunder.

9.4 If any claim, action, suit, investigation or proceeding contemplated by Section 9.1 shall be asserted against any of the Indemnified Persons in respect of which indemnification is or might reasonably be considered to be provided for in such Section, such Indemnified Person shall notify the Corporation as soon as possible of the nature of such claim and the Corporation shall be entitled (but not required) to assume the defence of any suit brought to enforce such claim, provided however, that the defence shall be through legal counsel selected by the Corporation and acceptable to the Indemnified Person acting reasonably and that no admission of liability or settlement may be made by the Corporation or the Indemnified Person without the prior written consent of the other, such consent not to be unreasonably withheld. The Indemnified Person shall have the right to retain its own counsel in any proceeding relating to a claim, action, suit, investigation or proceeding contemplated by Section 9.1 if:

- (a) the Indemnified Person has been advised in writing by counsel that there may be a legal defence available to the Indemnified Person which is different from or additional to a defence available to the Corporation (in which case the Corporation shall not have the right to assume the defence of such proceedings on the Indemnified Person's behalf);
- (b) the Corporation shall not have taken the defence of such proceedings and employed counsel within ten business days after notice of commencement of such proceedings; or
- (c) the employment of such counsel has been authorized by the Corporation in connection with the defence of such proceeding;

and, in any such event, the reasonable fees and expenses of such Indemnified Person's counsel shall be paid by the Corporation.

9.5 The Corporation hereby waives any rights to recover contribution from the Agent with respect to any liability of the Indemnified Person by reason of or arising out of any misrepresentation in the Prospectuses or any Supplementary Material, provided, however, that such waiver shall not apply in respect of liability caused or incurred by reason of any misrepresentation which is based upon information relating solely to the Agent contained in such document and furnished to the Corporation by the Agent or Agent's counsel expressly for inclusion in the Prospectuses or such Supplementary Material.

9.6 If any claim, action, suit, investigation or proceeding shall be instituted against the Corporation in respect of the Prospectuses, any Supplementary Material or the offering of Units, or if any regulatory authority or stock exchange shall carry out an investigation of the Corporation in respect of the Preliminary Prospectus, the Prospectus, any Supplementary Material or any other part of the Public Record or the offering of the Units and, in any such case, any Indemnified Person is required to testify, or respond to procedures designed to discover information, in connection with or by reason of the services performed by the Agent hereunder, the Indemnified Persons may employ their own legal counsel and the Corporation shall pay and reimburse the Indemnified Persons for the reasonable fees, charges and disbursements (on a full indemnity basis) of such legal counsel, the other expenses reasonably incurred by the Indemnified Persons in connection with such claim, action, suit, investigation or proceeding and a fee at the normal per diem rate for any director, officer or employee of the Agent involved in the preparation for or attendance at such proceedings or investigation.

9.7 The rights and remedies of the Indemnified Persons set forth in this Section 9 are to the fullest extent possible in law cumulative and not alternative and the election by any Agent or other Indemnified Person to exercise any such right or remedy shall not be, and shall not be deemed to be, a waiver of any other rights and remedies.

9.8 The Corporation waives any right it may have of first requiring an Indemnified Person to proceed against or enforce any other right, power, remedy or security or claim or to claim payment from any other person before claiming under this indemnity. It is not necessary for an Indemnified Person to incur expense or make payment before enforcing such indemnity.

9.9 If the Corporation has assumed the defense of any suit brought to enforce a claim hereunder, the Indemnified Person shall provide the Corporation copies of all documents and information in its possession pertaining to the claim, take all reasonable actions necessary to preserve its rights to object to or defend against the claim, consult and reasonably cooperate with the Corporation in determining whether the claim and any legal proceeding resulting therefrom should be resisted, compromised or settled and reasonably cooperate and assist in any negotiations to compromise or settle, or in any defense

of, a claim undertaken by the Corporation provided that such Indemnified Person shall be reimbursed as contemplated by this Section 9.

9.10 It is the intention of the Corporation to constitute the Agent as trustee for the Indemnified Persons for the purposes of this Section 9 and the Agent agrees to accept such trust and to hold and enforce such covenants on behalf of such persons.

10. **Right of Contribution**

10.1 In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in this Agreement is due in accordance with its terms but is (in whole or in part), for any reason, held by a court to be unavailable from the Corporation on grounds of public policy or otherwise, each of the Corporation and the party or parties seeking indemnification shall contribute to the aggregate demands, losses (other than losses of profit in connection with the distribution of the Units), costs, damages, obligations, payments, expenses, fees and liabilities (or claims, actions, suits, investigations or proceedings in respect thereof) to which they may be subject or which they may suffer or incur in such proportion as is appropriate to reflect not only the relative fault of the Corporation and any Indemnified Person but also the benefits received by the Corporation on the one hand and any Indemnified Person on the other hand as well as any relevant equitable considerations.

10.2 The relative benefits received by the Corporation, on the one hand, and the Indemnified Persons, on the other hand, shall be deemed to be in the same proportion that the total proceeds of the offering of Units received by the Corporation (net of fees but before deducting expenses) bear to the fees received by the Agent. The relative fault of the Corporation, on the one hand, and of the Indemnified Persons, on the other hand, shall be determined by reference, among other things, to whether the statement, omission, misrepresentation or alleged misrepresentation, order, inquiry, investigation or other matter or thing referred to in Section 9.1 which resulted in such demands, losses, costs, damages, obligations, payments, expenses, fees or liabilities relates to information supplied or which ought to have been supplied by, or steps or actions taken or done on behalf of or which ought to have been taken or done on behalf of, the Corporation, the Agent or any of the Indemnified Persons, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement, omission, misrepresentation or alleged misrepresentation, order, inquiry, investigation or other matter or thing referred to in Section 9.1.

10.3 The amount paid or payable by an Indemnified Person as a result demands, losses (other than losses of profit in connection with the distribution of the Units), costs, damages, obligations, payments, expenses, fees and liabilities (or claims, actions, suits, investigations or proceedings in respect thereof) referred to above shall, without limitation, include any legal or other expenses reasonably incurred by the Indemnified Person in connection with investigating or defending such demands, losses (other than losses of profit in connection with the distribution of the Units), costs, damages, obligations, payments, expenses, fees and liabilities (or claims, actions, suits, investigations or proceedings in respect thereof), whether or not resulting in any action, suit, proceeding or claim provided such fees were incurred with respect to counsel engaged in accordance with subparagraphs (a), (b) or (c) of Section 9.4.

10.4 The Corporation agrees that it would not be just and equitable if contributions pursuant to this Agreement were determined by pro rata allocation or by any other method of allocation which does not take into account the equitable considerations referred to in the immediately preceding Sections. The rights to contribution provided in this Section 10 shall be in addition to, and without prejudice to, any other right to contribution which the Agent may have.

10.5 Any liability of the Agent under this Section 10 shall be limited to the fee payable to the Agent pursuant to Section 11.

11. Fees

11.1 In consideration for the services of the Agent hereunder, the Corporation agrees to pay the Agent, at the Closing Time:

- (a) a fee equal to \$10,000 (plus GST), of which \$5,000 (plus GST) has already been paid as a non-refundable deposit;
- (b) a fee equal to 8.0% of the gross proceeds from the sale of the Units sold by the Agent and a fee equal to 2.0% of the gross proceeds from the sale of the Units sold by the Corporation (the "**Agent's Fee**"); and
- (c) an option to purchase that number of Agent's Units equal to 10.0% of the number of Units sold by the Agent and an option to purchase that number of Agent's Units equal to 2.0% of the number of Units sold by the Corporation, exercisable at a price of \$0.15 per Unit for a period of 24 months following the Closing Date (the "**Agent's Options**").

11.2 For greater certainty, the services provided by the Agent in connection with the Offering will not be subject to the goods and services tax provided for in the *Excise Tax Act* (Canada) and taxable supplies will be incidental to the exempt financial services provided.

12. Expenses

12.1 Whether or not the transactions contemplated herein shall be completed, all reasonable costs and expenses (including applicable GST) of or incidental to the transactions contemplated hereby including, without limitation, those relating to the distribution of the Units shall be borne by the Corporation, including, without limitation, all costs and expenses of or incidental to the preparation, filing and reproduction (including the commercial copies thereof) of the Preliminary Prospectus, the Prospectus, any Supplementary Material, and the delivery thereof to the Agent, the fees and expenses of the Corporation's counsel, the fees and expenses of the Corporation's transfer agent, any auditors, engineers and other outside consultants, all stock exchange listing fees, and the fees, disbursements and taxes of Agent's counsel, the reasonable fees and expenses of any consultants, specialists or other counsel of the Agent, and the reasonable fees and expenses of the Agent. Extraordinary expenses, including, but not limited to, travel costs will only be incurred on a pre-approved basis and paid by the Corporation. Such approval will not be unreasonably withheld, having regard to the circumstances.

13. Conditions

13.1 All terms and conditions of this Agreement shall be construed as conditions, and any breach or failure to comply in all material respects with any such terms and conditions required to be complied with by the Corporation or the Promoters shall entitle the Agent, without limitation of any other remedies of the Agent, to terminate their obligations to use their reasonable commercial efforts to secure subscriptions for the Units by notice to that effect given to the Corporation at or prior to the Closing Time. It is understood that the Agent may waive, in whole or in part, or extend the time for compliance with, any of such terms and conditions without prejudice to the rights of the Agent in respect of any other of such terms and conditions or any other or subsequent breach or non compliance, provided that to be binding on the Agent any such waiver or extension must be in writing. No act of the Agent in offering the Units or in preparing or joining in the execution of the Prospectuses or any Supplementary Material shall constitute a waiver of, or estoppel against, the Agent.

14. Termination

14.1 In addition to any other remedies which may be available to the Agent, each Agent shall be entitled, at its option, to terminate and cancel, without any liability on the Agent's part, its obligations hereunder by giving the Corporation written notice to that effect not later than the Closing Time, if prior to the Closing Time:

- (a) there should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence, acts of hostilities or escalation thereof or other calamity or crisis or any change or development involving a prospective change in national or international political, financial or economic conditions or any governmental action, law, regulation, inquiry or other occurrence of any nature whatsoever which, in the sole opinion of the Agent, acting reasonably, seriously adversely affects or may seriously adversely affect the financial markets or the business, operations or affairs of the Corporation or the Material Subsidiary; or
- (b) any order to cease or suspend trading in any securities of the Corporation, or prohibiting or restricting the distribution of the Units, Common Shares or Warrants is made, or proceedings are announced or commenced for the making of any such order, by any securities commission or similar regulatory authority, the TSXV or by any other competent authority, and the same has not been rescinded, revoked or withdrawn; or
- (c) any inquiry, investigation (whether formal or informal) or other proceeding in relation to the Corporation, the Material Subsidiary or any of their respective directors or senior officers is announced or commenced by any securities commission or similar regulatory authority, the TSXV or by any other competent authority (unless solely based on the activities or alleged activities of the Agent), or there is any change of law, regulation or policy or the interpretation or administration thereof which, in the sole opinion of the Agent, acting reasonably, materially adversely affects, or may materially adversely affect, the Corporation or the Material Subsidiary or the distribution of the Units or the trading or distribution of the Common Shares or Warrants; or
- (d) the state of the financial markets is such that, in the reasonable opinion of the Agent, the Units cannot be profitably marketed; or
- (e) there should occur or be announced or discovered any material change, change of a material fact, occurrence or event of the nature referred to in Section 5.1 or any development that could result in a material change or a change of a material fact with respect to the Corporation or the Material Subsidiary which, in the sole opinion of the Agent, acting reasonably, would be expected to have a material adverse effect on the business, operations or affairs of the Corporation or the Material Subsidiary or the market price or value or the marketability of the Units, Common Shares or Warrants; or
- (f) the Corporation or Promoter is in breach of, default under or non-compliance with any material representation, warranty, term, or condition of the Corporation or such Promoter, as the case may be, contained in this Agreement; or
- (g) the Agent shall become aware, as a result of its due diligence review or otherwise, of an adverse material change with respect to the Corporation or the Material Subsidiary which had not been previously disclosed to the Agent.

14.2 The Agent may exercise any or all of the rights provided for in this Section 14.1 notwithstanding any material change, change, event or state of facts and notwithstanding any act or thing taken or done by the Agent or any inaction by the Agent, whether before or after the occurrence of any material change, change, event or state of facts including, without limitation, any act of the Agent related to the offering or continued offering of the Units for sale and any act taken by the Agent in connection with any amendment to the Prospectus (including the execution of any amendment) and the Agent shall only be considered to have waived or be estopped from exercising or relying upon any of their rights under or pursuant to Section 14.1 if such waiver or estoppel is in writing and specifically waives or estops such exercise or reliance.

14.3 Any termination pursuant to the terms of this Agreement shall be effected by notice in writing delivered to the Corporation, provided that no termination shall discharge or otherwise affect any obligation of the Corporation under Sections 8.3, 9, 10, 11, 12 or 13. The rights of the Agent to terminate their obligations hereunder are in addition to, and without prejudice to, any other remedies they may have.

15. **Survival**

15.1 All warranties, representations, covenants and agreements of the Corporation and the Agent herein contained or contained in documents submitted pursuant to this Agreement shall survive the issuance of the Units and the termination of this Agreement and shall continue in full force and effect for the benefit of the Agent and the Corporation, regardless of any subsequent disposition of such Common Shares or Warrants or any investigation by or on behalf of the Agent with respect thereto and regardless of whether transactions contemplated herein have been completed.

16. **Stabilization**

16.1 In connection with the distribution of the Units, the Agent and other Selling Firms may over allot or effect transactions, in compliance with Applicable Securities Laws, which stabilize or maintain the market price of the Common Shares and Warrants at levels above those which might otherwise prevail in the open market. Such stabilizing transactions, if any, may be discontinued at any time.

17. **Restriction on Further Issues or Sales**

17.1 The Corporation will not, from the date hereof until 180 days following the Closing Date, directly or indirectly, offer, or announce the offering of, or enter into or make any agreement or understanding, to issue, sell or exchange or otherwise dispose of (or announce any intention to effect the foregoing) any Common Shares, flow-through shares or securities exchangeable for or convertible into Common Shares or flow-through shares without the prior written consent of Union Securities Ltd., such consent not to be unreasonably withheld, provided that notwithstanding the foregoing the Corporation may: (i) grant stock options (not in excess of the number of options allowable under the Corporation's existing stock option plan); or (ii) issue securities upon exercise of previously issued securities convertible or exchangeable into Common Shares.

18. **Notices**

18.1 Any notice or other communication to be given hereunder shall be addressed as follows:

(a) if to the Corporation:

CMX Gold & Silver Corp.
P.O. Box 60019
677 Cougar Ridge Drive S.W.
Calgary, Alberta T3H 5J0

Facsimile: (403) 246-3018
Attention: Jan Alston

with a copy to:

Norton Rose Canada LLP
3700, 400 – 3rd Avenue S.W.
Calgary, Alberta T2P 4H2

Facsimile: (403) 264-5973
Attention: Rick Skeith

(b) if to the Promoter:

Jan Alston
P.O. Box 60019
677 Cougar Ridge Drive S.W.
Calgary, Alberta T3H 5J0

Facsimile: (403) 246-3018
Attention: Jan Alston

with a copy to:

Norton Rose Canada LLP
3700, 400 – 3rd Avenue S.W.
Calgary, Alberta T2P 4H2

Facsimile: (403) 264-5973
Attention: Rick Skeith

(c) if to the Agent:

Union Securities Ltd.
Suite 1750, 300 – 5th Avenue S.W.
Calgary, Alberta T2P 3C4

Facsimile: (403) 237-5546
Attention: J. David D. McKeown

with a copy to:

Burstall Winger LLP
1600, 333 – 7th Avenue S.W.
Calgary, Alberta T2P 2Z1

Facsimile: (403) 266-6016
Attention: Harley L. Winger

Any such notice or other communication shall be in writing, and unless delivered personally to a responsible officer of the addressee, shall be given by courier service or telecopy, and shall be deemed to have been received, if given by telecopy, on the day of sending (or the next business day following the sending if the sending is after 4:00 p.m. (Calgary time) or if the day of sending is not a business day) and, if given by courier service, on the next business day following the sending thereof.

19. Miscellaneous

19.1 If any provision of this Agreement is determined to be void or unenforceable in whole or in part, it shall be deemed not to affect or impair the validity of any other provision of this Agreement and such void or unenforceable provision shall be severed from this Agreement.

19.2 This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein without regard to conflicts of law principles. Each of the Agent and the Corporation irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of Alberta with respect to all matters arising out of this Agreement and the transactions contemplated herein.

19.3 Time shall be of the essence hereof.

19.4 This Agreement may be executed in any number of counterparts or facsimiles, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement.

19.5 All dollar amounts referred to in this Agreement are in Canadian funds, unless otherwise specified.

19.6 It is understood that this Agreement shall supersede any written agreement between the Corporation and the Agent in respect of the distribution of the Offered Securities.

[The remainder of this page is intentionally left blank.]

If the foregoing is in accordance with your understanding and is agreed to by you, please communicate your acceptance by executing this letter where indicated below and returning same to the Agent.

Yours very truly,

UNION SECURITIES LTD.

Per: (signed) "J. David D. McKeown"

The foregoing is hereby accepted by us.

DATED this 11th day of April, 2012

CMX GOLD & SILVER CORP.

Per: (signed) "Jan Alston"

(signed) "Lossie Alston"
Witness

(signed) "Jan Alston"
Jan Alston