

INVESTMENT FRAMEWORK AGREEMENT

THIS AGREEMENT dated January 29, 2010 is between:

GOLDCORP INC., a company incorporated under the laws of Ontario

(**“Goldcorp”**)

AND

QUATERRA RESOURCES INC., a company incorporated under the laws of British Columbia

(**“Quaterra”**)

BACKGROUND

A. Pursuant to the terms of a letter of intent dated December 15, 2009 between Goldcorp and Quaterra, Quaterra has agreed to grant Goldcorp an option to acquire interests in and provide for the further exploration and possible joint venturing of certain mining properties held, or to be acquired by Quaterra within the states of Zacatecas and San Luis Potosi, eastern Durango and south and southwest Chihuahua, Mexico, as such area is identified on the map in **Schedule 1** hereto (the **“Project Area”**);

B. This Agreement sets out the Parties’ respective rights and obligations with respect to mining properties within the Project Area.

AGREEMENTS

For good and valuable consideration, the receipt and sufficiency of which each party acknowledges, the parties agree as follows:

PART 1

INTERPRETATION

1.1 Defined Terms. In this Agreement:

- (a) **“Acquisition Notice”** has the meaning given in section 3.2(c)(i);
- (b) **“Advanced Property”** has the meaning given in section 3.3;
- (c) **“Advanced Exploration Expenditures”** means all expenditures, expenses, obligations and liabilities of whatever kind or nature reasonably spent or incurred during the

advanced exploration phase, including for greater certainty and without limitation, moneys that would qualify as Eligible Exploration Expenditures as well as moneys expended or incurred in connection with any program of underground prospecting, drifting, raising and other underground work, environmental studies, and moneys expended in acquiring or constructing facilities and in preparation for the removal and recovery of minerals from an Advanced Property, including construction and installation of a mill or any other improvements to be used for the mining, handling, milling, processing, or other beneficiation of minerals, and all expenditures related to compliance with Environmental and other Laws;

- (d) **"Affiliate"** means in respect of a Person means any other Person that, directly or indirectly, Controls, is Controlled by, or is under common Control with, such first Person;
- (e) **"Applicable Accounting Principles"** means until such time a Party shall adopt the International Financial Reporting Standards adopted by the International Accounting Standards Board (IASB), Canadian Generally Accepted Accounting Principles;
- (f) **"Business Day"** means any day from Monday to Friday inclusive, except for any day that is a statutory holiday in British Columbia;
- (g) **"Control"** means, with respect to the relationship between two or more Persons, the direct or indirect possession of the power to direct or cause the direction of the affairs or management of a Person, whether through the ownership of voting securities, as trustee, personal representative or executor, by contract, credit arrangement or otherwise, including, without limitation:
 - (i) the right to exercise a majority of the votes which may be cast at a general meeting of a corporation; and
 - (ii) the right to elect or appoint, directly or indirectly, a majority of the directors of a corporation or other persons who have the right to manage or supervise the management of the affairs and business of the corporation;
- (h) **"Development Committee"** has the meaning given in section 3.3(b);
- (i) **"Effective Date"** means the date of this Agreement as first set out above;
- (j) **"Eligible Exploration Expenditures"** shall mean all expenditures, expenses, obligations and liabilities of whatever kind or nature reasonably spent or incurred during the generative exploration phase, including for greater certainty and without limitation, moneys expended in securing interests in and maintaining the Quaterra Mining Properties in good standing, expenses paid for or incurred in connection with any program of surface prospecting, mapping, sampling, exploring, ground and airborne geophysics, geological, geophysical and geochemical surveying, drilling, assaying, metallurgical testing, submissions to any Governmental Authority and other agencies with respect to all required permits, licenses and approvals, and all field costs incurred by Quaterra in implementing the generative exploration phase;

- (k) “**Encumbrance**” means any mortgage, pledge, assignment, charge, lien, claim, security interest, adverse interest, other third person interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing;
- (l) “**Environmental Approvals**” means all permits, certificates, licences, authorizations, consents, instructions, registrations, directions or approvals issued or required by any Governmental Entity pursuant to any Environmental Law;
- (m) “**Environmental Laws**” means all applicable Laws, including applicable common law, relating to the protection of the environment and employee and public health and safety, and includes Environmental Approvals;
- (n) “**Exploration Fund**” has the meaning given in section 3.1(a);
- (o) “**Feasibility Study**” “Feasibility Study” means a detailed report or reports prepared by or for Goldcorp evaluating the feasibility of placing an Advanced Property, or any part thereof, into production and operation as a mine, which detailed report or reports shall include, without limitation, a reasonable assessment of the mineable mineral reserves and their amenability to metallurgical treatment, a complete description of the work, equipment and supplies required to bring the Advanced Property into mineral production and the estimated cost thereof, a description of the mining methods to be employed and a financial appraisal of possible mining operations. Such detailed report or reports shall include and be supported by the following, as appropriate to the circumstances:
 - (i) a description of the Advanced Property and that part of the Advanced Property proposed to be the subject of a mine;
 - (ii) the estimated recoverable reserves of minerals and the estimated composition and content thereof;
 - (iii) the procedure for the development, mining and production of minerals from the Advanced Property;
 - (iv) results of mineral processing tests and ore amenability tests;
 - (v) the nature and extent of the facilities which might be necessary to acquire or construct, which may include ore processing facilities if the nature, volume and location of the ore makes such ore processing facilities necessary and feasible, in which event the study shall also include a design for such ore processing facilities;
 - (vi) a detailed cost and timing analysis, including a capital cost budget, of the total estimated costs and expenses required to develop a mine on the Advanced Property and to purchase, construct and install all structures, machinery, equipment, and electricity connection or generation equipment

required for such mine including an ore processing facility, if so included in accordance with the terms hereof;

- (vii) detailed operating cost estimates, including working capital requirements for the initial three months of operation of the mine or such longer period as may be reasonably justified;
 - (viii) all description of necessary environmental impact and mitigation studies and costs, including planned rehabilitation of the Advanced Property with estimated costs thereof;
 - (ix) a critical path time schedule for bringing the Advanced Property or any part thereof to commercial production;
 - (x) such other data and information as are reasonably necessary to provide a reasonable basis for the Parties to make an informed decision regarding whether there exists a mineral deposit of sufficient size and grade to justify development of a mine on the Advanced Property, taking into account all relevant business, tax and other economic considerations;
 - (xi) disclosure of all price assumptions;
 - (xii) a transportation cost analysis;
 - (xiii) a proposed procedure or method of disposing of tailings as required under the environmental and mining laws of all Governmental Entities having jurisdiction;
 - (xiv) a detailed discussion and analysis of governmental requirements with respect to the development of a mine on the Advanced Property including time schedules;
 - (xv) a discounted cash flow (net of income taxes) and return on investment analysis, including an economic forecast for the life of the proposed mine; and
 - (xvi) appropriate sensitivity analyses.
- (p) **“Goldcorp Areas of Interest”** means any and all mining properties, concessions, permits or other forms of mineral tenure located wholly or partly within an area extending five (5) kilometres from the outer-most boundaries of:
- (i) mining properties within the Project Area held by Goldcorp or designated to be of interest to Goldcorp at the Effective Date and set out in **Schedule 3** hereto; and

- (ii) mining properties within the Project Area acquired by Goldcorp from time to time in compliance with this Agreement;
- (q) **“Goldcorp Mining Properties”** means the mining properties held by Goldcorp as described and delineated in the map set out in **Schedule 3** hereto, individually a **“Goldcorp Mining Property”**;
- (r) **“Governmental Entity”** means any applicable (i) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, whether domestic or foreign, (ii) any subdivision, agency, commission, board or authority of any of the foregoing, or (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;
- (s) **“JVco”** has the meaning given in section 5.1;
- (t) **“JV Property”** has the meaning given in section 4.1(c);
- (u) **“Laws”** means all laws, by-laws, rules, regulations, orders, ordinances, protocols, codes, guidelines, instruments, policies, notices, directions and judgments or other requirements of any Governmental Entity;
- (v) **“Material Adverse Change”** means any one or more facts, circumstances, changes, effects, events or occurrences, and **“Material Adverse Effect”** means, an effect, which, in either case either individually or in the aggregate with all other facts, changes, circumstances, effects, events or occurrences is, or would reasonably be expected to be, material and adverse to
 - (i) a Quaterra Mining Property;
 - (ii) the business or the financial condition, trading position, assets or prospects of Quaterra; or
 - (iii) the value of the shares in the capital of Quaterra,other than changes in interest rates, exchange rates, commodity prices or other general economic conditions (except to the extent that such changes have an impact on Quaterra that is disproportionate to the effect on other similar companies operating in the mining industry);
- (w) **“Mineral Rights”** has the meaning given in section 6.1(h)(i)B;
- (x) **“New Mineral Interest”** means a mineral interest staked by a Party after the Effective Date or a pre-existing mineral interest held by a third party in which a Party acquires any right or interest after the Effective Date;

- (y) “**NSR Royalty**” has the meaning given in **Schedule 4**;
- (z) “**Parties**” means Goldcorp and Quaterra, and their respective successors and assigns, and “**Party**” means any one of the Parties;
- (aa) “**Person**” means an individual, partnership, association, body corporate, joint venture, business organization, trustee, executor, administrative legal representative, Governmental Entity or any other entity, whether or not having legal status;
- (bb) “**Project Area**” has the meaning given in recital A and more particularly described and delineated in the map set out in **Schedule 1** hereto;
- (cc) “**Proposal Notice**” has the meaning given in section 3.2(b)(i);
- (dd) “**Quaterra Documents**” has the meaning given in section 6.1(k);
- (ee) “**Quaterra Mining Properties**” means the mining properties held by Quaterra as described and delineated in the map set out in **Schedule 2** hereto, and any other mining properties acquired by Quaterra and included in the scope of this Agreement pursuant to section 3.1(d)(iii) or 3.1(d)(v), individually a “**Quaterra Mining Property**”;
- (ff) “**Quaterra Subsidiary**” means an Affiliate of Quaterra which holds a Quaterra Mining Property or may hold a Quaterra Mining Property from time to time;
- (gg) “**Real Property Interests**” has the meaning given in section 6.1(h)(i)A;
- (hh) “**Steering Committee**” has the meaning given in section 3.1(b);
- (ii) “**Stock Exchanges**” means the TSX Venture Exchange, the NYSE Amex and any other stock exchange which shares of Quaterra are listed from time to time, individually a “**Stock Exchange**”;
- (jj) “**Warrants**” has the meaning given in section 3.4(a).

1.2 Currency. Unless otherwise stated, all references in this Agreement to amounts of money are expressed in lawful money of the United States of America.

1.3 Invalidity of Provisions. Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof. To the extent permitted by applicable law, the parties hereto waive any provision of law that renders any provision of this Agreement or any part thereof invalid or unenforceable in any respect. The parties hereto will engage in good faith negotiations to replace any provision hereof or any part thereof that is declared invalid or unenforceable with a valid and enforceable provision or part thereof, the economic effect of which approximates as much as possible the invalid or unenforceable provision or part thereof that it replaces.

1.4 Schedules. The following attached schedules form part of this Agreement:

Schedule 1	Map of Project Area
Schedule 2	Quaterra Mining Properties
Schedule 3	Goldcorp Mining Properties and Goldcorp Areas of Interest
Schedule 4	NSR Royalty
Schedule 5	Form of Shareholders' Agreement

PART 2

MINING PROPERTIES

2.1 Mining Properties. Goldcorp will be entitled to earn an interest in the Quaterra Mining Properties, as set out in Part 4, by providing exploration funding pursuant to Part 3.

PART 3

EXPLORATION OF MINING PROPERTIES

3.1 Generative Exploration Phase.

(a) Generative Exploration Program. Quaterra will use the US\$10 million (the “**Exploration Fund**”) raised by the private placement of Quaterra shares provided for in section 3.4 to perform generative exploration in the Project Area for a period of at least two (2) years from the Effective Date. The principal focus of the generative exploration program will be to identify and stake new projects. Generative exploration may include mapping, sampling, ground and airborne geophysics and drilling, as well as the acquisition of New Mineral Interests within the Project Area from third parties.

(b) Steering Committee. The generative exploration phase will be overseen by a steering committee (the “**Steering Committee**”) made up of one (1) Quaterra representative and one (1) Goldcorp representative, which will meet semi-annually to allow input from Goldcorp into items such as additional acquisitions, annual budgeting and target/project selection. In addition, an annual meeting will be held in Vancouver to propose a budget and work program for the following year. In the event of disagreement within the Steering Committee, Quaterra shall have the casting vote.

(c) Reporting. Quaterra shall provide Goldcorp monthly written summaries of activities on the generative exploration program, which summaries shall include, but need not be limited to, a statement of Eligible Exploration Expenditures incurred and comparisons of such Eligible Exploration Expenditures to previous estimates of such Eligible Exploration Expenditures and all other pertinent data including, without limitation, drill and assay results, survey results, and the results of geological and geophysical and other technical reports. Quaterra also shall provide such responses and additional information relating to the generative exploration activities as may reasonably be requested by Goldcorp from time to time.

(d) Eligible Exploration Expenditures. Subject to subsections 3.2(b) and 3.2(c), an Eligible Exploration Expenditure that is not included in the annual budget approved by the Steering Committee, must be approved by Goldcorp in writing before such Eligible Exploration Expenditure is paid from the Exploration Fund.

3.2 Acquisitions of New Mineral Interests.

(a) Consent Required. Quaterra or an Affiliate of Quaterra shall not acquire any New Mineral Interest within the Goldcorp Areas of Interest without the prior written consent of Goldcorp, which consent may be withheld by Goldcorp in its sole discretion.

(b) Proposed Acquisition.

- (i) Quaterra may propose in writing to Goldcorp and the Steering Committee that Quaterra or an Affiliate of Quaterra acquire a New Mineral Interest within the Project Area (the “**Proposal Notice**”). The Proposal Notice must include all relevant information regarding the New Mineral Interest known by Quaterra;
- (ii) Upon receipt of the Proposal Notice, Goldcorp shall notify Quaterra in writing as soon as reasonably practicable and in any case within 30 days, that:
 - A. Goldcorp wishes Quaterra to acquire the New Mineral Interest to include as a Quaterra Mining Property, and in which case such acquisition costs shall be an Eligible Exploration Expenditure; or
 - B. Goldcorp does not wish Quaterra to acquire the New Mineral Interest for inclusion as a Quaterra Mining Property, and in which case subject to subsection 3.2(f), such New Mineral Interest shall be open to competitive bidding by the Parties;

If Goldcorp does not respond within 30 days of receipt of the Proposal Notice, Goldcorp shall be deemed to wish to include the New Mineral Interest as a Quaterra Mining Property, and such acquisition costs shall be an Eligible Exploration Expenditure;

(c) Notice of Acquisition.

- (i) Quaterra shall provide written notice (the “**Acquisition Notice**”) to Goldcorp within 2 Business Days of any New Mineral Interest being acquired by Quaterra or an Affiliate of Quaterra within the Project Area. The Acquisition Notice must include all relevant information regarding such New Mineral Interest known by Quaterra. The Parties agree that the acquisition of such Mineral Interest will be solely a Quaterra expense;

- (ii) Upon receipt of the Acquisition Notice, Goldcorp shall have 30 days to notify Quaterra in writing that Goldcorp elects either to:
 - A. include the New Mineral Interest as a Quaterra Mining Property, and in which case such acquisition costs will be an Eligible Exploration Expenditure; or
 - B. exclude the New Mineral Interest from the Quaterra Mining Properties, in which case the New Mineral Interest shall be owned by Quaterra and Goldcorp shall have no rights to such mineral interest under this Agreement.

If Goldcorp does not respond within 30 days of receipt of the Acquisition Notice, the new mining interest will be deemed to be included as a Quaterra Mining Property and such acquisition costs will be an Eligible Exploration Expenditure;

(d) Competitive Bidding. Subject to subsection 3.2(f), any New Mineral Interest within the Project Area not selected for inclusion as a Quaterra Mining Property by Goldcorp and not owned by Quaterra, shall be open to competitive bidding by the Parties.

(e) Goldcorp Right to Acquire. Subject to subsection 3.2(f), if a New Mineral Interest within the Project Area has not been the subject of a Proposal Notice and is not owned by Quaterra, Goldcorp shall have the right to acquire such interest without notice to Quaterra.

(f) Quaterra Right to Acquire. Quaterra shall have the right to acquire any New Mineral Interest entirely surrounded by a Quaterra Mining Property, free from competitive bids from Goldcorp and such mineral interest shall become part of the surrounding Quaterra Mining Property, Advanced Property, or JV Property as the case may be, for all purposes of this Agreement or the Shareholders Agreement, as applicable.

(g) Contiguous New Mineral Interest. Notwithstanding any other provision in this Agreement, if a New Mineral Interest acquired by Quaterra or an Affiliate of Quaterra is less than 5,000 hectares and is contiguous to either a Quaterra Mining Property, an Advanced Property or a JV Property as the case may be, that New Mineral Interest shall form part of the contiguous Quaterra Mining Property, Advanced Property, or JV Property, as the case may be, for all purposes of this Agreement or the Shareholders Agreement, as applicable.

3.3 Advanced Exploration Phase

(a) Advanced Property. Goldcorp will have the right to select and designate any Quaterra Mining Property for advanced exploration (an "**Advanced Property**") by notice in writing to Quaterra:

- (i) within three (3) years of the Effective Date if section 4.1(a) applies; or

- (ii) within four (4) years of the Effective Date if section 4.1(b) applies.

Once a property has been designated as an Advanced Property, Goldcorp agrees to spend \$1 million on Advanced Exploration Expenses in the first 12 month period after a Quaterra Mining Property has been designated an Advanced Property and a total of \$2 million within 24 months after the Quaterra Mining Property has been designated an Advanced Property. Goldcorp will relinquish its interest in any Advanced Property on which it does not satisfy the expenditure requirements set forth in the preceding sentence and such Advanced Property shall no longer be subject to this Agreement. If Goldcorp expends at least \$2 million on an Advanced Property within two (2) years of such designation, Goldcorp will be entitled to retain a 2% NSR Royalty on such Advanced Property if that Advanced Property is relinquished by Goldcorp at any time thereafter.

(b) Development Committee. All work on Advanced Properties will be overseen by a development committee (the “**Development Committee**”) made up of two Goldcorp representatives and two Quaterra representatives. Goldcorp will retain the casting vote in the event of disagreement within the Development Committee. The Development Committee shall:

- (i) develop an annual work program and budget for each Advanced Property (the “**Advanced Exploration Work Program and Budget**”); and
- (ii) agree annually in writing on the Advanced Exploration Expenditures actually incurred pursuant to the applicable Advanced Exploration Work Program and Budget during the previous year.

(c) Operator. Once a Quaterra Mining Property is designated as an Advanced Property, Goldcorp will become the operator of that Advanced Property unless Goldcorp requests and Quaterra agrees to continue to be the operator. If Quaterra continues to be the operator, Quaterra shall be entitled to an agreed upon industry-standard management fee, expressed as a proportion of the Advanced Exploration Expenditures in the annual Advanced Exploration Work Program and Budget. If it is operator of an Advanced Property, Quaterra agrees to implement the approved Advanced Exploration Work Program and Budget. In the event that Quaterra fails to implement the approved Advanced Exploration Work Program and Budget on an Advanced Property, Goldcorp has the right to replace Quaterra as operator on that Advanced Property upon written notice to Quaterra and the dates for making expenditures as set forth in 3.3(a) will be extended for a period of six months beyond the date upon which Goldcorp replaces Quaterra as the operator.

3.4 Initial Funding of Exploration

(a) Funding. Goldcorp agrees to fund the generative exploration phase through a two-part private placement of \$10 million into Quaterra units over two (2) years. Each unit shall comprise one common share in the capital of Quaterra and one-half of a two (2) year share purchase warrant. Each full warrant shall entitle Goldcorp to purchase one

additional common share of Quaterra at a 25% premium to the private placement share price (the “**Warrants**”). The exercise term of the Warrants shall be subject to possible extension pursuant to section 3.4(d) hereof.

(b) Private Placements. The first placement will be \$4 million and will be made upon delivery of the first placement shares to Goldcorp. The second placement will be \$6 million and will be made on the first anniversary of the Effective Date upon delivery of the second placement shares to Goldcorp. The first placement shall be priced at CDN\$1.41 per unit, being the 10 day weighted trading average of Quaterra stock immediately preceding Quaterra’s announcement of this transaction on December 17, 2009. The second placement shall be priced at the lowest permissible Market Price calculated in accordance with Stock Exchange policies applicable to Quaterra at that time. All securities issued pursuant to this Agreement shall be subject to restrictions on transfer as imposed under applicable Laws and requirements of Stock Exchanges and will be legended accordingly.

(c) Restriction on Ownership. In the aggregate the number of shares of Quaterra acquired by Goldcorp shall not total more than 9.9% of the issued and outstanding shares of Quaterra. In the event that this restriction would prevent the purchase of the full amount of the second placement shares, or exercise of any of the Warrants by Goldcorp, Quaterra shall either:

- (i) consent in writing to Goldcorp owning more than 9.9% of the issued and outstanding shares of Quaterra;
- (ii) extend the Warrants in accordance with subsection (d) hereof, if applicable; or
- (iii) contribute the balance of the \$6 million remaining after Goldcorp reaches 9.9% ownership from purchasing a portion of second year placement shares to the Exploration Fund.

(d) Extension of Warrants. Subject to compliance with Stock Exchange rules, in the event that Goldcorp is precluded by the 9.9% restriction on ownership in section 3.3(c) from exercising the Warrants, the term for the exercise of all outstanding Warrants held by Goldcorp will be extended, subject to any restrictions on extensions under Stock Exchange policies applicable to Quaterra at the time of any extension, for such additional one (1) year periods thereafter, as may be necessary to permit their exercise without Goldcorp’s aggregate common share holdings in Quaterra exceeding 9.9%, unless that restriction is otherwise waived by Quaterra.

(e) Restriction on Selling Shares. Goldcorp agrees it will not sell more than one million of its shares in Quaterra in any one calendar month, without the written consent of Quaterra, during the term of the Agreement.

PART 4

OPTION

4.1 Grant of Option. Quaterra hereby grants Goldcorp the sole and exclusive option to acquire an interest in the Mining Properties held by Quaterra, as follows:

(a) Goldcorp does not Exercise all Warrants. If Goldcorp does not exercise all of the Warrants by the second anniversary of the Effective Date (for any reason other than being precluded from doing so by the 9.9% limitation referred to in section 3.3(c) above), the generative exploration phase shall end on such second anniversary date, but Goldcorp shall retain the right to select and designate any Quaterra Mining Property or Quaterra Mining Properties as an Advanced Property, for advanced exploration in the third year. Goldcorp will otherwise relinquish all rights to any Quaterra Mining Property not designated as an Advanced Property on or before the date that is three (3) years from the Effective Date;

(b) Goldcorp Exercises All Warrants. If Goldcorp exercises all of the Warrants by the second anniversary of the Effective Date, or by such later date as may be required to enable it to exercise the Warrants without exceeding an aggregate shareholding in Quaterra of more than 9.9%, generative exploration will be carried out in the third year and Goldcorp will retain the right to select and designate any Quaterra Mining Property or Quaterra Mining Properties as an Advanced Property for advanced exploration in the fourth year. Goldcorp will otherwise relinquish all rights to any Quaterra Mining Property not designated as an Advanced Property on or before the date that is four (4) years from the Effective Date;

(c) Option to Earn 65% Interest. Upon having spent at least \$2 million on an Advanced Property, Goldcorp shall have the option to earn a 65% interest on that Advanced Property by completing a Feasibility Study, provided that its annual expenditures on the Advanced Property shall exceed \$1 million, inclusive of Feasibility Study costs. On completion of the Feasibility Study and regardless of its results, Goldcorp will be deemed to have earned a 65% interest in the Advanced Property and the Advanced Property shall then be designated as a “**JV Property**”.

PART 5

JV PROPERTY OPERATION

5.1 Joint Venture. Once an Advanced Property has been designated as a JV Property pursuant to section 4.1(c), Quaterra will transfer ownership of the JV Property to a newly incorporated Mexican company (“**JVco**”) that will be governed by a shareholders’ agreement which shall be substantially in the form and substance of the Rocky Mountain Mineral Law Foundation’s Form 5A (model shareholder agreement), with such amendments, modifications and such other terms and conditions as may be required or desirable to give effect to the most tax-effective and efficient corporate structure appropriate to the formation and management of a

Mexican mineral development company, and as otherwise mutually agreed to by the Parties. The Parties agree to cooperate to establish the constitution and share capital structure of JVco in a manner that is most effective and efficient given the corporate and tax considerations of the Parties. Each Party shall subscribe or shall be deemed to subscribe for a number of shares in JVco such that its ownership of JVco will be in direct proportion to the Party's interest in the JV Property.

5.2 JV Property Funding. Until such time as the boards of directors of Goldcorp and JVco have approved the development of a mine on the JV Property, whether pursuant to the Feasibility Study for the JV Property or an amended development plan approved by the board of JVco, Goldcorp will have sole discretion to determine and to conduct operations at the JV Property and shall solely fund such operations. Thereafter, each Party shall be responsible for raising and contributing its proportionate share of JV Property expenses, all as more particularly set out in the JVco shareholders' agreement.

5.3 Right to Develop JV Property. The Parties agree that the shareholders' agreement governing JVco will include a term providing that if JVco has not commenced the development of a mine on the JV Property by the date that is two (2) years after delivery of a Feasibility Study recommending the development of a mine on the JV Property, the minority shareholder shall have the right to become the manager of the JV Property and to proceed to develop a mine on the JV Property in accordance with the approved Feasibility Study. In the event that the majority shareholder elects not to participate in funding its share of such development, then the interest of the majority shareholder shall be reduced using a straight line dilution method.

5.4 Loan Guarantee. The Parties also agree that the shareholders' agreement governing JVco will include a term providing that at Quaterra's written request, Goldcorp will agree to guarantee a loan to Quaterra in an amount not to exceed Quaterra's anticipated share of the costs to develop a mine on the JV Property. In exchange for providing the loan guarantee, Quaterra shall transfer to Goldcorp a number of shares in JVco equal to 6% of the issued and outstanding JVco shares. If Goldcorp provides a loan guarantee and unless the terms of the guaranteed loan require otherwise, Quaterra will be obligated to repay the loan out of 90% of its pro rata, after tax cash distributions from JVco as provided in the shareholders' agreement.

PART 6

REPRESENTATIONS AND WARRANTIES

6.1 Representations and Warranties of Quaterra. Quaterra hereby represents and warrants to Goldcorp, and hereby acknowledges that Goldcorp is relying upon such representations and warranties in connection with entering into this Agreement and agreeing to complete the Arrangement, as follows:

- (a) Organization. Quaterra and each Quaterra Subsidiary have been duly incorporated, are validly subsisting and have full corporate or legal power and authority to own their

respective properties and assets and to conduct their respective businesses as currently owned and conducted. Quaterra and each Quaterra Subsidiary are registered, licensed or otherwise qualified as an extra-provincial corporation or a foreign corporation in each jurisdiction where the nature of the business or the location or character of the property and assets owned or leased by it requires it to be so registered, licensed or otherwise qualified, other than those jurisdictions where the failure to be so registered, licensed or otherwise qualified would not have a Material Adverse Effect on Quaterra. All of the outstanding shares of the Quaterra Subsidiaries are validly issued, fully paid and non-assessable.

(b) Capitalization. Quaterra is authorized to issue an unlimited number of Quaterra Common Shares. As at January 25, 2010 there were: (i) 111,542,704 Quaterra Common Shares outstanding; (ii) options to acquire an aggregate of 9,327,000 Quaterra Common Shares outstanding; and (iii) Quaterra warrants to acquire an aggregate of 21,501,368 Quaterra Common Shares. Other than disclosed in this section 6.1(b), and pursuant to this Agreement and the transactions contemplated hereby, there are no options, warrants, conversion privileges or other rights, agreements, arrangements or commitments (pre-emptive, contingent or otherwise) obligating Quaterra to issue or sell any shares of Quaterra, the Quaterra Subsidiaries or any securities or obligations of any kind convertible into or exchangeable for any shares of Quaterra or the Quaterra Subsidiaries. All outstanding Quaterra Common Shares have been authorized and are validly issued and outstanding as fully paid and non-assessable shares, free of pre-emptive rights. There are no outstanding contractual obligations of Quaterra or the Quaterra Subsidiaries to repurchase, redeem or otherwise acquire any outstanding Quaterra Common Shares or with respect to the voting or disposition of any outstanding Quaterra Common Shares.

(c) Authority. Quaterra has all necessary power, authority and capacity to enter into this Agreement and all other agreements and instruments to be executed by Quaterra as contemplated by this Agreement, and to perform its obligations hereunder and under such other agreements and instruments. The execution and delivery of this Agreement by Quaterra and the completion by Quaterra of the transactions contemplated by this Agreement have been authorized by the directors of Quaterra and no other corporate proceedings on the part of Quaterra are necessary to authorize this Agreement or to complete the transactions contemplated hereby. This Agreement has been executed and delivered by Quaterra and constitutes a legal, valid and binding obligation of Quaterra, enforceable against Quaterra in accordance with its terms. The execution and delivery by Quaterra of this Agreement and the performance by Quaterra of its obligations hereunder and the completion of the transactions contemplated hereby, do not and will not:

- (i) result in a violation, contravention or breach of, require any consent to be obtained under or give rise to any termination rights under any provision of:
 - A. the articles or by-laws (or their equivalent) of Quaterra or the Quaterra Subsidiaries;

- B. any Law; or
- C. any contract, agreement, licence or permit to which Quaterra or any of the Quaterra Subsidiaries is bound or is subject to or of which Quaterra or a Quaterra Subsidiary is the beneficiary,

in each case, which would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Quaterra; or

- (ii) result in the imposition of any Encumbrance upon any of the property or assets of Quaterra or a Quaterra Subsidiary or restrict, hinder, impair or limit the ability of Quaterra or a Quaterra Subsidiary to conduct the business of Quaterra or a Quaterra Subsidiary as and where it is now being conducted which would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Quaterra.

(d) Consents. Other than the consents or approvals of Stock Exchanges, no consent, approval, order or authorization of, or declaration or filing with, any Governmental Entity or other Person is required to be obtained by Quaterra or the Quaterra Subsidiaries in connection with the execution and delivery of this Agreement or the consummation by Quaterra of the transactions contemplated hereby.

(e) No Defaults. Neither Quaterra, nor any Quaterra Subsidiary to the knowledge of Quaterra or any Quaterra Subsidiary is in default under, and, there exists no event, condition or occurrence which, after notice or lapse of time or both, would constitute a default by Quaterra or a Quaterra Subsidiary under any contract, agreement or licence that is material to the conduct of the business of Quaterra or a Quaterra Subsidiary to which any of them is a party or by which any of them is bound that would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Quaterra.

(f) Litigation. There is no claim, action, proceeding or investigation pending or in progress or, to the knowledge of Quaterra, threatened against or relating to Quaterra or a Quaterra Subsidiary or affecting any of their respective properties or assets before any Governmental Entity which individually or in the aggregate has, or could reasonably be expected to have, a Material Adverse Effect on Quaterra. There are no pending or, to the knowledge of Quaterra, threatened criminal proceedings involving Quaterra, any Quaterra Subsidiary or any employee or agent of Quaterra. There is no bankruptcy, liquidation, winding-up or other similar proceeding pending or in progress, or, to the knowledge of Quaterra, threatened against or relating to Quaterra or a Quaterra Subsidiary before any Governmental Entity. Neither Quaterra nor any Quaterra Subsidiary nor any of their respective properties or assets is subject to any outstanding judgment, order, writ, injunction or decree that involves or may involve, or restricts or may restrict the right or ability of Quaterra or a Quaterra Subsidiary, as the case may be, to conduct its business in all material respects as it has been carried on prior to the Effective Date, or that would materially impede the consummation of the transactions contemplated by this Agreement,

except to the extent any such matter would not have a Material Adverse Effect on Quaterra.

(g) Quaterra Mining Properties. Except as disclosed in Schedule 2 hereto and applying customary standards in the mining industry of the applicable jurisdiction,>:

- (i) no Person has any agreement, option, right of first refusal or right, title or interest or right capable of becoming an agreement, option, right of first refusal or right, title or interest, in or to the Quaterra Mining Properties;
- (ii) Quaterra or a Quaterra Subsidiary has all necessary corporate power to own the Quaterra Mining Properties and each is in compliance with all applicable Laws, registrations, permits, consents and qualifications to which the Quaterra Mining Properties are subject;
- (iii) all taxes, local improvements, assessment rates, utilities and any and all other payments to or assessments of any Governmental Entity having jurisdiction in respect of each Quaterra Mining Property have been paid by Quaterra or a Quaterra Subsidiary in respect of such Quaterra Mining Property;
- (iv) neither the Quaterra Mining Properties nor any minerals or product derived from the Quaterra Mining Properties are subject to or bound by any royalty or royalty interest, whether registered or unregistered, and neither Quaterra nor any Quaterra Subsidiary has granted any royalty interest in or affecting the foregoing;
- (v) there is no action, suit, order, work order, petition, prosecution or other similar proceeding of which process initiating the same has been served on Quaterra or any Quaterra Subsidiary or threatened against Quaterra or any Quaterra Subsidiary and affecting the Quaterra Mining Properties at law or in equity or before or by any Governmental Entity; and
- (vi) neither Quaterra nor any Quaterra Subsidiary has received notice of any breach of any applicable Law in respect of its conduct on the Quaterra Mining Properties which could have a Material Adverse Effect on the Quaterra Mining Properties or the right, title and/or interest of Quaterra therein and thereto.

(h) Real Property Interests and Mineral Rights.

- (i) Except as disclosed in Schedule 2 hereto, and applying customary standards in the mining industry of the applicable jurisdiction, each of Quaterra and the Quaterra Subsidiaries:
 - A. has good and sufficient title, free and clear of any title defect or material Encumbrances, to all of its interests in the Quaterra

Mining Properties, including fee simple estates, leases, surface rights, rights of way, easements and licences from landowners or other authorities permitting the use of land but excluding the Mineral Rights (as defined below) (collectively, the “**Real Property Interests**”), other than real property in respect of which it is the lessee, in which case it has a valid leasehold interest, and the Real Property Interests permit the use of land by Quaterra and the Quaterra Subsidiaries necessary to permit the operation of their respective businesses as presently conducted or contemplated to be conducted; and

- B. holds all its mineral concessions, claims, leases, licenses, permits, access rights and other rights and interests necessary to explore for, develop, mine or produce minerals, ore or metals for development purposes on the Quaterra Mining Properties, (collectively, the “**Mineral Rights**”), free and clear of any material Encumbrances, the Mineral Rights are sufficient to permit the operation of the respective businesses of Quaterra and the Quaterra Subsidiaries as presently conducted or contemplated to be conducted, and none of Quaterra nor the Quaterra Subsidiaries has any liability or obligation to pay any commission, royalty, licence fee or similar payment to any Person with respect to the Mineral Rights.
- (ii) Except as disclosed in Schedule 2, and applying customary standards in the mining industry of the applicable jurisdiction:
- A. Quaterra and the Quaterra Subsidiaries are the legal and/or beneficial owner of all right, title and interest in and to the Real Property Interests and the Mineral Rights comprising the Quaterra Mining Properties pursuant to valid, subsisting and enforceable title documents or other recognized and enforceable agreements or instruments, and none of Quaterra nor the Quaterra Subsidiaries is in default of any of the material provisions of such documents, agreements and instruments nor has any such default been alleged;
 - B. the Real Property Interests and the Mineral Rights comprising the Quaterra Mining Properties have been properly located and recorded in compliance with applicable Laws and the Mineral Rights are comprised of valid and subsisting mineral claims;
 - C. the Real Property Interests and the Mineral Rights comprising the Quaterra Mining Properties are in good standing under applicable Laws, all assessment work required to be performed and filed under the Real Property Interests and the Mineral Rights has been performed and filed, all related taxes and other payments have been

paid and all related filings have been made, subject to review by Mexican mineral taxing authorities;

- D. neither Quaterra nor any Quaterra Subsidiary has any notice of any claim against or challenge to the title of Quaterra or any of the Quaterra Subsidiaries, or their respective ownership of, the Real Property Interests or Mineral Rights comprising the Quaterra Mining Properties;
 - E. the employees, agents and representatives of Quaterra and the Quaterra Subsidiaries have free and unrestricted access, to those portions of the Quaterra Mining Properties on which it has to the date of this Agreement conducted exploration activities as referenced in Schedule 2 and have not been prevented or restrained in any manner from exercising their rights of access;
 - F. Quaterra and the Quaterra Subsidiaries collectively have the exclusive right to deal with the Real Property Interests and the Mineral Rights comprising the Quaterra Mining Properties;
 - G. no other Person has any material interest in the Real Property Interests or the Mineral Rights comprising the Quaterra Mining Properties or the production from any of the underlying properties or mineral deposits or any right to acquire any such interest;
 - H. there are no back-in rights, earn-in rights, rights of first refusal or similar provisions which would materially affect the interest of Quaterra or any of the Quaterra Subsidiaries in the Real Property Interests or the Mineral Rights comprising the Quaterra Mining Properties; and
 - I. none of Quaterra nor the Quaterra Subsidiaries has received any notice, whether written or oral, from any Governmental Authority of any revocation or intention to revoke any of their respective interests in any of the Real Property Interests or the Mineral Rights comprising the Quaterra Mining Properties.
- (iii) Quaterra has provided Goldcorp with access to full and complete copies of all exploration information and data within the possession or control of Quaterra and the Quaterra Subsidiaries, including, without limitation, all geological, geophysical and geochemical information and data (including all drill, sample and assay results and all maps) and all technical reports, feasibility studies and other similar reports and studies, concerning the Mineral Rights comprising the Quaterra Mining Properties and Quaterra and the Quaterra Subsidiaries have the sole title, ownership and right to use all such information, data reports and studies.

- (iv) There is no claim or proceeding that has been commenced or, to the knowledge of Quaterra, is pending or threatened (and, to the knowledge of Quaterra, there is no existing ground on which any such claim or proceeding might be commenced with any reasonable likelihood of success) which, if determined adversely to Quaterra or any of the Quaterra Subsidiaries, could materially and adversely affect the ability of Quaterra or any of the Quaterra Subsidiaries to make use of, transfer or otherwise exploit the Real Property Interests or the Mineral Rights comprising the Quaterra Mining Properties.
- (v) All work and activities carried out on the Real Property Interests and the Mineral Rights comprising the Quaterra Mining Properties by Quaterra or the Quaterra Subsidiaries or, to the knowledge of Quaterra, by any other Person have been carried out in all material respects in compliance with all applicable Laws, and neither Quaterra nor any of the Quaterra Subsidiaries, nor, to the knowledge of Quaterra, any other Person, has received any notice of breach of any such applicable Laws.
- (i) Environmental. Except as disclosed in Schedule 2:
 - (i) Each of Quaterra and the Quaterra Subsidiaries has carried on its operations in compliance with all applicable Environmental Laws, except to the extent that a failure to be in such compliance, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on Quaterra.
 - (ii) To the knowledge of Quaterra, there are no Hazardous Substances at, in, on, under or migrating from the Quaterra Mining Property, except in material compliance with all Environmental Laws and except to the extent that any failures to be in compliance would not reasonably be expected to have a Material Adverse Effect on Quaterra.
 - (iii) neither Quaterra nor the Quaterra Subsidiaries has received from any Person or Governmental Entity any notice, formal or informal, of any proceeding, action or other claim, liability or potential Liability arising under any Environmental Law that is pending as of the Effective Date.
- (j) Reporting Status. Quaterra is a reporting issuer or its equivalent in the Provinces of British Columbia and Alberta. The Quaterra Common Shares are listed on the TSX-Venture Exchange and the NYSE Amex.
- (k) Reports. Since January 1, 2009, Quaterra has filed with all applicable securities authorities, Stock Exchanges and all applicable self-regulatory authorities a true and complete copy of all forms, reports, schedules, statements, certifications, material change reports and other documents required to be filed by it, including, without limitation, all documents required to be filed by it in compliance with continuous disclosure

requirements of applicable securities laws (such forms, reports, schedules, statements, certifications and other documents, including any financial statements or other documents, including any schedules included therein, are referred to herein as the “**Quaterra Documents**”). The Quaterra Documents, at the time filed or, if amended, as of the date of such amendment (i) did not contain any misrepresentation and did not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, and (ii) complied in all material respects with the requirements of applicable securities legislation and the rules, policies and instruments of all securities authorities having jurisdiction over Quaterra, except where such non-compliance has not had, and would not reasonably be expected to have, a Material Adverse Effect on Quaterra.

(l) Compliance with Laws. Except with respect to matters relating to the environment or Environmental Laws (which are addressed in subsection 6.1(k)), Quaterra and the Quaterra Subsidiaries have complied with and are not in violation of any applicable Law other than such non-compliance or violations that would not, individually or in the aggregate, have a Material Adverse Effect on Quaterra.

(m) No Cease Trade. Quaterra is not subject to any cease trade or other order of a Stock Exchange or any security authority and, to the knowledge of Quaterra, no investigation or other proceedings involving Quaterra that may operate to prevent or restrict trading of any securities of Quaterra are currently in progress or pending before a Stock Exchange or any securities authority.

6.2 Representations and Warranties of Goldcorp Inc. Goldcorp hereby represents and warrants to Quaterra, and hereby acknowledges that Quaterra is relying upon such representations and warranties in connection with entering into this Agreement, as follows:

(a) Organization and Good Standing. Goldcorp is a company duly incorporated, validly existing and in good standing under the laws of Ontario.

(b) Capacity. Goldcorp has the right and authority to enter into this Agreement on the terms and conditions set out in it and has duly passed all corporate resolutions necessary to authorize the transactions. This Agreement constitutes a valid and binding obligation of Goldcorp.

(c) Governmental Authorization. Except as expressly referred to in this Agreement, the execution, delivery and performance of this Agreement by Goldcorp requires no action by, consent or approval of any Governmental Entity.

(d) Accredited Investor. Goldcorp is resident in Canada and an “accredited investor” as defined in Multilateral Instrument 45-106 *Capital Raising Exemptions*.

6.3 Survival of Representations and Warranties. The representations and warranties contained in this Agreement shall survive the execution and delivery of this Agreement. The

representations and warranties applicable to Quaterra Mining Properties shall be true for any New Mineral Interest in the Project Area acquired by Quaterra after the Effective Date and designated as a Quaterra Mining Property. Any investigation by Goldcorp or Quaterra and their respective advisors shall not mitigate, diminish or affect the representations and warranties contained in this Agreement.

PART 7

COVENANTS OF QUATERRA

7.1 Negative Covenants. Other than in contemplation of or as required to give effect to the transactions contemplated by this Agreement, Quaterra shall not, without the prior written consent of Goldcorp, directly or indirectly do or permit to occur any of the following:

- (a) Encumbrances. Permit any Encumbrances on the Quaterra Mining Properties other than the Encumbrances disclosed in Schedule 2 herein;
- (b) Disposal of Quaterra Mining Properties. Other than in accordance with this Agreement, sell, lease or otherwise dispose of, or permit any Quaterra Subsidiary to sell, lease or otherwise dispose of, any Quaterra Mining Properties;
- (c) Articles. Amend or propose to amend the articles or by-laws (or the equivalent) of any Quaterra Subsidiary.

7.2 Positive Covenants. Quaterra shall:

- (a) Quaterra Mining Properties. Maintain the Quaterra Mining Properties and any Advanced Property for which Quaterra is the operator in good standing under all applicable laws and regulations of Mexico.
- (b) Notification. Promptly notify Goldcorp of (A) any Material Adverse Change or any fact, circumstance, change, event, occurrence or effect that could reasonably be expected to become a Material Adverse Change (B) any Governmental Entity or third person making a material complaint, investigation or hearing (or communications indicating that the same may be contemplated), (C) any breach by Quaterra of any covenant or agreement contained in this Agreement, and (D) any event occurring subsequent to the Effective Date that would render any representation or warranty of Quaterra contained in this Agreement, if made on or as of the date of such event or the Effective Date, to be untrue or inaccurate in any material respect.
- (c) Access. Quaterra shall, and shall cause the Quaterra Subsidiaries to, afford officers, employees, counsel, accountants and other authorized representatives and advisors of Goldcorp reasonable access, during normal business, to the properties, books, contracts and records (including all technical and operational data including, without limitation, drilling results) relating to the Quaterra Mining Properties, and, during such period, Quaterra shall, and shall cause the Quaterra Subsidiaries to, furnish promptly to Goldcorp all information concerning the Quaterra Mining Properties as Goldcorp may

reasonably request. Subject to applicable Laws, Quaterra shall continue to make available and cause to be made available to Goldcorp and the agents and advisors thereto all documents, agreements, corporate records and minute books as may be necessary to enable Goldcorp to effect a thorough examination of the Quaterra Mining Properties and the Quaterra Subsidiaries and the business, properties and financial status thereof.

(d) Closing Documents. Quaterra shall execute and deliver, or cause to be executed and delivered, at the closing of the transactions contemplated hereby such customary agreements, certificates, resolutions, opinions and other closing documents as may be required by Goldcorp, all in form satisfactory to Goldcorp, acting reasonably.

PART 8

DISPUTE RESOLUTION

8.1 Dispute Resolution All disputes, disagreements or differences of opinion between the Parties concerning this Agreement or the interpretation, performance, breach, termination or invalidation, including the application of this Part 8 thereof which have not been resolved by the Parties (in each case a "**Dispute**") shall be resolved in accordance with the provision of this Part 8. The resolution of any Dispute pursuant to this Part 8 shall be binding upon the Parties.

8.2 Negotiation. Following receipt of a written request for a meeting, senior representatives of each Party shall meet in person to attempt to resolve such Dispute. The senior representatives of each Party shall be fully informed and shall have sufficient authority to bind the Party they represent.

8.3 Mediation. If the senior representatives are unable to resolve such Dispute within ten (10) days from the date the first written request for a meeting was received, either Party may thereafter invoke the then existing non-binding mediation procedure of the ADR Institute of Canada, Inc. or its successor, provided that if no ADR Institute of Canada, Inc. mediation procedure is in existence at the time, the most recent mediation procedure of the Canadian Foundation for Dispute Resolution or its successor shall be used in place thereof. Notwithstanding the foregoing, if the Parties so agree, they may forego mediation and proceed directly to arbitration pursuant to section 8.4.

8.4 Arbitration. If a Party is unwilling to participate or continue to participate in mediation or the mediation terminates without a resolution of the Dispute and a Party desires to pursue the resolution of such matter, the matter shall be submitted to arbitration.

(a) The arbitration shall be heard and determined by a single arbitrator chosen by agreement of the Parties. If the Parties cannot reach agreement on an arbitrator or if one Party refuses to participate in the appointment of an arbitrator, then upon application by either Party, and in accordance with the procedure set out in the *Commercial Arbitration Act*, R.S.B.C. 1996, c.55, a judge of the BC Supreme Court shall appoint an independent arbitrator who shall be impartial and not have any financial interest in the Dispute, controversy or claim, or either Party.

- (b) Unless otherwise expressly agreed in writing by the Parties:
- (i) the arbitration proceedings shall be held in Vancouver, British Columbia;
 - (ii) the arbitration proceedings shall be conducted in the English language and the arbitrator shall be fluent in the English language;
 - (iii) the arbitrator shall be qualified and experienced in the matter of the Dispute;
 - (iv) the arbitrator shall be and remain at all times wholly independent and impartial;
 - (v) the arbitration proceedings shall be conducted in accordance with the procedures set out in the *Commercial Arbitration Act*, R.S.B.C. 1996, c.55, except as may be specifically modified in this Agreement;
 - (vi) each Party shall, in a timely fashion, disclose to the other Party all documents within its possession or control that are relevant to the arbitration proceedings;
 - (vii) the decision of the arbitrator shall be: reduced to writing; final and binding without the right of appeal except in cases of fraud or misconduct by the arbitrator; the sole and exclusive remedy regarding any disputes, controversies, claims, counterclaims, issues or accountings presented to the arbitrator; made and promptly paid in U.S. dollars free of any deduction or offset; and any costs or fees incident to enforcing the award shall, to the maximum extent permitted by law, be charged against the Party resisting such enforcement.

PART 9

GENERAL

9.1 Further Assurances. The Parties will execute and deliver all other appropriate supplemental agreements and other instruments, and take any other action necessary, to give full effect to this Agreement and to make this Agreement legally effective, binding, and enforceable as between them and as against third parties.

9.2 Waivers. The failure of a Party to insist upon the strict performance of any term of this Agreement, or to exercise any right or remedy contained in this Agreement, will not be construed as a waiver or a relinquishment by that Party for the future of that term, right, or remedy.

9.3 Binding Agreement. This Agreement will bind and benefit each of the Parties including their respective successors and permitted assigns.

9.4 Collateral Representations and Agreements. This Agreement is the entire agreement between the Parties and supersedes any prior agreement. Neither Party is bound by any warranty or agreement not included in this Agreement, and no warranty of a Party not expressed in this Agreement is to be implied.

9.5 Expenses. Each Party will pay any expense it incurs in authorizing, executing, and performing this Agreement and any transaction contemplated by it, whether or not that transaction is completed, including any fee and expense of its legal counsel, banker, investment banker, broker, accountant, or other consultant.

9.6 Technical Reports. Nothing in this Agreement will obligate either Party to (i) prepare, or assist the other Party in the preparation of, any technical report or reports relating to any Quaterra Mining Property, Advanced Property or JV Property that the other Party might be required to prepare and file with any Canadian regulatory authority at any time pursuant to National Instrument 43-101 "Standards of Disclosure for Mineral Projects", or any similar regulatory policy; or (ii) provide the services of, or assist the other Party in procuring the services of, a "qualified person" (as that term is defined in National Instrument 43-101) to produce, or to oversee the production of, any such technical report or reports. Notwithstanding the foregoing, a Party acting as operator shall provide or make available to the other Party such information and data so as to permit such Party to fulfil its obligations of timely disclosure imposed on it under applicable securities laws and regulations and the requirements of any stock exchange on which it is listed or posted for trading.

9.7 No Partnership. Neither the execution of this Agreement nor the performance by a Party of any of its rights and obligations under this Agreement will create any partnership between the Parties.

9.8 Assignment. Neither Party may assign this Agreement without the prior consent of the other Party provided that either Party has the right to assign this Agreement to its wholly owned Affiliate.

9.9 Counterparts. This Agreement may be signed by original or by electronic copy and executed in any number of counterparts, and each executed counterpart will be considered to be an original. All executed counterparts taken together will constitute one agreement.

9.10 Entire Agreement. This Agreement constitutes the entire agreement between the Parties and there are no representations or warranties, express or implied, statutory or otherwise and no agreements collateral to this Agreement other than as expressly set out or referred to in this Agreement.

9.11 Severability. If any term of this Agreement is determined to be invalid or unenforceable, in whole or in part, the invalidity or unenforceability will attach only to that term or part term, and the remaining part of the term and all other terms of this Agreement will continue in full force and effect. The Parties will negotiate in good faith to agree to a substitute term that will be as close as possible to the intention of any invalid or unenforceable term while being valid and

enforceable. The invalidity or unenforceability of any term in any particular jurisdiction will not affect its validity or enforceability in any other jurisdiction where it is valid or enforceable.

9.12 Gender and Number. Words in one gender include all genders, and words in the singular include the plural and vice versa.

9.13 Interpretation Not Affected. In this Agreement, using separate Parts, providing a table of contents, and inserting headings are for convenient reference only and will not affect how this Agreement is interpreted.

9.14 Governing Law and Jurisdiction. This Agreement will be governed by and construed in accordance with British Columbia law and applicable Canadian law and will be treated in all respects as a British Columbia contract.

9.15 Submission to Jurisdiction. Each of the Parties will submit to the jurisdiction of the British Columbia arbitral authority courts.

9.16 Legislation. In this Agreement any reference to legislation includes a reference to the legislation and to any regulations made under that legislation as that legislation or those regulations may be amended or re-enacted from time to time.

9.17 Time. Time will be of the essence.

9.18 Expiry of Time Period. In this Agreement, if any period ends on a day other than a Business Day, that period will be extended to the next following Business Day and in calculating a time period the first day in a time period is not counted and the last day is counted.

9.19 Notices. In this Agreement:

(a) any notice or communication required or permitted to be given under the Agreement will be in writing and will be considered to have been given if delivered by hand, sent by e-mail or couriered to each Party at the addresses set out below:

(i) if to Goldcorp Inc.:
3400 Park Place, 666 Burrard Street
Vancouver, BC V6C 2Z7
Attention: Vice President and General Counsel
e-mail address: david.deisley@goldcorp.com

(ii) if to Quaterra Resources Inc.:
1100-1199 W. Hastings Street
Vancouver, BC V6E 3T5
Attention: Dr. Thomas Patton
e-mail address: tpatton@quaterra.com

or to such other address as a Party may designate in the manner set out above;

- (b) notice or communication will be considered to have been received:
 - (i) if delivered by hand or by courier during business hours on a Business Day, upon receipt by a responsible representative of the receiver, and if not delivered during business hours, upon the commencement of business on the next Business Day; and
 - (ii) if sent by e-mail during business hours on a Business Day, upon transmission of the email, and if not transmitted during business hours, upon the commencement of business on the next Business Day.

9.20 Accounting Principles. All calculations made or referred to in this Agreement will be made in accordance with Applicable Accounting Principles applied consistently. All accounting terms used in this Agreement which are not defined in this Agreement will have the meaning assigned to them in accordance with Applicable Accounting Principles.

9.21 Amendment. This Agreement may be amended or supplemented only by a written agreement signed by each Party and that agreement need not be executed under seal.

9.22 Joint and Several. If a Party is more than one person or entity, every representation, covenant and agreement on the part of the Party to be observed and performed by that Party will be the joint and several representation, covenant and agreement of each person or entity comprising the Party.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

TO EVIDENCE THEIR AGREEMENT each of the Parties has executed this Agreement on the date first appearing above.

GOLDCORP INC.

By:

Authorized Signatory

Authorized Signatory

QUATERRA RESOURCES INC.

By:

Authorized Signatory

TO EVIDENCE THEIR AGREEMENT each of the Parties has executed this Agreement on the date first appearing above.

GOLDCORP INC.

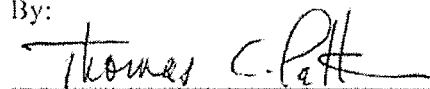
By:

Authorized Signatory

Authorized Signatory

QUATERRA RESOURCES INC.

By:



Authorized Signatory

Schedule 1

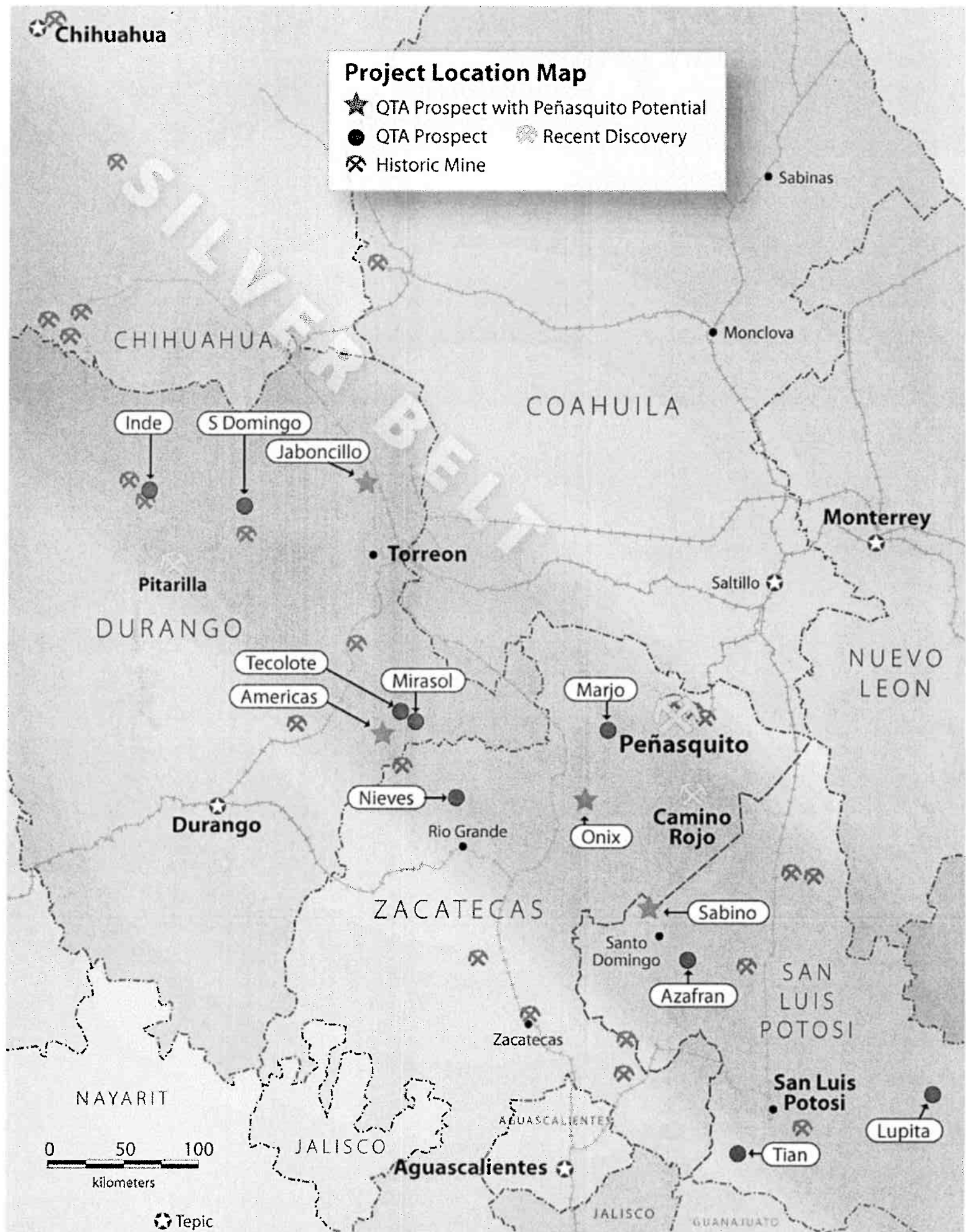
Map of Project Area

10/10/2024

Chihuahua

Project Location Map

- ★ QTA Prospect with Peñasquito Potential
- QTA Prospect
- Recent Discovery
- ✂ Historic Mine



Schedule 2

Quaterra Mining Properties

Schedule 2						
Quaterra Mining Properties						
					Date: January 2010	
Inde Project (Minera Agua Tierra)						
Claim	Type	Title	File No.	Hectares	Date Issued	Exp. Date
Inde	Mining	pending	E-25/33071	549.4522		
Inde 2	"	"	E-25/33221	2,601.9217		
Crestones	Exploration	234,356	E-2/2/00091	1,500.0000	23-Jul-09	21-Jul-53
Crestones 2	Mining	pending	E-25/32870	3,385.6286		
Subtotal				8,037.0025		
Santo Domingo Project (La Questa International)						
Claim	Type	Title	File No.	Hectares	Date Issued	Exp. Date
Coyote	Mining	212,333	E-25/25296	196.0000	29-Sep-00	
Coyote 1	"	212,375	E-25/25297	100.0000	10-Apr-00	
Coyote 2	"	212,334	E-25/25298	50.0000	29-9-2000	
Coyote 3	"	226,933	E-25/31933	4,784.0000	31-3-2006	
Coyote 4	"	pending	E-25/34911	5,940.0000	pending	
Subtotal				11,070.0000		
Jaboncillo Project (Minera Agua Tierra)						
Claim	Type	Title	File No.	Hectares	Date Issued	Exp. Date
Jaboncillo	Mining	229,586	E-25/32874	1,689.2913	22-May-07	21-May-57
Subtotal				1,689.2913		
Americas Project (Minera Agua Tierra)						
Claim	Type	Title	File No.	Hectares	Date Issued	Exp. Date
Americas	Mining	229,865	E-25/32862	4,160.4873	26-Jun-07	25-Jun-57
Americas 3	"	231,988	E-25/32981	5,320.2269	3-Jun-08	2-Jun-58
Americas 2	"	231,989	E-25/33266	100.0000	3-Jun-08	2-Jun-58
Americas 4	"	233,236	E-25/33454	4,848.4103	16-Jan-09	15-Jan-59
Americas 5	"	pending	E-25/33493	41,627.0000		
Americas 6	"	234,170	E-25/33797	2,207.3244	5-Jun-09	4-Jun-59
Subtotal				58,263.4489		
Mirasol Project (Minera Agua Tierra)						
Claim	Type	Title	File No.	Hectares	Date Issued	Exp. Date
Mirasol	Mining	228,524	E-25/32861	6,020.0000	06-Dic-06	05-Dic-56
Mirasol 2	"	230,480	E-25/33093	1,954.0000	6-Sep-07	5-Sep-57
Mirasol 3	"	230,458	E-25/33232	1,447.1834	4-Sep-07	3-Sep-57
Cerro Blanco	"	230,476	E-25/32986	4,915.0000	6-Sep-07	5-Sep-57
Cerro Blanco 2	"	230,477	E-25/33000	2,454.0000	6-Sep-07	5-Sep-57
Cerro Blanco 2 F. II	"	230,478	E-25/33000	977.0000	6-Sep-07	5-Sep-57
Cerro Blanco 3	"	230,481	E-25/33224	5,281.0000	6-Sep-07	5-Sep-57
Cerro Blanco 4	"	231,011	E-25/33271	1,768.0000	23-Nov-07	22-Nov-57
Cerro Blanco 5	"	232,194	E-25/33314	3,685.4990	4-Jul-08	3-Jul-58
Cerro Blanco 7	"	234,168	E-25/33736	1,466.2996	5-Jun-09	4-Jun-59
Cerro Blanco 8	"	234,169	E-25/33796	3,024.7998	5-Jun-09	4-Jun-59

Subtotal				32,992.7818		
Tecolotes Project (75% Minera Aqua Tierra, 25% Exmin. See Letter Agreement attached.						
Claim	Type	Title	File No.	Hectares	Date Issued	Exp. Date
Tecolotes	Mining	230,329	E-25/32907	11,181.4045	16-Aug-07	15-Aug-57
Subtotal				11,181.4045		
Marijo Project (Minera Agua Tierra)						
Claim	Type	Title	File No.	Hectares	Date Issued	Exp. Date
Marijo	Mining	233,948	E-93/28713	45,300.3393	29-Apr-09	28-Apr-59
Subtotal				45,300.3393		
Onix de Colorado Project (Minera Agua Tierra)						
Claim	Type	Title	File No.	Hectares	Date Issued	Exp. Date
Onix	Mining	233,160	E-93/28748	25,508.3692	12-Dec-08	11-Dec-58
Onix 2	Mining	233,505	E-93/28795	6,578.3356	10-Mar-09	9-Mar-59
Subtotal				32,086.7048		
Sierra Sabino Project (Minera Agua Tierra)						
Claim	Type	Title	File No.	Hectares	Date Issued	Exp. Date
Carolina 2	Mining	232,765	E-67/21345	18,759.2707	21-Oct-08	20-Oct-58
Falcon 6	"	233,254	E-67/21356	8,786.0000	16-Jan-09	15-Jan-59
Falcon 8	"	232768	E-67/21357	2,442.6475	21-Oct-08	20-Oct-58
Subtotal				29,987.9182		
Cerro El Azafran Project (Minera Agua Tierra)						
Claim	Type	Title	File No.	Hectares	Date Issued	Exp. Date
Los Azafranes	Mining	232,955	E-67/21344	14,300.0000	21-Nov-08	20-Nov-58
Subtotal:				14,300.0000		
Lupita Project (Minera Agua Tierra)						
Claim	Type	Title	File No.	Hectares	Date Issued	Exp. Date
Lupita	Mining	232,535	E-67/21330	2,000.0000	26-Aug-08	25-Aug-58
Subtotal				2,000.0000		
Tian Project (Minera Agua Tierra)						
Claim	Type	Title	File No.	Hectares	Date Issued	Exp. Date
Tian	Mining	232,534	E-67/21329	1,500.0000	26-Aug-08	25-Aug-58
Subtotal				1,500.0000		
La Cuesta International				11,070.0000	42.74	Square Miles
Minera Agua Tierra				237,338.8913	916.37	"
Total Hectares Goldcorp-Minera Agua Tierra JV				248,408.8913	959.11	"
Surface Access Status						
Written agreement						
Verbal permission						
No current agreement						

Addendum to Schedule 2

In the interest of full disclosure, two items need to be noted:

1. We just learned on January 28, 2010 that parts of 3 claims in our Americas group, which are fully titled, have been declared open for staking. This situation apparently is due to a mistake by the office of General Director of Mines, whereby land that was cancelled was dropped from the maps but never declared free. Worst case, we could lose up to 10,000 hectares of ground covering parts of our Americas, Americas 3 and Americas 6 claims. We doubt there is any way to resolve the situation through the courts, and will submit applications for the "open ground "on Tuesday, February 2, 2010. At this time there are no indications that other companies have erected monuments in the area so we may be the only bidder.

2. At the end of last year, and beginning of this year, Quaterra's Mexican subsidiary received a number of notices from the General Direction of mines requesting proof of claims taxes payments for 2009. These notices are normal, we have paid all the taxes whose copies are being requested, and we have until the end of February to provide proof of payment. Our landman in Mexico is responding to these requests and we expect to have all questions resolved in the next 60 days.

**LETTER AGREEMENT DATED SEPTEMBER 15/ 2008 AMONG
EXMIN RESOURCES INC. And QUATERRA RESOURCES INC.
For the EAST DURANGO PROPERTY**

PARTICULARS

Companies involved:

QUATERRA RESOURCES INC,

And its Subsidiary **MINERA AGUA TIERRA, S.A. DE C.V.**

And

EXMIN RESOURCES INC.

And its subsidiary **EXMIN S.A. de C.V.**

Contact details:

Quaterra Resources Inc.
1100 – 1199 West Hastings Street
Vancouver BC V6E 3T5
Phone (604) 681-9059 Fax (604) 688-4670
Attention: Thomas. C. Patton – President & CEO

EXMIN Resources Inc.
2000 – 1066 West Hastings Street
Vancouver BC V6E 3X2
Phone (604)806-6110 Fax (604) 806-6112
Attention: Karl J. Bolts – President & CEO, Director
Or
Salvador Miranda – CEO

Option Payments:

All Option Payments should be paid in US\$ Funds.

Herewith payment schedule:

- (a) Optionee making the following payments to the Optionor
 - (i) within 5 business days of Regulatory Approval (the "Effective Date") \$20,000 (paid 1/10/08)
 - (ii) on or before the first anniversary of the Effective Date, a further \$20,000;
 - (iii) on or before the second anniversary of the Effective Date, a further \$ 20,000;
 - (iv) on or before the third anniversary of the Effective Date, a final \$40,000.
- (b) On or before the fourth anniversary of the Effective Date, Optionee making expenditures on the Property for exploration and development work in an amount of not less than \$ 500,000.

(Quaterra Resources Inc. and its subsidiary, _____ (hereinafter jointly the "Optionee"))
LETTER AGREEMENT

EXMIN Resources Inc. and its subsidiary, Exmin S.A. de C.V. (hereinafter jointly the "Optionor")

Option to acquire a 75% Interest in the East Durango Property (particulars of which are set forth in Schedule "A") hereinafter referred to as the "Property"

Dear Sirs:

This Letter Agreement shall set forth an offer which, when accepted by you, shall form a binding agreement between us, subject only to the receipt of Regulatory Approval of the transaction contemplated hereby. It is contemplated that the terms hereof may, at the option of either party be incorporated into a more formal option agreement (Formal Agreement") failing which, for any reason, this Letter Agreement shall prevail.

For all purposes of this Letter Agreement, "Regulatory Approval" shall be deemed to have been received five (5) business days after receipt of written confirmation from the TSX Venture Exchange (the "Exchange") that the transaction contemplated by this Letter Agreement has been accepted for filing by the Exchange. If Regulatory Approval is not received by October 15, 2008, or such later date as you may agree to in writing at any time, this Letter Agreement shall terminate and be of no further force or effect as and from such date.

1. This Letter Agreement is entered into on the basis of representations made by the Optionor as follows:

- (a) the Optionor beneficially owns and holds an undivided 100% right, title and interest in and to the Property;
- (b) the Property will be held in good standing until Regulatory Approval is received and will be free and clear of all liens, charges and encumbrances;
- (c) the Optionor has full right, power and authority in respect of the Property to enter into this Letter Agreement and to grant the option herein contemplated and has not done anything that, nor failed to do anything where such failure, might impair the Property or any part thereof;
- (d) there are no outstanding agreements or options to acquire or purchase the Property or any part or parts thereof or any interest therein and no person has any royalty or other interest whatsoever in the save as may be created pursuant to the terms of this Agreement; and
- (e) to the best of the Optionor's knowledge all activities on or with relation to the Property have been conducted in accordance with the laws of the State of Durango, Mexico including environmental laws and that there has been no notice of non-compliance, or breach or any allegation of breach or non-compliance.

2. The formal Agreement, if concluded, shall embody the terms of this Letter Agreement and other representations, warranties, terms and conditions generally accepted in the industry and specifically dealing with the Optionor's compliance with applicable law and environmental matters in respect of the Property.

3. For valuable consideration, the receipt and sufficiency of which is hereby expressly acknowledged by

the Optionor, the Optionor hereby gives and grants to the Optionee the exclusive and irrevocable option (the "Option") to acquire, free of all liens, charges, encumbrances, claims or right of others, an undivided 75% right, title and interest in and to the Property (the "Acquirable Interest"), exercisable by:

- (a) Optionee making the following payments to the Optionor
 - (i) within 5 business days of Regulatory Approval (the "Effective Date") \$20,000
 - (ii) on or before the first anniversary of the Effective Date, a further \$20,000;
 - (iii) on or before the second anniversary of the Effective Date, a further \$20,000;
 - (iv) on or before the third anniversary of the Effective Date, a final \$40,000.
- (b) On or before the fourth anniversary of the Effective Date, Optionee making expenditures on the Property for exploration and development work in an amount of not less than \$500,000.
- (c) Optionee agrees to maintain the Property in good standing by completing semi-annual tax payments and minimum required work expenditures on the Property.

4. At the request of Optionee, the Optionor shall deliver to the Optionee transfer documents in recordable form sufficient to transfer to the Optionee or its nominee the Acquirable interest in and to the Property and the Optionee shall be entitled forthwith to record such transfer documents in the appropriate office in the jurisdiction in which the Property is located.

5. Upon the earning of the Acquirable Interest by the Optionee, the Optionor and the Optionee shall enter into a single purpose joint venture for the purpose of proceeding with the continued exploration and, if warranted, development of the Claims on a joint venture basis and the Optionor and the Optionee shall at the time negotiate in good faith and execute an agreement (the "Joint Venture Agreement") substantially on terms which are standard in the industry on the basis of the interest of the parties in the Property and the joint venture being as follows:

Optionee:	75%
Optionor:	25% (each being referred to as the respective party's "Initial Interest")

6. In any joint venture the Optionee shall be the Operator, subject to the right of the Optionor to become Operator in the event the Optionee's interest in the Property is reduced to less than 50%, and the Joint Venture Agreement to be entered into between the Optionor and Optionee shall be on terms and conditions standard in the industry and will provide, inter alia, for establishment of a management committee, pro-rata funding of the costs and expenses associated with the further exploration and development of the Property and for the dilution of a party's joint venture interest upon failure of that party to pay its share of such costs and expenses and the conversion of a party's interest to a 2% net smelter return interest in the even such party's interest in the joint venture is reduced 10% or less.

7. This Letter Agreement is an option only and the expending of any funds by the Optionee under this Letter Agreement will not obligate the Optionee to make any payment or expend any further or other funds and, notwithstanding anything else to the contrary contained in this Letter Agreement, no party shall be in default of any of the requirements under this Letter Agreement, Joint Venture Agreement or Formal Agreement, if concluded, unless such default continues for a period of 30 days or more after the date of written notice to the defaulting party setting out the basis for such default.

8. No party will be liable for its failure to perform any of its obligations, or meet any requirement, under this Letter Agreement due to a cause beyond its reasonable control (an "Intervening Event") and all time limits imposed by this Letter Agreement will be extended by a period equivalent to the period of delay resulting from an Intervening Event.

9. The transaction contemplated herein and the obligations of the Optionee hereunder are subject to Regulatory Approval. This Letter Agreement, the Joint Venture Agreement and any Formal Agreement, if concluded, shall be interpreted in accordance with the laws of the Province of British Columbia and shall enure to the benefit of and be binding upon the Optionor and the Optionee and their respective successors and permitted assigns and the Optionor and the Optionee hereby irrevocably attorn to the exclusive jurisdiction of the arbitral jurisdiction in the Province of British Columbia as hereinafter set forth. Any matter in dispute as to the interpretation of or arising from this Letter Agreement, Joint Venture Agreement and any Formal Agreement, if concluded, shall be first referred to mediation, failing resolution by which means, the matter shall be referred to binding arbitration to be conducted in accordance with the applicable rules of the British Columbia International Commercial Arbitration Centre with the mediation or arbitration being conducted in Vancouver, British Columbia.

10. The Optionor and the Optionee agree to execute such further and other deeds and documents, including, without limitation, the Formal Agreement, if requested, and the Joint Venture Agreement, and to give such further and other assurances as may be necessary to fully implement this Letter Agreement.

If the foregoing accurately sets forth your understanding of our agreement, kindly sign this Letter Agreement where indicated below, which will then form a binding agreement between us, subject only to the terms and conditions aforesaid.

Yours very truly,

Quaterra Resources Inc. (on behalf of itself and its subsidiary)

Per: Thomas C. Palf
Authorized Signatory

The terms of this Letter Agreement are hereby acknowledged and accepted this 15th day of September, 2008.

EXMIN Resources Inc. (on behalf of itself and its subsidiary)

Per: _____
Authorized Signatory

- 3 -

8. No party will be liable for its failure to perform any of its obligations, or meet any requirement, under this Letter Agreement due to a cause beyond its reasonable control (an "Intervening Event") and all time limits imposed by this Letter Agreement will be extended by a period equivalent to the period of delay resulting from an Intervening Event.

9. The transaction contemplated herein and the obligations of the Optionee hereunder are subject to Regulatory Approval. This Letter Agreement, the Joint Venture Agreement and any Formal Agreement, if concluded, shall be interpreted in accordance with the laws of the Province of British Columbia and shall enure to the benefit of and be binding upon the Optionor and the Optionee and their respective successors and permitted assigns and the Optionor and the Optionee hereby irrevocably attorn to the exclusive jurisdiction of the arbitral jurisdiction in the Province of British Columbia as hereinafter set forth. Any matter in dispute as to the interpretation of or arising from this Letter Agreement, Joint Venture Agreement and any Formal Agreement, if concluded, shall be first referred to mediation, failing resolution by which means, the matter shall be referred to binding arbitration to be conducted in accordance with the applicable rules of the British Columbia International Commercial Arbitration Centre with the mediation or arbitration being conducted in Vancouver, British Columbia.

10. The Optionor and the Optionee agree to execute such further and other deeds and documents, including, without limitation, the Formal Agreement, if requested, and the Joint Venture Agreement, and to give such further and other assurances as may be necessary to fully implement this Letter Agreement.

If the foregoing accurately sets forth your understanding of our agreement, kindly sign this Letter Agreement where indicated below, which will then form a binding agreement between us, subject only to the terms and conditions aforesaid.

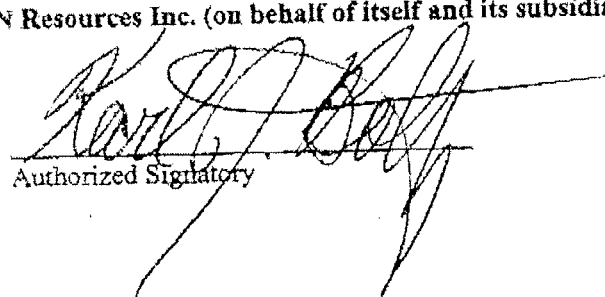
Yours very truly,

Quaterra Resources Inc. (on behalf of itself and its subsidiary)

Per: _____
Authorized Signatory

The terms of this Letter Agreement are hereby acknowledged and accepted this 15th day of September, 2008.

EXMIN Resources Inc. (on behalf of itself and its subsidiary)

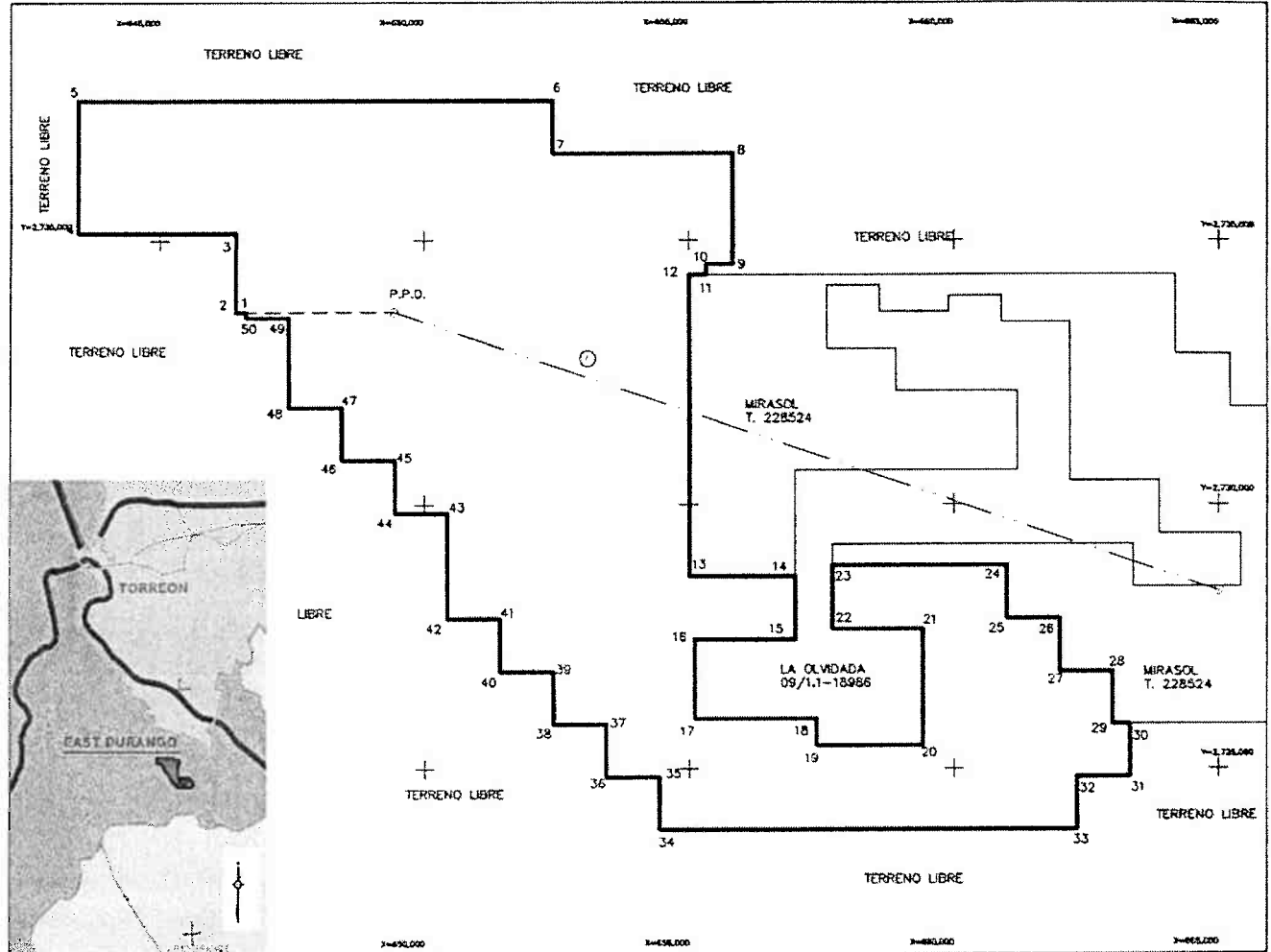
Per: 
Authorized Signatory

SCHEDULE "A"

Table 1. Details of Concessions covered by Letter of Agreement

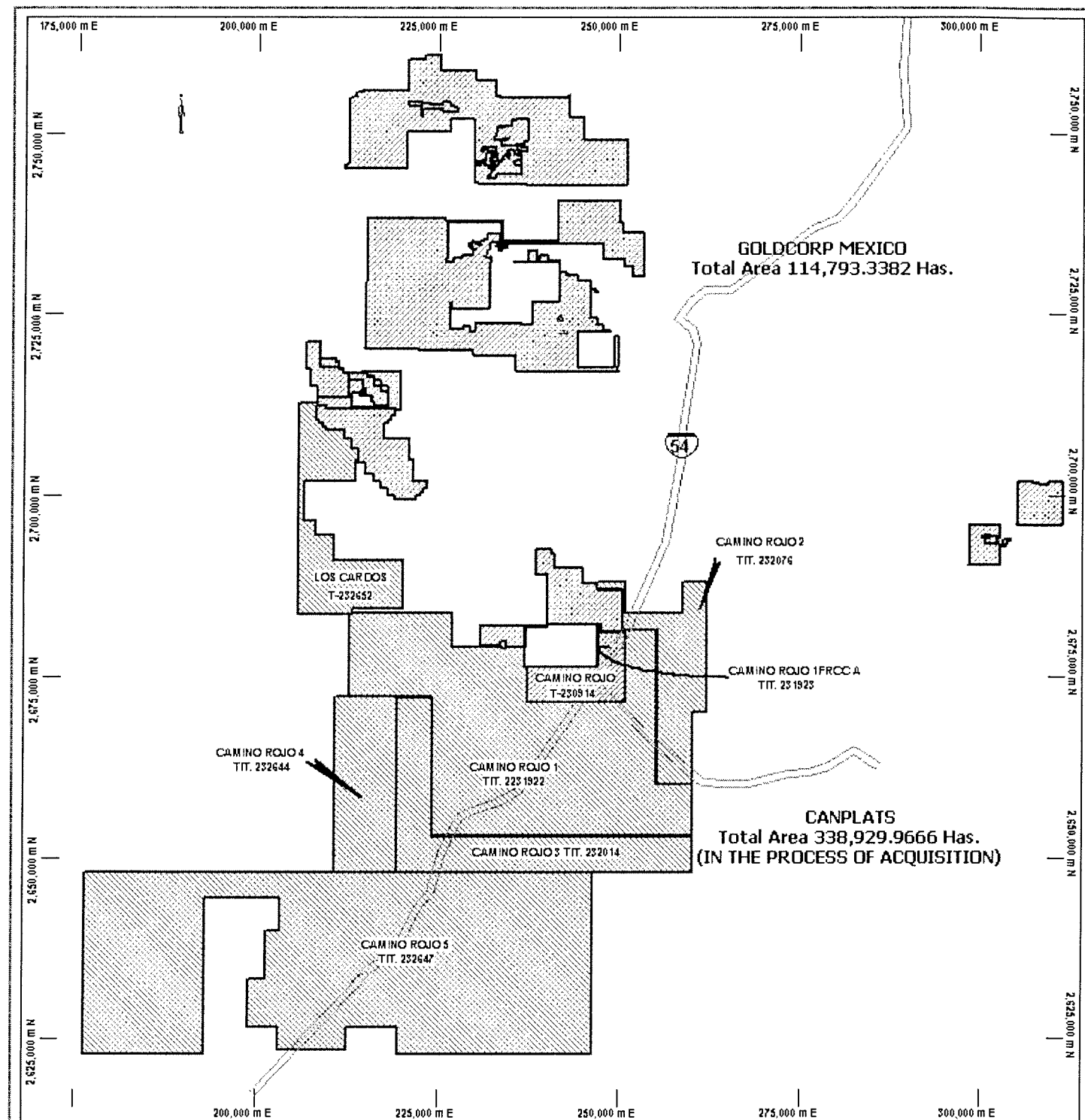
Concession	Area Hectares	File No.	Title No.	Registered Owner
<u>East Durango Project</u>				
Tecolote	11,181.4045	25/32907	230329	Exmin S.A. de C.V.
Total East Durango Project	11,181.4045			

Attachment Showing Approximate Locations of Mineral Properties





Schedule 3

Goldcorp Mining Properties and Goldcorp Areas of Interest



EXPLANATION

-  GOLDCORP MEXICO
-  CANPLATS
(IN THE PROCESS OF ACQUISITION)

goldcorp mexico
Peñasquito

Peñasquito and
Camino Rojo Projects

CONCESSIONS MAP

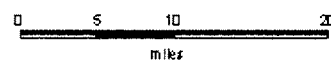
Date: 22/1/2010

Author: G. Bravo

Office: Mazapil.

Drawing: L. Cardona.

Scale: 1:740000 Projection: UTM Zone 14- Nad 27 Mex.



Schedule 4

NSR Royalty

DEFINITION, CALCULATION AND PAYMENT OF NSR ROYALTY

The NSR Royalty is the percentage NSR Royalty provided in the agreement to which this Schedule is attached (the "**Agreement**") which shall be calculated and paid by the Payor to the Royalty Holder in accordance with the following provisions:

1. Definitions.

Unless otherwise set forth below, all capitalized terms used in this Schedule shall have the meaning ascribed to them in the Agreement.

(a) "Calendar Quarter" means each three-month period ending March 31st, June 30th, September 30th and December 31st of each calendar year.

(b) "Mineral Content" means all marketable ores, metals and minerals contained in Subject Ore as separately estimated by Payor using head grade or assays taken prior to the Subject Ore entering mill or heap leach facilities, mill or heap leach operation recovery levels, and adjustments at the refinery, as key components in the calculation of Mineral Content.

(c) "Mineral Price Quotation" for a Product means the final sale price as quoted for the Product on the London Metals Exchange, as published in *Metals Week* or a similar publication. If publication of the final quotation on the London Metals Exchange shall be discontinued the parties shall select a comparable commodity quotation for purposes of calculating the Net Smelter Returns. If such selection has not been completed prior to the end of the calendar month following the month in which the quotation is discontinued, the average quotation for the calendar month in which the quotation is discontinued shall be used on an interim basis pending such selection.

(d) "Net Smelter Returns" or "NSR" for a Calendar Quarter in respect of all of the Products means the sum of (i) for each of the Products, the average Mineral Price Quotation for the Product for a Calendar Quarter multiplied by the total number of appropriate units of measurement of the Product beneficated by Payor or credited by the smelter, refiner or other bona fide purchaser to Payor during that Calendar Quarter; less (ii) the deductions, adjustments and credits set forth in section 3 below.

(e) "Prime Rate" means the rate of interest expressed as a rate per annum which the Bank of Nova Scotia has established as the reference rate of interest that it will charge on that day for loans in Canadian dollars to Canadian corporate customers and which it refers to as its Prime Lending Rate.

(f) "Products" means all Subject Ores produced from the Payor Mining Property and prepared for sale under the Agreement.

(g) "Smelter Returns" for a Calendar Quarter in respect of all of the Products means, for each of the Products, the average Mineral Price Quotation for the Product for a Calendar Quarter multiplied by the total number of appropriate units of measurement of the Product beneficiated by Payor or credited by the smelter, refiner or other bona fide purchaser to Payor during that Calendar Quarter.

(h) "Subject Ore" means all ore mined by Payor from the Payor Mining Property.

2. Reservation of Royalty

Payor shall pay and Royalty Holder shall be entitled to receive as the royalty, 2% of Net Smelter Returns except as such percent is reduced pursuant to the Agreement.

3. NSR Deductions

In calculating the Royalty, Payor shall be entitled to deduct from Smelter Returns the following costs, to the extent incurred and borne by Payor:

(a) all smelting, minting and refining costs, and treatment charges and penalties at the smelter or refinery including, but without being limited to, metal losses and penalties for impurities;

(b) all costs of transporting the Products from the Payor Mining Property to a smelter, mint or refinery including, without restricting the generality of the foregoing, any and all costs of insurance in respect thereto,

(c) all sampling, assaying and representation charges in connection with sampling and assaying carried out after the Products have left the Payor Mining Property

(d) costs and expenses of marketing the Products, if any; and

(e) taxes levied by any government on the value of Products produced or sold, but excluding income taxes if such charges are actual costs payable out of the proceeds received from a bona fide purchaser or are shown as deductions therefrom.

4. General Provisions

(a) Arm's Length Provision

If smelting and/or refining are carried out in facilities owned or controlled by Payor, charges, costs and penalties for such operations, including transportation, shall mean the amount that Payor would have incurred if such operations were carried out at facilities not owned or controlled by Payor then offering similar custom services for comparable products on prevailing terms.

(b) Payment of the Royalty

All royalty or provisional royalty payments will be payable on or before the 30th day following the end of each Calendar Quarter. Each such quarterly payment to Royalty Holder shall be accompanied by a statement in reasonable detail showing the calculation of the payment. Each such quarterly payment shall be subject to adjustment as provided below in the next quarterly payment or when the final report for the year is issued as specified below.

(c) Provisional Payments

If any Royalty becomes due and payable to Royalty Holder prior to Payor's final estimates of the total amount payable, then Payor shall pay Royalty Holder a provisional royalty payment using Payor's then current estimates of the amount payable for Products produced during the Calendar Quarter.

(d) Adjustments

The following adjustments shall be taken into account in determining the royalty or provisional royalty payments and shall be specified in a statement which will accompany each payment.

(i) Any adjustments, or charges, costs, deductions or expenses imposed upon or given to Payor but not taken into account in determining previous royalty payments.

(ii) Any adjustments to the number of appropriate units of measurement of Products beneficated by Payor, or previously credited to Payor by a smelter, refiner or bona tide purchaser of Products shipped or sold by Payor.

(iii) Any adjustments in Mineral Content and average percentage recovery.

(iv) Any payments that have not otherwise been credited against previous Royalty payments.

(e) Annual Final Report

(i) Within 90 days after the end of each calendar year, Payor shall deliver or cause to be delivered to Royalty Holder a final report for the year certified as being accurate by a responsible officer of Payor showing in reasonable detail the calculation of the Royalty due Royalty Holder for the prior year and all adjustments to the quarterly or other periodic reports and payments for the year.

(ii) With such final report Payor shall, if applicable, make such additional royalty payment as is required by the report. If such report indicates that Royalty Holder has received more than it should have been paid in respect of the royalty due to Royalty Holder, then the excess shall be deducted from the next payment obligation owed pursuant to the provisions of this Schedule or, in the event of a temporary or permanent cessation of production, Royalty Holder shall repay the excess within 15 days of receipt of the annual report.

(f) Assignment by Payor

Upon any assignment, conveyance, termination or abandonment of the Payor Mining Property or any portion thereof, as the case may be, by Payor, Payor shall have no further obligation to Royalty Holder in respect of the Payor Mining Property or such portion, as the case may be; provided that, in the case of assignment or conveyance, it shall be a condition of any assignment or conveyance that the assignee or transferee shall have agreed to assume Payor's obligation to Royalty Holder to pay the Royalty in respect of that portion of the Payor Mining Property acquired by such assignee or transferee.

(g) Assignment by Royalty Holder

Notwithstanding anything to the contrary herein contained, if the right to receive the Royalty is assigned by Royalty Holder in part but not in whole, it shall be a condition of such assignment that the assignee agrees with Payor and all other parties entitled to receive any part of the Royalty as follows:

(i) the amount of any Royalty payable hereunder shall be settled only with Royalty Holder or an authorized nominee (herein collectively called the "Nominee") as designated by notice to Payor (such notice to be executed by all parties entitled to receive any part of the Royalty), and such settlement shall be final and binding upon all interested parties and Payor shall not be required to make any accounting to any person save such Nominee;

(ii) payment of the Royalty shall be made only to or to the order of the Nominee "In Trust" and such payment shall constitute a full and complete discharge to Payor and it shall have no obligation to see to the distribution of any such payment;

(iii) Payor may settle disputes arising hereunder with the Nominee and such settlement shall be final and binding upon all interested parties; Payor may rely upon any direction, advice or authorization signed by the Nominee and may act thereon as if the same was signed by all interested parties; and

(iv) Payor shall not be required to deal with any person except the Nominee, each interested party shall exercise all of their respective rights only through the Nominee and shall require each of their respective assignees to agree in writing to be bound by the provisions hereof.

(h) Records and Provision for Audit to Resolve Objections

(i) All books and records used by Payor to calculate the Royalty due hereunder shall be kept in accordance with Applicable Accounting Principles varied only by the specific provisions hereof. Payor shall maintain up-to-date and complete records of the production of all Mineral Products. If treatment or smelting of Mineral Products is performed off the Payor Mining Property, accounts records, statements and returns relating to such treatment and smelting arrangements shall be maintained by Payor. Royalty Holder shall have the right at all reasonable times during normal business hours to inspect such accounts, records, statements

and returns and make copies thereof at its own expense for the sole purpose of verifying the amount of the Royalty.

(ii) All payments of the Royalty made pursuant to the final report that is to be issued within 90 days of the end of each calendar year shall be considered final and in full satisfaction of all obligations of Payor with respect thereto, unless Royalty Holder gives Payor written notice describing and setting forth a specific objection to the calculation thereof within 180 days after receipt by Royalty Holder of the annual final report. If Royalty Holder objects to a particular quarterly statement delivered thereunder, Royalty Holder shall, for a period of 180 days after Payor's receipt of notice of such objection, have the right, upon reasonable notice and at a reasonable time, to have the royalty payment in question audited by a firm of chartered accountants acceptable to Royalty Holder and to Payor (and if they cannot agree on a firm, by a firm of chartered accountants selected by the auditors of Royalty Holder). If such audit determines that there has been a deficiency or an excess in the payment made to Royalty Holder, such deficiency or excess shall be resolved by adjusting the next quarterly payment due hereunder. Royalty Holder shall pay all costs of such audit unless a deficiency of 5% or more of the amount due for the year under audit or \$50,000, whichever is greater, is determined to exist. Payor shall pay the costs of such audit if a deficiency of 5% or more of the amount due for the year under audit or \$50,000, whichever is greater, is determined to exist. Failure on the part of Royalty Holder to make claim on Payor for adjustment in such 180-day period shall establish the correctness of the final report and preclude the filing of exceptions thereto or making of claims for adjustment thereon.

(i) Royalty Running With the Payor Mining Property

The Royalty created herein shall be a real property interest in all portions of the Payor Mining Property to which the Royalty applies sufficient to secure the royalty payments herein provided for; provided, however, that Royalty Holder will execute and deliver all instruments and assist in their recording necessary or desirable for Payor to obtain construction and/or production financing for the mine and plant processing Products and to postpone and subordinate such Royalty on Products to the liens, charges and repayment schedules required by all lenders for such construction and/or production financing of Payor. Should repayments to any such lenders cause any royalty payment hereunder not to be paid or to be delayed before payment, then all such unpaid or delayed payment shall be paid out of the next available revenues from Products together with interest at the Prime Rate plus 3%.

(j) Place of Payment

If then required under Mexican laws and regulation, the place of payment of Royalties shall be Mexico.