

## OPTION AGREEMENT

**THIS AGREEMENT** is made as of the 10<sup>th</sup> day of April 2003,

**B E T W E E N :**

**PLANET EXPLORATION INC.,**  
a corporation incorporated under the laws of the Province of  
Alberta

(hereinafter called "**Planet**")

OF THE FIRST PART,

**AND:**

**GOLDCORP INC.,**  
a corporation amalgamated under the laws of the Province of  
Ontario

(hereinafter called "**Goldcorp**")

OF THE SECOND PART,

**THIS AGREEMENT WITNESSES** that, in consideration of the sum of ten dollars (\$10) now paid by Goldcorp to Planet (the receipt and sufficiency of which is hereby acknowledged) and the covenants and agreements hereinafter set forth, the parties hereto agree as follows:

### **1. DEFINITIONS**

1.1 In this Agreement:

- (a) "**Affiliate**" means a corporation which, directly or indirectly, controls, or is controlled by or is under common control with, a party. The term "**control**", as used herein, means the rights to the exercise of, directly or indirectly, more than 50% of the voting rights attributable to the shares of the controlled company;
- (b) "**Associated Company**" means, in respect of a party hereto:
  - (i) any corporation which beneficially owns, directly or indirectly, securities carrying more than thirty percent (30%) of the voting rights attached to the outstanding securities of such party;
  - (ii) any corporation in respect of which such party beneficially owns, directly or indirectly, securities carrying more than thirty percent (30%) of the voting rights attached to the outstanding securities of such corporation; or
  - (iii) any corporation in respect of which corporations referred to in clauses (i) and (ii) hereof beneficially own, directly or indirectly in the aggregate, more than thirty percent (30%) of the voting rights attached to the outstanding securities of such corporation.

For the purposes hereof, beneficial ownership shall include securities deemed beneficially owned within the meaning of subsections 1(5) and (6) of the *Securities Act* (Ontario).”

- (c) "**Business Day**" means any day which is not a Saturday or Sunday on which banks in Toronto, Ontario are open for business;
- (d) "**Confidential Information**" has the meaning assigned to it in Section 16;
- (e) "**Disposing Party**" has the meaning assigned to it in Section 13;
- (f) "**Effective Date**" means April 10, 2003 which is the date on which Planet and Goldcorp are deemed to have formed the Management Committee, to have commenced Operations, and to have commenced making Expenditures on the Property. Any Expenditures made after this date (including those after this date, but prior to the date on this Option Agreement) will be applied as appropriate towards the requirements stated in the First Option of section 5.
- (g) "**Expenditures**" means all direct expenses of or incidental to Operations, together with any and all costs, fees and expenses which may be paid to obtain feasibility, engineering or other studies or reports on or with respect to the Property or any part of it. For greater certainty, "Expenditures" include, but are not limited to, (i) the costs, fees and expenses of recording work for assessment credit under applicable legislation, (ii) reasonable charges by the Operator for services provided in connection with Operations by geologists or others in the employment of, or under contract to, the Operator, (iii) reasonable charges for machinery, tools, equipment and camp facilities owned, leased or rented by the Operator and used or employed in Operations. Expenditures incurred with a non-arms length party shall not exceed forty percent (40%) of total Expenditures;
- (h) "**First Option**" has the meaning assigned to it in Section 2.1;
- (i) "**Force Majeure**" means any cause beyond the Operator's reasonable control, including law or regulation, action or inaction of civil or military authority, interference by Natives, Native rights groups, environmentalists or other activists, inability, except for reasons caused by the willfull misconduct or gross negligence of the Operator, to obtain any licence, permit or other authorization that may be required, unusually severe weather, fire, explosion, flood, insurrection, riot, labour dispute, inability after diligent effort to obtain workmen or material, delay in transportation and acts of God, but not including lack of funds;
- (j) "**Indemnified Party**" has the meaning assigned to it in Section 17.1;
- (k) "**Indemnifying Participant**" has the meaning assigned to it in Section 17.1;
- (l) "**Joint Venture**" means the joint venture which may be formed by the parties pursuant to Section 12;

- (m) "**Joint Venture Agreement**" means the agreement between the parties attached as Schedule C to this Agreement;
- (n) "**Joint Management Committee**" means a committee comprised of two representatives from each of Planet and Goldcorp, which committee shall determine the budgets and work programs in respect of operations on the Property during the first year of this Agreement.
- (o) "**Letter of Intent**" means the Letter of Intent dated March 7, 2003 entered into between Goldcorp and Planet, a copy of which is attached as Schedule D to this Agreement;
- (p) "**NSR**" means the 1.0% net smelter royalty payable to Kleinebar Resources Ltd. in respect of the Property. A copy of the terms of this NSR is attached as Schedule E
- (q) "**Operator**" is the party (or parties) who directs work programs in respect of operations on the Property. During the first year of this agreement the Operator shall be Planet. Goldcorp shall be appointed Operator for the second and subsequent years of this Agreement, provided that all payments and Expenditures have been made by Goldcorp in the time periods set out in Section 5.
- (r) "**Operations**" includes any and every kind of work which the Operator does or has done on or in respect of the Property or the products derived therefrom and all expenditures in respect of or incidental to such work;
- (s) "**Options**" means, collectively, the First Option and the Second Option;
- (t) "**Other Party**" has the meaning assigned to it in Section 13.1;
- (u) "**Property**" means the mining claims described in Schedule A to this Agreement, all of which are located in the Province of Ontario, Canada; and
- (v) "**Second Option**" has the meaning assigned to it in Section 2.2.

1.2 All currency amounts in this Agreement are in Canadian dollars, unless specified to the contrary.

1.3 Attached to and forming part of this Agreement are the following Schedules:

- Schedule A - Property
- Schedule B - Claims Subject to Area of Mutual Interest
- Schedule C - Joint Venture Agreement
- Schedule D - Letter of Intent
- Schedule E - NSR agreement

## 2. OPTION

- 2.1 Planet hereby grants to Goldcorp the sole and exclusive and irrevocable right and option (the "**First Option**") exercisable in the manner described in Section 9.1, to acquire a fifty percent (50%) undivided interest in the Property, free and clear of all liens, charges, encumbrances, security interests, royalties and adverse claims, save and except the NSR.
- 2.2 Subject to completion and exercise of the First Option Planet hereby grants to Goldcorp the sole and exclusive right and option (the "**Second Option**") exercisable in the manner described in Section 9.2 to acquire an additional ten percent (10%) undivided interest in the Property, in addition to the fifty (50%) undivided interest which may be acquired by the exercise of the First Option, free and clear of all liens, charges, encumbrances, security interests, royalties and adverse claims, save and except the NSR.
- 2.3 Planet hereby grants to Goldcorp, its servants, agents and independent contractors, during the currency of the Options, subject to any direction of the Joint Management Committee to the contrary, the sole and exclusive right and option, in its sole discretion, to:
- (a) enter upon and have immediate possession of the Property;
  - (b) carry out Operations on the Property as the Operator may deem necessary or appropriate;
  - (c) bring and install on the Property and remove from time to time such buildings, plant, machinery, equipment, tools, appliances and supplies as Goldcorp may deem necessary or appropriate; and
  - (d) remove from the Property reasonable quantities of rocks, ores, minerals and metals and to transport such rocks, ores, minerals and metals for the purpose of sampling, testing and assaying.

## 3. TITLE

- 3.1 Goldcorp will pay to Planet the sum of ten dollars (\$10) forthwith upon the performance by Planet of its covenants in this agreement.
- 3.2 Planet shall cause this Agreement to be recorded with the local Mining Recorder, provided that Planet shall hold the Property subject to the terms of this Agreement. The Property shall otherwise be free and clear of all liens, charges, encumbrances, security interests, royalties and adverse claims, save and except the NSR. Upon Goldcorp exercising the First Option and Second Option and Vesting its interest at 60%, Planet shall deliver to Goldcorp a transfer of the Property in immediately recordable form in favour of Goldcorp, free and clear of all liens, charges, encumbrances, security interests and adverse claims, save and except the NSR,, provided that Goldcorp shall hold the Property subject to the terms of this Agreement.

- 3.3 Upon Goldcorp becoming the Operator, and provided this Agreement is not terminated prior to sixty (60) days before the date any assessment work becomes due and for so long thereafter as Goldcorp continues to hold an Option on the Property under this Agreement, Goldcorp will complete and file for assessment credit under the applicable mining legislation sufficient work or, if applicable, make payments in lieu thereof to maintain the Property in good standing. Goldcorp's obligations under this Section 3.3 are conditional upon the representations and warranties of Planet in this Agreement being true and correct. Goldcorp shall immediately notify Planet if it becomes aware or has any reason to believe that a representation or warranty of Planet is not true and correct.
- 3.4 If Planet's title to the Property is now or at any time hereafter deficient, defective or encumbered in any way not expressly contemplated hereby, and provided that Planet has failed to remedy or correct such deficiencies or defects or has failed to initiate all reasonable actions to so remedy or correct same within ninety (90) days of notice to Planet of same, then, without limiting Goldcorp's rights and remedies provided hereunder or by law, such deficiency, defect or encumbrance may be remedied or removed by Goldcorp, in which event the cost and related expenses thereof may, at Goldcorp's option, be recovered by Goldcorp from Planet or deducted from any amounts or payments which may be or become due or payable to Planet under this Agreement or the Joint Venture Agreement or may be credited against the Expenditures contemplated by Section 5.1 or payment contemplated by Section 6.1.
- 4. OPERATOR**
- 4.1 During year one of this Option Agreement, the Operations will be conducted by Planet as the Operator in accordance with the directions and under the supervision of the Joint Management Committee.
- 4.2 During year one of this Option Agreement, Operations and expenditures will be determined by majority consensus of the Joint Management Committee. If consensus cannot be reached, the majority vote will be cast by an independent arbitrator mutually selected by both Planet and Goldcorp, and the relevant periods relating to the First Option and Second Option will be extended and dates amended to reflect the amount of time for which consensus was not reached.
- 4.3 During year two, and subsequent years of the Option Agreement and subject to Section 4.4, Goldcorp will be the Operator.
- 4.4 If at any time during which Goldcorp is Operator, it shall fail to diligently conduct Operations of an exploratory or development nature on the Property, as part of a program of exploration previously identified to Planet, for a period of 150 consecutive days, Planet shall be appointed Operator for a period of one year, commencing on the date which is 30 days following the date of notice by Planet to Goldcorp of the work stoppage. Goldcorp shall resume and be reappointed Operator following Planet's one year term provided that it wishes to so act. The provisions of this section shall apply to Planet while acting as Operator hereunder.

- 4.5 If the Operator fails to perform in a manner that is consistent with good exploration, engineering and mining practices or fails to perform in a manner consistent with its duties and responsibilities under this Agreement, or is adjudged to be bankrupt or insolvent or a receiver is appointed for its business and assets, then the non-Operator shall give to the Operator written notice setting forth particulars of the Operator's default. Failure of the Operator to commence to remedy the default within 30 days of such notice (and thereafter to proceed continuously and diligently to complete all required remedial action) will be grounds for termination of the Operator's appointment. If there shall be any disagreement between the non-Operator and the Operator as to whether a default has occurred, the matter may be submitted to arbitration under Article 18, and the Operator shall not be considered in default of any obligation determined on the arbitration if it commences to remedy the default within 10 days after the arbitration decision or within such longer period as may be fixed in the arbitration award. On any termination of the Operator's appointment hereunder, the non-Operator shall be appointed as Operator, subject to its consent to act. At any meeting, if the Management Committee to approve work programs, an Operator in default hereunder shall not be entitled to vote as a Participant and the remaining Participant or Participants shall be sufficient to form a quorum for such purposes.

## 5. FIRST OPTION

- 5.1 In order to exercise the First Option and thereby acquire a fifty (50%) undivided interest in the Property, Goldcorp must:

- (a) Pay to Planet the following amounts:
- (i) the sum of fifty thousand dollars (\$50,000) on (or before, at the sole discretion of Goldcorp) the date both Planet and Goldcorp sign this Option Agreement;
  - (ii) the sum of five hundred thousand dollars (\$500,000) payable in monthly instalments which monthly instalments shall be in an amount equal to the amounts expended by Planet as Operator on Operations during the previous month or during the months prior and such additional amount as Planet may reasonably estimate for expenditures in the next following month until an aggregate \$500,000 in such payments has been made.
  - (iii) provided this Option Agreement is not terminated prior to April 10, 2004, the sum of fifty thousand dollars (\$50,000) on or before April 10, 2004,
  - (iv) provided this Option Agreement is not terminated prior to April 10, 2005, the sum of fifty thousand dollars (\$50,000) on or before April 10, 2005, and
  - (v) provided this Option Agreement is not terminated prior to April 10, 2006, the sum of four hundred thousand dollars (\$400,000) on April 10, 2006,

for total payments of one million and fifty thousand dollars (\$1,050,000); and

- (b) Incur Expenditures of:
  - (i) not less than two hundred and fifty thousand dollars (\$250,000) on or before April 10, 2004,
  - (ii) not less than a further five hundred thousand dollars (\$500,000) on or before April 10, 2005, and
  - (iii) not less than a further seven hundred and fifty thousand dollars (\$750,000) on or before April 10, 2006,

for aggregate Expenditures of one million five hundred thousand dollars (\$1,500,000). Notwithstanding any provision hereof to the contrary, not less than 60% of the aggregate \$1,500,000 in Expenses shall be third party in nature.

## **6. SECOND OPTION**

- 6.1 In order to exercise the Second Option and thereby acquire a further ten percent (10%) undivided interest in the Property (for an aggregate sixty percent (60%) undivided interest in the Property), Goldcorp must:
  - (a) exercise the First Option; and
  - (b) pay to Planet the sum of six hundred thousand dollars (\$600,000) no later than May 10, 2006. Goldcorp may elect (at its sole discretion) to make this payment at any time prior to this date, provided the First Option has been exercised.

## **7. ACCELERATION, FORCE MAJEURE AND NON-OBLIGATION**

- 7.1 Goldcorp may, at any time from time to time, accelerate the payment of any or all of the amounts contemplated by Articles 5 and 6 and the incurring of Expenditures contemplated by Article 5. Goldcorp may, at any time from time to time pay to Planet money in lieu of incurring Expenditures under Article 5, in which event Goldcorp shall be deemed to have incurred Expenditures in the same amount as the amount of any such payment and in satisfaction of such of the provisions of Article 5, as indicated by Goldcorp at the time of the making of such payment. Any excess payments or Expenditures made or incurred in any period will be carried forward and applied as a credit against any payment or Expenditures, as the case may be, to be made in the next succeeding period or periods under this Agreement or toward Goldcorp's share of funding obligations under the Joint Venture Agreement.
- 7.2 If, from time to time, Goldcorp is prevented by Force Majeure from incurring Expenditures in the amounts and times provided in Article 5, then Goldcorp shall have such additional time as is reasonable in the circumstances to incur Expenditures in such amounts and times, the amount of such additional time not to exceed the duration of the period of Force Majeure.

- 7.3 For the Expenditures and payments documented in Article 5 Goldcorp has made a commitment to pay an aggregate of \$550,000 and to incur Expenditures of a minimum of \$250,000 in year one of this Option Agreement. Subsequent to this, Goldcorp has the right and option, but not the obligation, to make the payments and to incur the Expenditures referred to in Article 5. No incurring by Goldcorp of any Expenditure will obligate it to incur any further Expenditure. The exercise of the First Option by Goldcorp will not obligate it to exercise the Second Option.

## **8. PERFORMANCE OF WORK**

- 8.1 The Operator shall comply with all applicable laws, rules and regulations and shall carry out Operations in a good and workmanlike manner in accordance with generally accepted mining practice.
- 8.2 Subsequent to Goldcorp becoming the Operator, Planet shall, at all reasonable times, have access to the Property on [not less than 24 hours] notice to Goldcorp, provided that Planet shall not interfere with Goldcorp's operations under this Agreement and that Goldcorp shall be under no liability to Planet for any personal injuries, including, without limitation, death or for any damage to the property of Planet, unless such injury or damage is due to the gross negligence or wilful default of Goldcorp, its employees or agents.
- 8.3 Upon becoming the Operator, Goldcorp will provide to Planet monthly reports of the work performed in connection with the Property, together with the factual data generated thereunder by the 15<sup>th</sup> of the following month during the term of this Agreement. In addition, Goldcorp shall, from time to time during the term of this Agreement, advise Planet of any planned exploration programs and significant results of the work performed in connection with the Property, provided, however, Goldcorp, in its sole discretion, shall determine whether any results are significant having regard to the circumstances of Planet in terms of its assets and market capitalization and the related regulatory requirements imposed upon it.
- 8.4 During the term of this Agreement, Goldcorp shall perform or cause to be performed all assessment and other work, and shall pay or cause to be paid all government fees required by law in order to maintain in good standing all mining leases, surface leases, claims and other tenures included within the Property. Goldcorp shall, on a timely basis, record and file with the appropriate governmental office any required affidavits, notices and other documents in proper form attesting to the payment of government fees and the performance of assessment work, in each case in sufficient detail to reflect compliance with the applicable requirements.

## **9. VESTING OF INTEREST**

- 9.1 Upon Goldcorp making the payments and incurring the Expenditures referred to in Section 5 in the time contemplated thereby, and Goldcorp delivering to Planet, on or before April 10, 2006, a notice in writing stating that Goldcorp wishes to acquire a fifty percent (50%) undivided interest in the Property, Goldcorp shall, without any further payment or action, be deemed to have exercised the First Option and it will thereupon



acquire and be deemed to have acquired and be vested with a fifty percent (50%) undivided right, title and interest in the Property free and clear of all liens, charges, encumbrances, security interests, royalties and adverse claims, save and except for its proportionate share of the NSR. At such time, Goldcorp shall hold a fifty percent (50%) undivided right, title and interest in and to the Property and Planet shall hold a fifty percent (50%) undivided right, title and interest in and to the Property.

- 9.2 Upon Goldcorp exercising the First Option, and Goldcorp delivering to Planet, on or before May 10, 2006 a notice in writing stating that Goldcorp wishes to acquire a further ten percent (10%) undivided interest in the Property, together with the amount contemplated by Section 6 (b), Goldcorp shall, without any further payment or action, be deemed to have fully exercised the Second Option and it will thereupon acquire and be deemed to have acquired and be vested with a further ten percent (10%) undivided right, title and interest in the Property, thereby giving it a sixty percent (60%) undivided right, title and interest in the Property, free and clear of all liens, charges, encumbrances, security interests, royalties and adverse claims, save and except for its proportionate share of the NSR. At such time, Goldcorp shall hold a sixty percent (60%) undivided right, title and interest in and to the Property and Planet shall hold a forty percent (40%) undivided right, title and interest in and to the Property. Upon Goldcorp exercising its Second Option, Planet will transfer title to the Property to Goldcorp who will ensure it remains in good standing.

## **10. TERMINATION**

- 10.1 Subject to the minimum payment and Expenditure commitments referred to in Section 5 (a) (i) and (ii) in Section 5 (b) (i), Goldcorp may, at any time, let the First Option lapse by notice to Planet or by not incurring the Expenditures referred to in Section 5, within the time periods set out therein, whereupon this Option Agreement, except Section 10.3, 10.4 and Article 16, shall terminate.
- 10.2 If Goldcorp:
- (a) having the right to give notice to Planet under Section 9.1, fails to do so within the time permitted, then this Agreement, except Sections 10.3, 10.4 and Article 17, shall terminate; and
  - (b) having the right to give notice to Planet under Section 9.2, fails to do so within the time permitted, then the Second Option shall terminate.
- 10.3 If this Agreement is terminated pursuant to Section 10.1 or Section 10.2, Goldcorp shall:
- (a) deliver to Planet, if the Property is registered in the name of Goldcorp, a duly executed transfer of the Property, in favour of Planet, free and clear of all liens, charges, encumbrances, security interests, royalties, (save and except the NSR), or adverse claims arising from the activities of Goldcorp on the Property, each mining claim then comprised in the Property to be in good standing;

- (b) within thirty (30) days deliver to Planet copies of all of the reports, maps, plans, photographs and drill logs of Goldcorp relating to the Property and not already provided to Planet, provided that Goldcorp does not make any representation or warranty concerning the accuracy or completeness thereof;
  - (c) within hundred and eighty (180) days, remove from the Property any machinery, buildings, structures, facilities, equipment and all other property of every nature and description erected, placed or situated thereon by Goldcorp; any property not so removed at the end of the one hundred and eighty (180) day period shall, at the option of Planet, become the property of Planet; and
  - (d) unless Planet first notifies Goldcorp that it wishes to retain the benefit or use of any site disturbance created by Goldcorp in connection with Operations, within the one hundred and eighty (180) day period referred to in Section 10.3 (c), Goldcorp will leave the working and camp site in a clean and environmentally acceptable condition.
- 10.4 If Goldcorp is prevented from or delayed in performing its obligations in Sections 10.3(c) or 10.3(d) by Force Majeure, the relevant period of the one hundred and eighty (180) days referred to shall be extended by the period of Force Majeure.
- 10.5 At any time after Goldcorp has exercised the First Option, and prior to the expiry of the Second Option, it may terminate the Second Option by notice to Planet. At such time as Goldcorp may terminate the Second Option, Goldcorp may also elect to relinquish its vested fifty percent (50%) undivided interest in the Property to Planet by notice to Planet, whereupon this Agreement, except Sections 10.3, 10.4 and Article 17, shall terminate.
- 10.6 If Planet has notified Goldcorp that it wishes to utilise any site disturbance or workings which Goldcorp would otherwise be responsible to reclaim in accordance with Section 10.3 (d), notwithstanding any other term of this Agreement, Planet shall be deemed to have relieved Goldcorp of such obligation to reclaim the site and the indemnity granted by Goldcorp under Article 17 shall not apply. Planet shall also execute such documentation and provide such reclamation bonding or other security as Goldcorp or governmental authorities may require, in order to fully effectuate this Section 10.6.

## **11. AREA OF INFLUENCE**

- 11.1 This Option Agreement shall be subject to an Area of Mutual Interest which shall be defined as the area of land within one (1) mile of the perimeter of the Property.
- 11.2 Should either Goldcorp or Planet, prior to the exercise of the First or the Second Option, acquire by staking any land within this Area of Mutual Interest, then said land will be included as part of this Option Agreement. If the land acquired within the area of Mutual Interest is part of a larger contiguous land package extending beyond the one mile perimeter referred to in section 11.1, then the entire land package will be included as part of this Option Agreement.

- 11.3 Should either Goldcorp or Planet, subsequent to the exercise of the First or Second Option and establishment of a Joint Venture, acquire by staking any land within this Area of Mutual Interest, then said land will be included as part of, and governed by the terms of, the Joint Venture Agreement. If the land acquired within the area of Mutual Interest is part of a larger contiguous land package extending beyond the one mile perimeter referred to in section 11.1, then the entire land package will be included as part of the Joint Venture Agreement.
- 11.4 Should either Goldcorp or Planet, prior to the exercise of the First or Second Option, acquire an option to earn an interest in, or purchase an interest in any of the properties specified on Schedule B from a third party (the "Selling Party"), then they shall, offer the other party to earn an interest in that portion of said property subject to the following sentence. If Goldcorp is the party which acquires an option to earn an interest in, or purchase an interest in such property, Planet acknowledges Goldcorp's requirement to maintain a minimum interest of 50.1%. In the event that either Goldcorp or Planet should acquire an option to earn an interest in, or purchase an interest in, such a property then each shall notify the other in writing and permit a 30 day period to indicate whether or not the other party wishes to participate in said Property according to the terms available; mutually agreed to terms shall be set out in an Addendum to this Agreement.
- 11.5 Should either Goldcorp or Planet, subsequent to the exercise of the First or Second Option and establishment of a Joint Venture, acquire an option to earn an interest in, or purchase an interest in any of the properties specified in Schedule B from a third party (the "Selling Party"), then they shall, offer the other party the right to earn an interest in that portion of said property subject to the following sentence. If Goldcorp is the party which acquires an option to earn an interest in, or purchase an interest in such property, Planet acknowledges Goldcorp's requirement to maintain a minimum interest of 50.1%. In the event that either Goldcorp or Planet should acquire an option to earn an interest in, or purchase an interest in, such a property then each shall notify the other in writing and permit a 30 day period to indicate whether or not the other party wishes to participate in said Property according to the terms available; mutually agreed to terms shall be set out in an Addendum to this Agreement.

## 12. FORMATION OF JOINT VENTURE

- 12.1 Goldcorp and Planet shall be deemed to have associated themselves into a joint venture on the terms and conditions contained in the **Joint Venture Agreement** once the First Option has been exercised, provided that no operations shall be conducted under the Joint Venture Agreement until the Second Option shall have been exercised, shall have been relinquished or otherwise shall have expired. Capitalized terms in this section not otherwise defined herein shall have the meaning attributed to such term in the Joint Venture Agreement attached as Schedule B.

Goldcorp shall complete the date on the first page of the Joint Venture Agreement, which shall be the date on which the Joint Venture is formed, and complete Schedule A thereto with a description of the Property, and each of the parties shall then execute and deliver to the other a copy of the Joint Venture Agreement.

- 12.2 The initial Participating Interests of each of Goldcorp and Planet will be fifty percent (50%) and fifty percent (50%), respectively. The agreed value of both Goldcorp's and Planet's Initial Contribution will be equal to the aggregate Expenditures and payments incurred and made by Goldcorp pursuant to Section 5
- 12.3 If Goldcorp exercises the Second Option under Section 10.1.2 the Participating Interest of Goldcorp will be increased by 10% from the level immediately prior to said execution and the Participating Interest of Planet will be decreased by 10% from the level immediately prior to said execution. The agreed value of Goldcorp's Initial Contribution will be equal to the aggregate Expenditures and payments incurred and made by Goldcorp pursuant to Section 5 in addition to payments made by Goldcorp pursuant to Section 6. The agreed value of Planet's Initial Contribution shall be equal to 2/3 (two thirds) of Goldcorp's Initial Contribution.
- 12.4 Goldcorp may, subsequent to formation of the Joint Venture, and subject to the provisions of Section 12.1, continue the then current work program to completion or may terminate such program in as orderly a fashion as it considers advisable and, any and all Expenditures incurred by Goldcorp under this Section 12.4 will be included as part of the first Program delivered under the Joint Venture Agreement and will be credited solely to Goldcorp's share of costs thereunder.
- 12.5 The Joint Venture Agreement will supersede this Agreement, provided that all rights and liabilities of each party in existence on the date on which the Joint Venture Agreement is entered into shall continue thereafter.

### 13. RESTRICTION ON ASSIGNMENT

- 13.1 Neither Goldcorp nor Planet (in this Article 13 only, called a "**Disposing Party**") shall sell, assign, transfer, convey or otherwise dispose of or deal with or agree to sell, assign, transfer, convey or otherwise dispose of or deal with less than all of its rights and interests in or with respect to this Agreement, the Property or under or by virtue of this Agreement and neither may sell, assign, transfer, convey or otherwise dispose of or deal with the whole of such rights and interests unless it shall first give to the other party (in this Article 13 only, called the "**Other Party**") sixty (60) days notice in writing of the price and terms on which it would be willing to sell such rights and interests and the Other Party shall be entitled by notice in writing to the Disposing Party within the sixty (60) day period to acquire the whole of such rights and interests at the price and on the terms stated in the notice. If the Other Party does not elect in writing within the sixty (60) period to acquire such rights and interests, the Disposing Party may transfer the whole of such rights and interests to any person within the following one hundred and twenty (120)

days at a price at or above the price stated in the notice and upon terms and conditions not less favourable to the Disposing Party than those contained in the notice. For purposes of this Section, the consideration for the rights and interests to be sold shall be an amount payable in Canadian or United States dollars, unless the parties hereto otherwise agree. If the Disposing Party fails to consummate the transfer within the one hundred and twenty (120) day period, the pre-emptive right of the Other Party shall be deemed to be revived and any subsequent proposal to sell, assign, transfer, convey or otherwise dispose of rights or interests hereunder shall again be subject to the provisions of this Section 13.1.

13.2 Nothing in this Article 13 shall prevent:

- (a) a sale by a party of all or part of its Interest or a transfer or assignment of all its rights under this Agreement to an Affiliate or an Associated Company provided that such Affiliate or Associated Company first assumes and agrees to be bound by the terms of this Agreement, and provided that a Participant may not, after such a sale or transfer to an Affiliate or an Associated Company, take or permit any action whereby the Affiliate or Associated Company will cease to be an Affiliate or an Associated Company without first either causing the Affiliate or Associated Company to retransfer such Interest to the Participant from whom the Interest was acquired or causing the Affiliate or Associated Company to offer the Interest at a fair market value to the other Participants in the manner provided in this Article; if the other Participants do not agree with the fair market value placed upon the Interest, they shall notify the offeror of such within 15 days of receipt of the offer; and if an agreement cannot be reached on the fair market value of the Interest within 90 days of the expiration of the 15-day period, the value will be determined by arbitration pursuant to Article 18;
- (b) a joint disposition of the Property to a third party by all the Participants;
- (c) an amalgamation, merger or corporate reorganization involving a party hereto; or
- (d) a sale, forfeiture, charge, withdrawal, transfer or other disposition or encumbrance which is otherwise specifically required or permitted under this Agreement.

13.3 Any assignment, transfer or conveyance by a Disposing Party of its rights and interests in or with respect to this Agreement, the Property or under or by virtue of this Agreement including without limitation under Section 13.2 shall be void unless the assignee has first agreed in writing with the Other Party to observe and be bound by all of the provisions of this Agreement in the place and stead of the Disposing Party. Notwithstanding any such assignment, transfer or conveyance the Disposing Party shall not be relieved or discharged from this Agreement and the Other Party may continue to look to the Disposing Party for performance hereunder.

## 14 NOTICES

1.4.1 All notices, payments and other required communications ("**Notices**") to one of Goldcorp or Planet by the other shall be in writing and shall be addressed respectively as follows:

(a) if to Goldcorp:

Goldcorp Inc.  
Suite 2700  
145 King Street West  
Toronto, Ontario  
M5H 1J8

Attention: Vice President, Exploration  
Telecopier: (416) 361-5741

(b) with a copy to:

Attention: Vice President, Corporate Development  
Telecopier: (416) 865-9636

(b) if to Planet:

Planet Exploration Inc.  
Suite 400, 750-11<sup>th</sup> Street, S.W.  
Calgary, Alberta  
T2P 3N7

Attention: President  
Telecopier: (403) 237 5816

All Notices shall be given (i) by personal delivery to the addressee, or (ii) by electronic communication, with a confirmation sent by registered or certified mail return receipt requested or (iii) by registered or certified mail. All Notices shall be effective and shall be deemed delivered (i) if by personal delivery on the date of delivery if delivered during normal business hours and, if not delivered during normal business hours, on the next business day following delivery, (ii) if by electronic communication on the next business day following receipt of the electronic communication and (iii) if solely by registered or certified mail, on the next business day after actual receipt. A party may change its address by notice, in writing, to the other party.

## 15 REPRESENTATIONS AND WARRANTIES

### 15.1 Planet represents and warrants to Goldcorp that:

Planet owns and possesses and has good and marketable title to the Property free and clear of all mortgages, liens, charges, pledges, security interests, royalties, encumbrances or other claims whatsoever, save and except for the NSR and, without limiting the generality of the foregoing, Planet has not entered into and there are not any agreements or options to grant or convey any interest in the Property or to pay any royalties, save and except for the NSR, with respect to the Property;

the mining claims comprised in the Property have been duly and validly staked, recorded and issued pursuant to all applicable laws and regulations in Ontario and are in good standing; the information in Schedule A is accurate; the lands that are covered by the Property are not occupied, in whole or in part, by any other person; all activities on or in relation to the Property up to the date hereof conducted by Planet, have been in compliance with all applicable laws, regulations and permits, including those for the protection of the environment; and no conditions exist which could give rise to the making of a remediation order or similar order in respect of the Property or which could subject Goldcorp to liability;

- (c) Planet has full power and absolute authority to grant to Goldcorp the rights provided in this Agreement and has received all written consents or approvals required under the Letter of Intent to grant the rights and to enter into and perform this Agreement;
- (d) the execution and delivery of this Agreement and the exercise by Goldcorp of the rights granted to it under this Agreement will not conflict with or be in contravention of any law, regulation or order of any government, government department or other competent authority including Ministerial orders and Orders-in-Council or conflict with rights of third parties or result in a breach of or default under any agreement or other instrument of obligation to which Planet is a party or by which Planet or the Property may be bound;
- (e) this Agreement constitutes a legal, valid and binding obligation of Planet;
- (f) there are not any suits, actions, prosecutions, investigations or proceedings, actual, pending or threatened, against or affecting Planet or that relates to or has an adverse effect on the Property;
- (g) all taxes, rates or other levies of every nature and kind heretofore levied against the Property have been fully paid and satisfied;
- (h) Planet is not a non-resident for the purposes of Section 116 of the *Income Tax Act* (Canada); and

- (i) the Property does not comprise all or substantially all the assets of a Canadian business within the meaning of the *Investment Canada Act*, and neither the granting of the Options nor the exercise of them constitutes a disposition by Planet of all or substantially all of its property or undertaking.

15.2 Goldcorp represents and warrants to Planet that:

- (a) the execution and delivery of this Agreement and the exercise by Goldcorp of the rights granted to it under this Agreement will not conflict with or result in a breach of or default under any agreement or other instrument of obligation to which Goldcorp is a party or by which it may be bound; and
- (b) this Agreement constitutes a legal, valid and binding obligation of Goldcorp.

15.3 The representations and warranties contained in Section 15.1 are provided for the exclusive benefit of Goldcorp and a breach of any one or more of them may be waived by Goldcorp in writing in whole or in part at any time without prejudice to its rights in respect of any other breach of the same or any other representation or warranty.

15.4 The representations and warranties contained in Section 15.2 are provided for the exclusive benefit of Planet and a breach of any one or more of them may be waived by Planet in whole or in part at any time without prejudice to its rights in respect of any other breach of the same or any other representation or warranty.

## 16 CONFIDENTIALITY

16.1 Except as otherwise provided in this Section 16.1, the terms and conditions of this Agreement, and all data, reports, records, and other information of any kind whatsoever developed or acquired by any party in connection with this Agreement shall be treated by the parties as confidential ("**Confidential Information**") and no party shall reveal or otherwise disclose such Confidential Information to third parties except as required, or permitted, by the Letter of Intent without the prior written consent of the other party. Confidential Information that is available or that becomes available in the public domain, other than through a breach of this provision by a party, shall no longer be treated as Confidential Information.

The foregoing restrictions shall not apply to the disclosure of Confidential Information to any Affiliate, to any public or private financing agency or institution, to any contractors or subcontractors which the parties may engage and to employees and consultants of the parties or to any third party to which a party contemplates the transfer, sale, assignment, encumbrance or other disposition of all or part of its rights and interest hereunder or in the Property pursuant to Article 13 or with which party or its Affiliate contemplates a merger, amalgamation or other corporate reorganization, provided, however, that in any such case only such Confidential Information as such third party shall have a legitimate business need to know shall be disclosed and the person or company to whom disclosure is made shall first undertake in writing to protect the confidential nature of such information at least to the same extent as the parties are obligated under this Section 16.1.



In the event that a party is required to disclose Confidential Information to any government, any court, agency or department thereof, or any stock exchange, to the extent required by applicable law, rule or regulation, or in response to a legitimate request for such Confidential Information, the party so required shall immediately notify the other party of such requirement and the terms thereof, and the proposed form and content of the disclosure prior to such submission. The other party shall have the right not less than two Business Days prior to such disclosure to review and comment upon the form and content of the disclosure and to object to such disclosure to the court, agency, exchange or department concerned, and to seek confidential treatment of any Confidential Information to be disclosed on such terms as such party shall, in its sole discretion, determine, provided that Section 16 shall not apply and shall not operate to in any manner restrict or prohibit the continuous disclosure obligations of any party under the terms of any applicable securities legislation or stock exchange rules. In addition, where there is no unequivocal legal requirement that a party identify the other in a public announcement or statement to be made, such public announcement or statement shall not be made or released without the consent of the other party. Such consent shall not be unreasonably withheld.

The provisions of this Section 16.1 shall apply during the term of this Agreement and shall continue to apply to any party which sells, assigns, transfers, conveys or otherwise disposes of its rights and interest in this Agreement or the Property.

- 16.2 Notwithstanding the provisions of Section 16.1, Goldcorp acknowledges and agrees that, throughout the term of this Agreement Planet shall be provided with unrestricted access to all operations information and shall be free to disseminate news on a reasonable schedule and basis, in accordance with appropriate regulatory guidelines provided that Goldcorp has the opportunity to promptly review and comment on said news prior to its dissemination.

## 17 INDEMNITIES

- 17.1 Each party shall indemnify the other party, its directors, officers, employees, agents and attorneys or Affiliates (collectively, the "**Indemnified Party**") against any loss, cost, expense, damage or liability (including legal fees and other expenses) arising out of or based on a breach by the party (the "**Indemnifying Participant**") of any representation, warranty or covenant contained in this Agreement or arising out of activities by the Indemnifying Party on the Property prior to or during the term of this Agreement, provided that a Party, as an Indemnifying Party, shall only be liable to another Party, as an Indemnified Party, for gross misconduct, gross negligence or wilful recklessness in its activities on the Property. The obligation of a party to indemnify the other shall survive the termination of this Agreement and the execution of the Joint Venture Agreement.
- 17.2 If any claim or demand is asserted against an Indemnified Party in respect of which such Indemnified Party may be entitled to indemnification under this Agreement, written notice of such claim or demand shall promptly be given to the Indemnifying Participant. The Indemnifying Participant shall have the right, but not the obligation, by notifying the Indemnified Party within thirty (30) days after its receipt of the notice of the claim or demand, to assume the entire control of (subject to the right of the Indemnified Party to

participate, at the Indemnified Party's expense and with counsel of the Indemnified Party's choice), the defence, compromise, or settlement of the matter, including, at the Indemnifying Participant's expense, employment of counsel of the Indemnified Party's choice. Any damages to the assets or business of the Indemnified Party caused by a failure by the Indemnifying Participant to defend, compromise, or settle a claim or demand in a reasonable and expeditious manner requested by the Indemnified Party, after the Indemnifying Participant has given notice that it will assume control of the defence, compromise, or settlement of the matter, shall be included in the damages for which the Indemnifying Participant shall be obligated to indemnify the Indemnified Party. Any settlement or compromise of a matter by the Indemnifying Participant shall include a full release of claims against the Indemnified Party which has arisen out of the indemnified claim or demand.

## 18 ARBITRATION

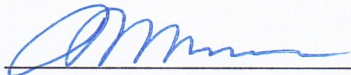
- 18.1 **Single Arbitrator.** Any matter required or permitted to be referred to arbitration pursuant to this Agreement will be determined by a single arbitrator to be appointed by the parties hereto.
- 18.2 **Notice of Intent to Arbitrate.** Any party may refer any such matter to arbitration by written notice to the others and, within 30 days after receipt of such notice, the parties will agree on the appointment of arbitrator, who shall be capable of commencing the arbitration within 21 days of his appointment. No person will be appointed as an arbitrator hereunder unless such person agrees in writing to act.
- 18.3 **Effect of Lack of Agreement on Arbitration.** If the parties cannot agree on a single arbitrator as provided in paragraph 18.2, each party shall appoint an arbitrator and the two arbitrators shall appoint a third arbitrator, following which the arbitration shall be determined by majority vote of the arbitrators. If the two arbitrators appointed by the parties cannot agree on a third, either arbitrator may request the court to appoint a third arbitrator in accordance with the *Arbitrations Act* of the Province of Ontario (the "Act").
- 18.4 **Procedural Matters.** Except as specifically provided in this Article, arbitration hereunder shall be conducted in accordance with the Act. The arbitrator(s) shall fix a time and place in Toronto, Ontario for the purpose of hearing the evidence and representations of the parties, and which shall be in camera, and the arbitrator(s) shall preside over the arbitration and determine questions of procedure not provided for under such Act or this Article. After hearing any evidence and representations that the parties may submit, the arbitrator(s) shall make an award and reduce the same to writing and deliver one copy thereof to each of the parties. The award shall be kept confidential by the parties except, as disclosure is required by applicable securities laws. The decision of the arbitrator(s) will be made within 45 days after the date of appointment, subject to any reasonable delay due to unforeseen circumstances. The expense of the arbitration shall be paid as specified in the award. The parties agree that the award of the arbitrator(s) shall be final and binding upon each of them and shall not be subject to appeal.

**19 MISCELLANEOUS**

- 19.1 **Applicable Law.** The terms and provisions of this Agreement shall be interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
- 19.2 **Entire Agreement.** This Agreement and the schedules hereto terminates and replaces all prior agreements, either written, oral or implied, between Goldcorp and Planet with respect to the Property, and constitutes the entire agreement between the parties with respect to the Property.
- 19.3 **Severability.** If any term, provision, covenant or condition of this Agreement, or any application thereof, should be held by a court of competent jurisdiction to be invalid, void or unenforceable, all provisions, covenants and conditions of this 'Agreement, and all applications thereof not held invalid, void or unenforceable shall continue in full force and effect and in no way be affected, impaired or invalidated thereby.
- 19.4 **Further Assurances.** The parties shall do and perform all such acts and things, and execute all such deeds, documents and writings, and give all such assurances, as may be necessary to give effect to this Agreement.
- 19.5 **Binding Effect.** This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

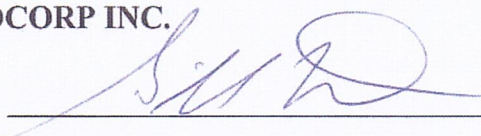
**IN WITNESS WHEREOF,** the parties hereto have executed this Agreement as of the day and year first above written.

**PLANET EXPLORATION INC.**

By:  \_\_\_\_\_

Its: DIRECTOR \_\_\_\_\_

**GOLDCORP INC.**

By:  \_\_\_\_\_

Its: V.P. EXPLORATION \_\_\_\_\_

## SCHEDULE A

Attached to and forming part of the Option Agreement  
between Planet Exploration Inc. and Goldcorp Inc.

### Red Lake Property - Red Lake Division, Ontario

<b>Claim Number</b>	<b>Township / Area</b>	<b>Unit</b>	<b>Due Date</b>	<b>Amount</b>	<b>Recorded Holder</b>
1210049	Coli Lake	16	17-Apr-06	6400	Planet Exploration Inc.
1210385	Coli Lake	12	17-Apr-05	4800	Planet Exploration Inc.
1210388	Coli Lake	16	17-Apr-05	6400	Planet Exploration Inc.
1210389	Coli Lake	16	17-Apr-05	6400	Planet Exploration Inc.
1210390	Coli Lake	16	17-Apr-06	6400	Planet Exploration Inc.
1210402	Black Bear Lake	12	17-Apr-06	4800	Planet Exploration Inc.
1210404	Black Bear Lake	16	17-Apr-06	6400	Planet Exploration Inc.
1210405	Coli Lake	16	17-Apr-05	6400	Planet Exploration Inc.
1210406	Coli Lake	12	17-Apr-05	4800	Planet Exploration Inc.
1210407	Coli Lake	12	17-Apr-05	4800	Planet Exploration Inc.
1215800	Sobeski Lake	12	13-Feb-05	4800	Planet Exploration Inc.
1215801	Coli Lake	16	13-Feb-05	6400	Planet Exploration Inc.
1217161	Sobeski Lake	16	13-Feb-05	6400	Planet Exploration Inc.
1217312	Coli Lake	16	26-Nov-05	6400	Planet Exploration Inc.
1217313	Coli Lake	8	26-Nov-05	3200	Planet Exploration Inc.
1234031	Coli Lake	16	26-Nov-05	6400	Planet Exploration Inc.
1234032	Sobeski Lake	16	26-Nov-05	6400	Planet Exploration Inc.
1234033	Sobeski Lake	16	26-Nov-05	6400	Planet Exploration Inc.
1244550	Sobeski Lake	16	4-Apr-04	6400	Planet Exploration Inc.
1244551	Sobeski Lake	8	4-Apr-04	3200	Planet Exploration Inc.
3003410	Sobeski Lake	9	25-Sep-04	3600	Planet Exploration Inc.

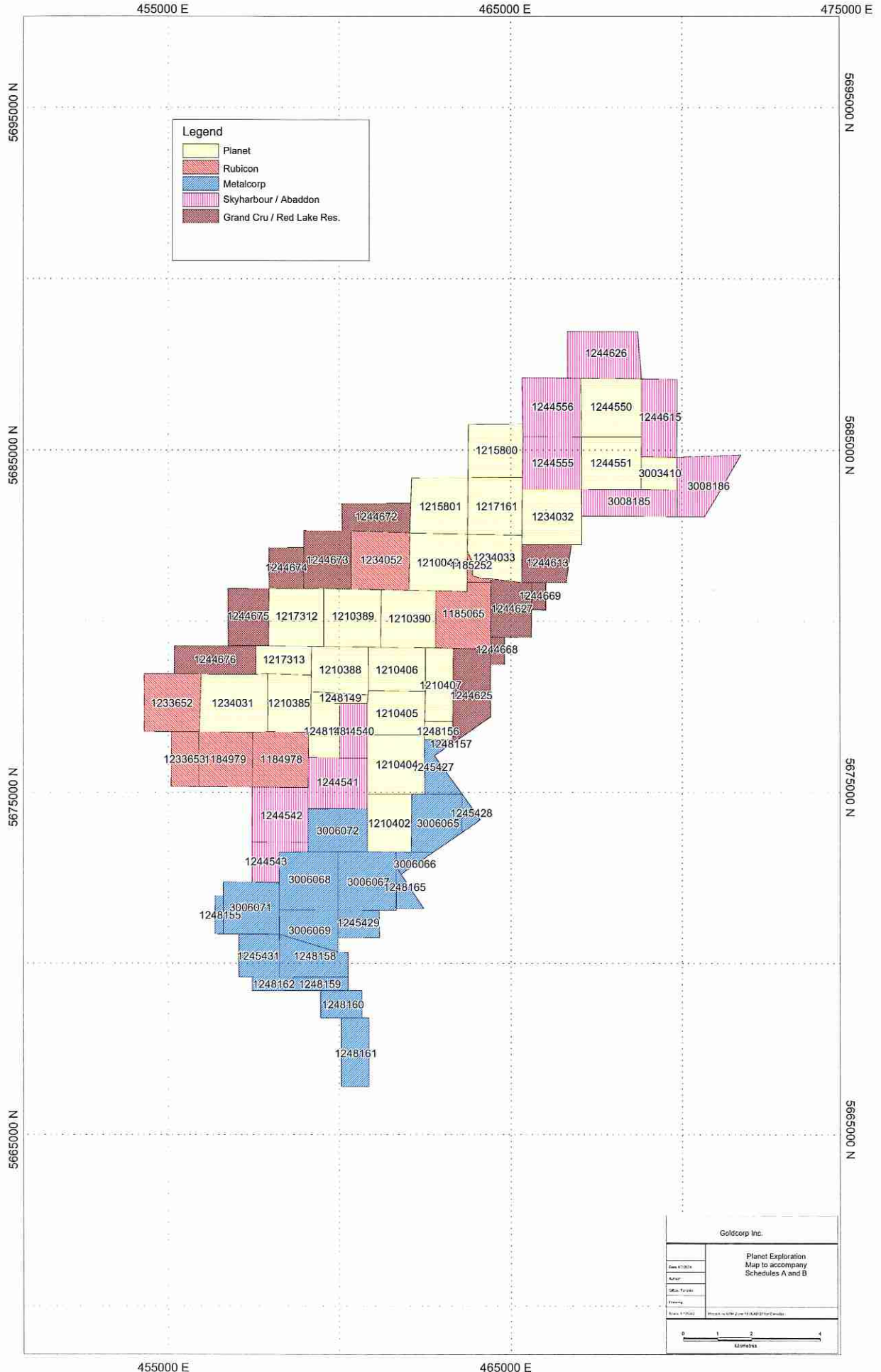
### Staked Since Agreement

1248148	Black Bear Lake	8	14-Feb-05	3200	Goldcorp Inc.
1248149	Black Bear Lake	4	14-Feb-05	1600	Goldcorp Inc.
1248156	Black Bear Lake	3	27-Aug-05	1200	Goldcorp Inc.
1248157	Black Bear Lake	1	27-Aug-05	400	Goldcorp Inc.

**SCHEDULE B**

Attached to and forming part of the Option Agreement  
between Planet Exploration Inc. and Goldcorp Inc.

**Claims Subject to Area of Mutual Interest**



**Legend**

- Planet
- Rubicon
- Metalcorp
- Skyharbour / Abaddon
- Grand Cru / Red Lake Res.

Goldcorp Inc.	
Date: 6/18/09	Planet Exploration Map to accompany Schedules A and B
Author:	
Client: Planet	
Project:	
Scale: 1:50,000    Project in UTM Zone 18N WGS84 (meters)	

**SCHEDULE C**

Attached to and forming part of the Option Agreement  
between Planet Exploration Inc. and Goldcorp Inc.

**Joint Venture Agreement**

## SIDACE LAKE JOINT VENTURE AGREEMENT

**THIS AGREEMENT** is made and entered into by and between **GOLDCORP INC.**, a corporation amalgamated under the laws of Ontario (hereinafter called "**Goldcorp**"), and **PLANET EXPLORATION INC.**, a corporation incorporated under the laws of Alberta, (hereinafter called "**Planet**").

### RECITALS

A. **Goldcorp** and **Planet** own certain Properties situated in the Province of Ontario, which are described in Exhibit A and are defined in Section 1.1(ff) below.

B. **Goldcorp** and **Planet** wish to participate in the further exploration, evaluation, and if justified, the development and mining of mineral resources within the Properties.

**NOW THEREFORE**, in consideration of the covenants and terms contained herein, **Goldcorp** and **Planet** agree as follows:

### 1. **DEFINITIONS**

Cross-references in this Agreement to Sections, Subsections and Exhibits refer to Sections, Subsections and Exhibits of this Agreement, unless specified otherwise.

- (a) "**Accounting Procedure**" means the procedure set forth in Exhibit C.
- (b) "**Affiliate**" of a Participant means an entity or person that Controls, is Controlled by, or is under common Control with the Participant through direct or indirect ownership of greater than fifty percent (50%) of equity or voting interest.
- (c) "**Agreement**" means this Venture Agreement, including any amendments and modifications hereof, and all appendices, schedules and exhibits which are incorporated herein by this reference.
- (d) "**Area of Interest**" means the area described in Exhibit B.
- (e) "**Assets**" means the Properties, Products, and all other real and personal property, tangible and intangible, held for the benefit of the Participants hereunder.
- (f) "**Associated Company**" means, in respect of a party hereto:
  - (i) any corporation which beneficially owns, directly or indirectly, securities carrying more than thirty percent (30%) of the voting rights attached to the outstanding securities of such party;
  - (ii) any corporation in respect of which such party beneficially owns, directly or indirectly, securities carrying more than thirty percent (30%) of the voting rights attached to the outstanding securities of such corporation; or



- (iii) any corporation in respect of which corporations referred to in clauses (i) and (ii) hereof beneficially own, directly or indirectly in the aggregate, more than thirty percent (30%) of the voting rights attached to the outstanding securities of such corporation.

For the purposes hereof, beneficial ownership shall include securities deemed beneficially owned within the meaning of subsections 1(5) and (6) of the *Securities Act* (Ontario).”

- (g) "**Budget**" means a detailed estimate of all costs to be incurred by the Participants with respect to a Program and a schedule of cash advances to be made.
- (h) "**Claims**" means the mining claims identified in Exhibit A.
- (i) "**Continuing Obligations**" means obligations or responsibilities that are reasonably expected to continue or arise after Operations on a particular area of the Properties have ceased or are suspended, including, but not limited to, Environmental Compliance.
- (j) "**Control**" used as a verb means, when used with respect to an entity, the ability, directly or indirectly through one or more intermediaries, to direct or cause the direction of the management and policies of such entity through: (i) the legal or beneficial ownership of voting securities or membership interests; (ii) the right to appoint managers, directors or corporate management; (iii) contract; (iv) operating agreement; (v) voting trust; or (vi) otherwise; and, when used with respect to a person, means the actual or legal ability to control the actions of another, through family relationship, agency, contract or otherwise; and "Control" used as a noun means an interest which gives the holder the ability to exercise any of the foregoing powers.
- (k) "**Development**" means all preparation (other than Exploration) for the removal and recovery of Products, including the construction or installation of leach pads, a mill or any other improvements to be used for the mining, handling, milling, beneficiation or other processing of Products.
- (l) "**Effective Date**" means the date set forth in Section 3.5 of this Agreement.
- (m) "**Encumbrance**" or "**Encumbrances**" means mortgages, deeds of trust, security interests, pledges, liens, net profits interests, royalties or overriding royalty interests, other payments out of production, or other burdens of any nature.
- (n) "**Environmental Compliance**" means actions performed during or after Operations to comply with the requirements of all Environmental Laws or contractual commitments related to reclamation of the Properties or other compliance with Environmental Laws.
- (o) "**Environmental Laws**" means Laws aimed at reclamation or restoration of the Properties; abatement of pollution; protection of the environment; monitoring

environmental conditions; protection of wildlife, including endangered species; ensuring public safety from environmental hazards; protection of cultural or historic resources; management, storage or control of hazardous materials and substances; releases or threatened releases of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances into the environment, and all other Laws relating to the manufacturing, processing, distribution, use, treatment, storage, disposal, handling or transport of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances or wastes.

- (p) **"Environmental Liabilities"** means any and all claims, actions, causes of action, damages, losses, liabilities, obligations, penalties, judgments, amounts paid in settlement, assessments, costs, disbursements, or expenses (including, without limitation, legal fees and costs, experts' fees and costs, and consultants' fees and costs) of any kind or of any nature whatsoever that are asserted against either Participant, by any person or entity other than the other Participant, alleging liability (including, without limitation, liability for studies, testing or investigatory costs, cleanup costs, response costs, removal costs, remediation costs, containment costs, restoration costs, corrective action costs, closure costs, reclamation costs, natural resource damages, property damages, business losses, personal injuries, penalties or fines) arising out of, based on or resulting from: (i) the presence, release, threatened release, discharge or emission into the environment of any hazardous materials or substances existing or arising on, beneath or above the Properties and/or emanating or migrating and/or threatening to emanate or migrate from the Properties to off-site properties; (ii) physical disturbance of the environment caused by Operations; or (iii) the violation or alleged violation of any Environmental Laws arising from or relating to Operations.
- (q) **"Existing Data"** means maps, drill logs and other drilling data, core tests, pulps, reports, surveys, assays, analyses, production reports, operations, technical, accounting and financial records, and any other material or information relating to the Properties.
- (r) **"Exploration"** means activities directed toward ascertaining the existence, location, quantity, quality, or commercial value of deposits of Products.
- (s) **"Government Fees"** means all rentals, holding fees, location fees, maintenance payments or other payments required by any law, rule or regulation to be paid to a federal, provincial or territorial government, in order to locate or maintain any mining leases or surface leases, Claims or other tenures included in the Properties.
- (t) **"Initial Contribution"** means that contribution each Participant agrees to make, or is deemed to have made, pursuant to Section 5.1.
- (u) **"Joint Account"** means the account maintained in accordance with the Accounting Procedure showing the charges and credits accruing to the Participants.

- (v) **"Law"** or **"Laws"** means all federal, provincial, territorial and local laws (statutory or common), rules, ordinances, regulations, grants, concessions, franchises, licenses, orders, directives, judgements, decrees, and other governmental restrictions, including permits and other similar requirements, whether legislative, municipal, administrative or judicial in nature, including Environmental Laws, which are applicable to the Properties, Area of Interest, or Operations, regardless of whether or not in existence or enacted or adopted hereafter; provided, however, nothing in this definition is intended to make laws applicable to the parties during periods when the laws are not applicable by their terms or the timing of their enactment. .
- (w) **"Management Committee"** means the committee established under Section 7.
- (x) **"Manager"** means the person or entity appointed under Section 8 to manage Operations, or any successor Manager.
- (y) **"Mining"** means the mining, extracting, producing, handling, milling, or other processing of Products.
- (z) **"Net Smelter Returns"** shall have the meaning specified in Exhibit D.
- (aa) **"Operations"** means the activities carried out under this Agreement.
- (bb) **"Participant"** and **"Participants"** mean the persons or entities that from time to time have Participating Interests.
- (cc) **"Participating Interest"** means the percentage interest representing the ownership interest of a Participant in the Assets, and in all other rights and obligations arising under this Agreement, as such interest may from time to time be adjusted hereunder. Participating Interests shall be calculated to three decimal places and rounded to two (e.g., 1.519% rounded to 1.52%). Decimals of 0.005 or more shall be rounded up to 0.01; decimals of less than 0.005 shall be rounded down. The initial Participating Interests of the Participants are set forth in Section 6.1(a).
- (dd) **"Permitted Encumbrances"** means the one percent (1.0%) net smelter returns royalty payable to Kleinebar Resources Ltd.
- (ee) **"Products"** means all metals, ores, concentrates, minerals, and mineral resources, including materials derived from the foregoing, produced from the Properties under this Agreement.
- (ff) **"Program"** means a description in reasonable detail of Operations to be conducted by the Manager, as described in Section 9.
- (gg) **"Properties"** means the properties described on Exhibit A attached hereto.

- (hh) **"Venture" or "Joint Venture"** means the contractual relationship of the parties under this Agreement.

## **2. REPRESENTATIONS AND WARRANTIES; RECORD TITLE; INDEMNITIES**

### **2.1 Capacity of Participants**

Each Participant represents and warrants to the other Participant as follows:

- (a) it is a corporation duly incorporated or amalgamated, qualified to transact business, and in good standing under the laws of its jurisdiction and in Ontario;
- (b) it has the capacity to enter into and perform this Agreement and all transactions contemplated herein, and all corporate, board of directors and other actions required to authorize it to enter into and perform this Agreement have been properly taken; and
- (c) it will not breach any other agreement or arrangement by entering into or performing this Agreement, and this Agreement has been duly executed and delivered by it and is valid and binding upon it in accordance with its terms.

### **2.2 Disclosures**

Each of the Participants represents and warrants that it is not aware of any material facts or circumstances that have not been disclosed in this Agreement, which should be disclosed to the other Participant in order to prevent the representations and warranties in this Agreement from being materially misleading.

### **2.3 Record Title**

Title to real and personal property included in the Assets shall be held in the name of the Manager. The Manager shall hold same in trust for the Participants in accordance with their respective interests from time to time.

### **2.4 Loss of Title**

Any failure or loss of title to the Assets, and all costs of defending title thereto, shall be charged to the Venture.

### **2.5 Indemnities**

- (a) Each Participant shall indemnify the other Participant, its directors, officers, employees, agents and attorneys or Affiliates (collectively "Indemnified Participant") against any loss, cost, expense, damage or liability (including legal fees and other expenses) arising out of or based on a breach by the Participant ("Indemnifying Participant") of any representation, warranty or covenant contained in this Agreement.

- (b) If any claim or demand is asserted against an Indemnified Participant in respect of which such Indemnified Participant may be entitled to indemnification under this Agreement, written notice of such claim or demand shall promptly be given to the Indemnifying Participant. The Indemnifying Participant shall have the right, but not the obligation, by notifying the Indemnified Participant within thirty (30) days after its receipt of the notice of the claim or demand, to assume the entire control of (subject to the right of the Indemnified Participant to participate, at the Indemnified Participant's expense and with counsel of the Indemnified Participant's choice), the defense, compromise, or settlement of the matter, including, at the Indemnifying Participant's expense, employment of counsel of the Indemnified Participant's choice. Any damages to the Assets or business of the Indemnified Participant caused by a failure by the Indemnifying Participant to defend, compromise, or settle a claim or demand in a reasonable and expeditious manner requested by the Indemnified Participant, after the Indemnifying Participant has given notice that it will assume control of the defense, compromise, or settlement of the matter, shall be included in the damages for which the Indemnifying Participant shall be obligated to indemnify the Indemnified Participant. Any settlement or compromise of a matter by the Indemnifying Participant shall include a full release of claims against the Indemnified Participant which has arisen out of the indemnified claim or demand.

### 3. NAME, PURPOSES AND TERM

#### 3.1 General

**Goldcorp** and **Planet** hereby enter into this Agreement for the purposes hereinafter stated. All of the Participants' rights and obligations in connection with the Assets, the Area of Interest and all Operations shall be subject to and governed by this Agreement.

#### 3.2 Name

The Manager shall conduct the business of this Venture in the name of the Venture, doing business as the "Sidace Lake Joint Venture". If applicable, the Manager shall accomplish any registration required by applicable, assumed or fictitious name statutes and similar statutes.

#### 3.3 Purposes

This Agreement is entered into for the following purposes and for no others, and shall serve as the exclusive means by which the Participants, or either of them, accomplish such purposes:

- (a) to conduct Exploration within the Properties;
- (b) to acquire additional real property and other interests within the Area of Interest;
- (c) to evaluate the possible Development and Mining of the Properties, and if justified, to engage in Development and Mining;

- (d) to engage in Operations within the Properties;
- (e) to engage in disposition of Products, only to the limited extent permitted in Section 10;
- (f) to complete and satisfy all Environmental Compliance obligations and other Continuing Obligations relating to the Properties; and
- (g) to perform any other operation or activity necessary, appropriate, or incidental to any of the foregoing.

#### 3.4 Limitation

Unless the Participants otherwise agree in writing, Operations shall be limited to the purposes described in Section 3.3, and nothing in this Agreement shall be construed to enlarge such purposes.

#### 3.5 Term

The Effective Date of this Agreement shall be ●. Unless the Venture is earlier terminated or terminates as provided in this Agreement, the term of this Agreement is for so long as any of the Properties are jointly owned by the Participants hereto and thereafter until all materials, supplies, and equipment have been salvaged and disposed of, a final accounting has been made between the Participants, and any required Environmental Compliance has been completed and accepted by the appropriate governmental agencies.

### 4. **RELATIONSHIP OF THE PARTICIPANTS**

#### 4.1 No Partnership

Nothing contained in this Agreement shall be deemed to constitute either Participant the partner of the other, nor, except as otherwise herein expressly provided, to constitute either Participant the agent or legal representative of the other, nor to create any fiduciary relationship between them. The Participants do not intend to create, and this Agreement shall not be construed to create, any mining, commercial, tax, or other partnership. Neither Participant shall have any authority to act for or to assume any obligation or responsibility on behalf of the other Participant, except as otherwise expressly provided herein. The rights, duties, obligations and liabilities of the Participants shall be several and not joint or collective. Each Participant shall be responsible only for its obligations as herein set out and shall be liable only for its share of the costs and expenses as provided herein. It is the Participants' intent that their ownership of Assets and the rights acquired hereunder shall be as tenants in common.

#### 4.2 Other Business Opportunities

Except as expressly provided in this Agreement, each Participant shall have the right independently to engage in and receive full benefits from business activities, whether or not competitive with Operations, without consulting the other. The doctrines of

"corporate opportunity" or "business opportunity" shall not be applied to any other activity, venture, or operation of either Participant, and, neither Participant shall have any obligation to the other with respect to any opportunity to acquire any property outside the Area of Interest at any time, or within the Area of Interest after the termination of this Agreement, except as provided in Section 11.7. Unless otherwise agreed in writing, no Participant shall have any obligation to mill, beneficiate, or otherwise treat any Participant's share of Products in any facility owned or controlled by such Participant.

#### 4.3 Termination or Transfer of Rights to Properties

Except as otherwise provided in this Agreement, neither Participant shall permit or cause all or any part of its interest in the Assets or this Agreement to be sold, exchanged, encumbered, surrendered, abandoned, partitioned, divided, or otherwise terminated, by judicial means or otherwise. The Participants hereby waive and release all rights of partition, or of sale in lieu thereof, or other division of Assets, including any such rights provided by any law.

#### 4.4 No Royalty or Other Interests

No Participant shall be entitled or permitted to create any royalty or similar carried interest in all or any part of the Assets; this excludes Permitted Encumbrances.

#### 4.5 No Third Party Beneficiary Rights

This Agreement shall be construed to benefit the Participants and their respective successors and assigns only, and shall not be construed to create third party beneficiary rights in any other party, governmental agency or organization.

### 5. **CONTRIBUTIONS BY PARTICIPANTS**

#### 5.1 Initial Contribution

Each Participant, as its Initial Contribution, hereby contributes to the Venture all its undivided right, title and interest in and to the Properties, together with all of its respective right, title and interest in and to any licenses and permits relating to the Properties, together with all maps, data, reports, studies, and documents relating thereto, free and clear of any Encumbrances other than Permitted Encumbrances.

#### 5.2 Value of Initial Contributions

The agreed value of the Participants' respective Initial Contributions shall be as follows:

Goldcorp	-	\$●
Planet	-	\$●

### 5.3 Cash Contributions

The Participants shall contribute funds for adopted Programs and Budgets in proportion to their respective Participating Interests, subject to elections permitted by Section 9.4.

## 6. **PARTICIPATING INTERESTS**

### 6.1 Participating Interests

(a) *Initial Participating Interest.* Subject to Subsection 6.1(b) below, the Participants shall have the following initial Participating Interests in the Venture:

Goldcorp - ●%

Planet - ●%

(b) *Changes in Participating Interests.* A Participant's Participating Interest shall only be changed as follows: (i) upon an election or deemed election by a Participant pursuant to Section 9.4 not to contribute or to contribute less to an adopted Program and Budget than the percentage reflected by its Participating Interest; (ii) as provided in Section 6.4; (iii) in the event of default by a Participant in making its agreed upon contribution to an adopted Program and Budget, followed by an election by the other Participant to invoke Subsection 6.3(b); (iv) pursuant to a transfer by a Participant of all or a portion of its Participating Interest in accordance with Section 13; or (v) upon acquisition by either Participant of part or all of the Participating Interest of the other Participant, however arising.

### 6.2 Voluntary Reduction in Participation .Dilution

A Participant may elect, as provided in Section 9.4, to limit its contributions to an adopted Program and Budget (without regard to its vote on adoption of the Program and Budget) as follows:

(a) to some lesser amount than its respective Participating Interest; or

(b) to not contribute at all.

In such event, the non-diluting Participant shall then have the option to either fully fund the remaining 'portion of the adopted Program and Budget; or, within fifteen (15) days following the election of the diluting Participant under Subsection 9.4(b), to propose a reduced alternative Program and Budget to which the Participants shall, within seven (7) days, make a re-election under Subsection 9.4(a) or 9.4(b). If the non-diluting Participant elects to continue with the initially adopted Program and Budget, the Participating Interest of the Participant electing either Subsection 6.2(a) or Subsection 6.2(b) above shall be recalculated at the time of election by dividing: (i) the sum of (a) the value of that Participant's Initial Contribution as defined in Section 5.2, (b) the total of all that Participant's contributions to previous Programs and Budgets, and (c) the amount the



Participant elects to contribute to the approved Program and Budget; by (ii) the sum of (a), (b) and (c) above for all Participants; and multiplying the result by 100. That is:

$$\frac{(a)+(b)+(c) \text{ diluting Participant} \times 100 - \text{Recalculated Participating Interest}}{(a)+(b)+(c) \text{ all Participants}}$$

The Participating Interest of the other Participant shall thereupon become the difference between 100% and the recalculated Participating Interest.

As soon as practicable after the necessary information is available at the end of each period covered by an adopted Program and Budget, a recalculation of each Participant's Participating Interest shall be made in accordance with the preceding formula to adjust, as necessary, the recalculations made at the beginning of such period to reflect actual contributions made by the Participants during the period. Except as otherwise provided in this Agreement, a diluting Participant shall retain all of its rights and obligations under this Agreement, including the right to participate in future Programs and Budgets at its recalculated Participating Interest.

### 6.3 Default in Making Contributions

- (a) If a Participant elects to contribute to an approved Program and Budget and then defaults in making a contribution or cash call under an approved Program and Budget, the non-defaulting Participant may, but is not obligated to, advance the defaulted contribution on behalf of the defaulting Participant and treat the same, together with any accrued interest, as a demand loan bearing interest from the date of the advance at the rate provided in Section 9.9. The failure to repay said loan upon demand shall be a default.
- (b) The Participants acknowledge that if a Participant defaults in making a contribution to an approved Program and Budget or a cash call under Section 9.8, or in repaying a loan under Subsection 6.3(a), as required hereunder, the provisions of Section 6.2 will become applicable.

### 6.4 Elimination of Minority Interest

Upon the reduction of its Participating Interest to less than five percent (5%), by other than not fully contributing in accordance with its Participating Interest for two (2) approved (not necessarily consecutive) Programs and Budgets, a Participant shall be deemed to have withdrawn from the Venture and shall relinquish its entire Participating Interest, free and clear of any Encumbrances arising by, through or under that Participant. Such relinquished Participating Interest shall be deemed to have accrued automatically to the other Participant, and the interest of the Participant whose Participating Interest dilutes to below five percent (5%) shall be converted to a one-half percent (1/2%) Net Smelter Returns royalty, as defined in Exhibit D to this Agreement. If a Participant forfeits its Participating Interest any decision to place the Property into production shall be at the sole discretion of the other Participant and if the Property is in or is placed into production, such other Participant shall have the unfettered right to suspend, curtail or terminate any such operation as it in its sole discretion may determine. Except for or as

provided in Sections 6.5, 11.2, 13 and 15.6 and this Section 6.4, this Agreement shall thereupon terminate.

#### 6.5 Continuing Liabilities Upon Adjustments of the Participating Interests

Any actual or deemed withdrawal of a Participant or any reduction of a Participant's Participating Interest under this Agreement shall not relieve such Participant of its share of any liability, whether it accrues before or after such withdrawal or reduction, arising out of Operations conducted prior to such withdrawal or reduction, including, without limitation, Environmental Compliance and other Continuing Obligations. For purposes of this Section 6, such Participant's share of such liability shall be equal to its Participating Interest at the time that the events or omissions giving rise to such liability occurred. The increased Participating Interest accruing to a Participant as a result of the reduction of the other Participant's Participating Interest shall be free from royalties, liens or other Encumbrances arising by, through or under such other Participant, other than those to which both Participants have given their written consent.

#### 6.6 Documentation of Adjustments to Participating Interests

An adjustment to a Participating Interest need not be evidenced during the term of this Agreement by the execution and recording of appropriate instruments, but each Participant's Participating Interest shall be shown in the books of the Manager. However, either Participant, at any time upon the request of the other Participant, shall execute and acknowledge instruments necessary to evidence or effectuate such adjustment in a form sufficient for recording in the jurisdiction where the Properties are located.

#### 6.7 Grant of Lien or Security Interest

- (a) Subject to Section 6.8, each Participant grants to the other Participant a lien upon and a security interest in its Participating Interest, including all of its right, title and interest in the Assets and the Participant's share of Products, whenever acquired or arising, and the proceeds from and accessions to the foregoing.
- (b) The liens and security interests granted by Subsection 6.7(a) shall secure every obligation or liability of the Participant granting such lien or security interest created under this Agreement, including the obligation to repay a loan granted under Subsection 6.3(a). Each Participant hereby agrees to take all action necessary to perfect such lien and security interests and hereby appoints the other Participant, its attorney-in-fact, to execute, file and record all financing statements and other documents necessary to perfect or maintain such lien and security interests.

#### 6.8 Subordination of Interests

Each Participant shall, from time to time, take all necessary actions, including execution of appropriate agreements, to pledge and subordinate its Participating Interests, any liens it may hold which are created under this Agreement, other than those created pursuant to Section 6.7 hereof, and any other right or interest it holds with respect to the Assets (other

than any statutory lien of the Manager) to any secured borrowings for Operations approved by the Management Committee.

## 7. MANAGEMENT COMMITTEE

### 7.1 Organization and Composition

Upon execution of this Agreement, the Participants shall establish a Management Committee to determine overall policies, objectives, procedures, methods and actions under this Agreement. The Management Committee shall consist of two members appointed by **Goldcorp** and two members appointed by **Planet**. Each Participant may appoint one or more alternates to act in the absence of a regular member. Any alternate so acting shall be deemed a member. Appointments shall be made or changed by prior written notice to the other Participant.

### 7.2 Decisions

Each Participant, acting through its appointed members, shall have votes on the Management Committee, in proportion to its Participating Interest. Unless otherwise provided in this Agreement, the vote of a Participant with a Participating Interest greater than fifty percent (50%) shall determine the decisions of the Management Committee. In the event of a tie vote, the Participant designated as Manager shall have the deciding vote of the Management Committee.

### 7.3 Meetings

The Management Committee shall hold regular meetings at least semi-annually, unless otherwise agreed, in Toronto, Ontario or at other mutually agreed places. The Manager shall give thirty (30) days notice to the Participants of such regular meetings (unless such notice is waived by the Participants). Additionally, any Participant may call a special meeting upon 7 days notice to the Manager and the other Participant (unless such notice is waived by the Participants). In case of emergency, reasonable notice of a special meeting shall suffice. With respect to a regular or special meeting of the Management Committee, there shall be a quorum if at least one member representing each Participant having a twenty percent (20%) or greater Participating Interest is present; provided, however, that in the event that a quorum does not exist at any such meeting, any Participant may reschedule the meeting, at a time at least two (2) days following the originally scheduled meeting but no later than seven (7) days following the originally scheduled meeting, and, at such rescheduled meeting, there shall be a quorum if at least one member representing any Participant having a twenty percent (20%) or greater Participating Interest is present. Each notice of a meeting shall include an itemized agenda prepared by the Manager in the case of a regular meeting, or by the Participant calling the meeting in the case of a special meeting, but any matter may be considered with the consent of all Participants. The Manager shall prepare minutes of all meetings and shall distribute copies of such minutes to the Participants within thirty (30) days after the meeting. The Participants shall have thirty (30) days after receipt to sign and return such copies or to provide any written comments on such minutes to the Manager. If a

Participant timely submits written comments on such minutes, the Management Committee shall seek, for a period not to exceed thirty (30) days, to agree upon minutes of such meeting acceptable to the Participants. At the end of such period, failing agreement by the Participants on revised minutes, the minutes of the meeting shall be the original minutes as prepared by the Manager, together with the comments on the minutes made by the other Participant. These documents shall be placed in the minutes book maintained by the Manager. If personnel employed in Operations are required to attend a Management Committee meeting, reasonable costs incurred in connection with such attendance shall be a Venture cost. All other costs associated with Management Committee meetings shall be paid for by the Participants individually.

#### 7.4 Action Without Meeting

In lieu of meetings, the Management Committee may hold telephone conferences with the consent of all Participants, so long as minutes are prepared in accordance with Section 7.3. The Management Committee may also take actions in writing signed by all members.

#### 7.5 Matters Requiring Approval

Except as otherwise delegated to the Manager in Section 8.2, the Management Committee shall have exclusive authority to determine all management matters related to this Agreement.

### 8. **MANAGER**

#### 8.1 Appointment

- (a) The parties hereby appoint **Goldcorp** as the Manager with overall management responsibility for Operations and to remain as Manager until, subject to the provisions of Sections 8.1(b) and (c), it resigns pursuant to Section 8.4, or until its Participating Interest ceases to be fifty percent (50%) or more.
- (b) If at any time during which Goldcorp is Operator, it shall fail to diligently conduct Operations of an exploratory or development nature on the Property, as part of a program of exploration previously identified to Planet, for a period of 150 consecutive days, Planet shall be appointed Operator for a period of one year, commencing on the date which is 30 days following the date of notice by Planet to Goldcorp of the work stoppage. Goldcorp shall resume and be reappointed Operator following Planet's one year term provided that it wishes to so act. The provisions of this section shall apply to Planet while acting as Operator hereunder.
- (c) If the Operator fails to perform in a manner that is consistent with good exploration, engineering and mining practices or fails to perform in a manner consistent with its duties and responsibilities under this Agreement, or is adjudged to be bankrupt or insolvent or a receiver is appointed for its business and assets, then the non-Operator shall give to the Operator written notice setting forth particulars of the Operator's default. Failure of the Operator to commence to

remedy the default within 30 days of such notice (and thereafter to proceed continuously and diligently to complete all required remedial action) will be grounds for termination of the Operator's appointment. If there shall be any disagreement between the non-Operator and the Operator as to whether a default has occurred, the matter may be submitted to arbitration under Article 18, and the Operator shall not be considered in default of any obligation determined on the arbitration if it commences to remedy the default within 10 days after the arbitration decision or within such longer period as may be fixed in the arbitration award. On any termination of the Operator's appointment hereunder, the non-Operator shall be appointed as Operator, subject to its consent to act. At any meeting, if the Management Committee to approve work programs, an Operator in default hereunder shall not be entitled to vote as a Participant and the remaining Participant or Participants shall be sufficient to form a quorum for such purposes.

## 8.2 Powers and Duties of Manager

Subject to the terms and provisions of this Agreement, the Manager shall have the following powers and duties:

- (a) the Manager shall manage, direct, and control Operations, and shall prepare and present to the Management Committee proposed Programs and Budgets;
- (b) the Manager shall implement the decisions of the Management Committee, shall make all expenditures necessary to carry out adopted Programs, and shall promptly advise the Management Committee if it lacks sufficient funds to carry out its responsibilities under this Agreement;
- (c) the Manager shall use reasonable efforts to: (i) purchase or otherwise acquire all material, supplies, equipment, water, utility and transportation services required for Operations, such purchases and acquisitions to be made on the best terms available, taking into account all of the circumstances; (ii) obtain such customary warranties and guarantees as are available in connection with such purchases and acquisitions; and (iii) keep the Assets free and clear of all Encumbrances, except for those existing at the time of, or created concurrent with, the acquisition of such Assets, or mechanic's or materialmen's liens which shall be released or discharged in a diligent manner, or Encumbrances specifically approved by the Management Committee;
- (d) the Manager shall conduct such title examinations and cure such title defects relating to the Properties as may be advisable in the reasonable judgement of the Manager;
- (e) the Manager shall: (i) make or arrange for all payments required by concessions, leases, licenses, permits, contracts, and other agreements related to the Assets; (ii) pay all taxes, assessments and like charges on Operations and Assets except taxes determined or measured by a Participant's sales revenue or net income. If authorized by the Management Committee, the Manager shall have the right to

contest, in the courts or otherwise, the validity or amount of any taxes, assessments, or charges if the Manager deems them to be unlawful, unjust, unequal, or excessive, or to undertake such other steps or proceedings as the Manager may deem reasonably necessary to secure a cancellation, reduction, readjustment, or equalization thereof before the Manager shall be required to pay them, but in no event shall the Manager permit or allow title to the Assets to be lost as the result of the non-payment of any taxes, assessments, or like charges; and (iii) do all other acts reasonably necessary to maintain the Assets;

- (f) the Manager shall: (i) apply for all necessary permits, licenses and approvals; (ii) comply with the Laws; (iii) notify promptly the Management Committee of any allegations of substantial violation thereof, and (iv) prepare and file all reports or notices required for Operations. In the event of any violation of permits, licenses or approvals, the Manager shall timely cure or dispose of such violation through performance, payment of fines and penalties, on both, and the cost thereof shall be charged to the Joint Account;
- (g) the Manager shall notify the other Participant promptly of any litigation, arbitration, or administrative proceeding commenced against the Venture. The Manager shall prosecute and defend, but shall not initiate without consent of the Management Committee, all litigation or administrative proceedings arising out of Operations. The non-managing Participant shall have the right to participate, at its own expense, in such litigation or administrative proceedings. The Management Committee shall approve in advance any settlement involving payments, commitments or obligations in excess of one-hundred thousand dollars (\$100,000) in cash or value;
- (h) with respect to the Goods and Services Tax (the "GST") under Part IX of the *Excise Tax Act* S.C. 1990, c.45 (the "Act"), the Manager shall account for all GST in respect of any supplies made to or by the Joint Venture. The Participants shall be registrants and will each execute and provide to the Manager a joint venture election (the "Election") pursuant to section 273 of the Act, confirming that the Manager shall account for all GST in respect of any supplies made to or by the Joint Venture and the Manager shall file the Election with Revenue Canada, Customs and Excise along with the Manager's return as and when required under Part IX and section 273 of the Act. Accounting for GST shall include paying GST on all taxable purchases and claiming the corresponding input tax credits on behalf of the Joint Venture **[to be reviewed at time of entering into the Joint Venture Agreement and confirmed or updated]**;
- (i) the Manager may dispose of Assets, whether by sale, assignment, abandonment or other transfer, in the ordinary course of business, except that Properties may be abandoned or surrendered only as provided in Section 12. However, without prior authorization from the Management Committee (which authorization shall include Programs and Budgets approved by the Management Committee), the Manager shall not: (i) dispose of Assets in any one transaction having a value in excess of \$100,000; (ii) enter into any sales contracts or commitments for Products, except

as permitted in Section 10.2; (iii) begin a liquidation of the Venture; or (iv) dispose of all or a substantial part of the Assets necessary to achieve the purposes of the Venture;

- (j) the Manager shall have the right to carry out its responsibilities hereunder through agents, Affiliates or independent contractors;
- (k) the Manager shall keep and maintain all required accounting and financial records pursuant to the Accounting Procedure and in accordance with generally accepted accounting procedures;
- (l) the Manager shall select and employ at competitive rates all supervision and labor necessary or appropriate to all Operations hereunder. All persons employed hereunder, the number thereof, their hours of labor and their compensation shall be determined by the Manager, and they shall be employees of the Manager;
- (m) the Manager shall keep the Management Committee advised of all Operations by submitting in writing to the Management Committee: (i) monthly progress reports, which include statements of expenditures and comparisons of such expenditures to the adopted Budget; (ii) periodic summaries of data acquired; (iii) copies of reports concerning Operations; (iv) a detailed final report within sixty (60) days after completion of each Program and Budget, which shall include comparisons between actual and budgeted expenditures; and (v) such other reports as the Management Committee may reasonably request. At all reasonable times, the Manager shall provide the Management Committee or the representative of any Participant, upon the request of any member of the Management Committee, access to, and the right to inspect and copy, all information acquired in Operations, including but not limited to, maps, drill logs, core tests, reports, surveys, assays, analyses, production reports, operations, technical, accounting and financial records. In addition, the Manager shall allow the non-managing Participant, at its sole risk and expense, and subject to reasonable safety regulations, to inspect the Assets and Operations at all reasonable times, so long as the inspecting Participant does not unreasonably interfere with Operations;
- (n) the Manager shall provide insurance for the benefit of the Participants, in such amounts and of such nature as the Manager deems necessary to protect the Assets and Operations of the Venture;
- (o) the Manager shall perform or cause to be performed all assessment and other work, and shall pay all Government Fees required by Law in order to maintain in good standing all mining leases, surface leases, Claims and other tenures included within the Properties. The Manager shall have the right to perform the assessment work required hereunder pursuant to a common plan of exploration as approved by the Management Committee. The Manager shall not be liable on account of any determination by any court or governmental agency that the work performed by the Manager does not constitute the required annual assessment work or

occupancy for the purposes of preserving or maintaining ownership of the claims, provided that the work done is pursuant to an adopted Program and Budget and is performed in accordance with the Manager's standard of care under Section 8.3. The Manager shall timely record and file with the appropriate governmental office any required affidavits, notices of intent to hold and other documents in proper form attesting to the payment of Government Fees and the performance of assessment work, in each case in sufficient detail to reflect compliance with the applicable requirements. The Manager shall not be liable on account of any determination by any court or governmental agency that any such document submitted by the Manager does not comply with applicable requirements, provided that such document is prepared and recorded or filed in accordance with the Manager's standard of care under Section 8.3;

- (p) if authorized by the Management Committee, the Manager may: (i) locate, amend or relocate any mining claim, (ii) locate any fractions resulting from such amendment or relocation, and (iii) apply for patents or mining leases or other forms of mineral tenure for any such claims;
- (q) the Manager shall prepare an Environmental Compliance plan for all Operations consistent with the requirements of any applicable Laws or contractual obligations and shall include in each Program and Budget sufficient funding to implement the Environmental Compliance plan and to satisfy the financial assurance requirements of any applicable Law or contractual obligation pertaining to Environmental Compliance. To the extent practical, the Environmental Compliance plan shall incorporate concurrent reclamation of Properties disturbed by Operations;
- (r) the funds that are to be deposited into the Environmental Compliance fund shall be maintained by the Manager in a separate, interest bearing cash management account, which may include, but is not limited to, money market investments and money market funds, and/or in longer term investments if approved by the Management Committee. Such funds shall be used solely for Environmental Compliance, including the committing of such funds, interests in property, insurance or bond policies, or other security to satisfy Laws regarding financial assurance for the reclamation or restoration of the Properties, and for other Environmental Compliance requirements;
- (s) the Manager shall undertake to perform Continuing Obligations when and as economic and appropriate, whether before or after termination of the Business. The Manager shall have the right to delegate performance of Continuing Obligations to persons having demonstrated skill and experience in relevant disciplines. As part of each Program and Budget submittal, the Manager shall specify in such Program and Budget the measures to be taken for performance of Continuing Obligations and the cost of such measures. The Manager shall keep the other Participant reasonably informed about the Manager's efforts to discharge Continuing Obligations. Authorized representatives of each Participant shall have the right from time to time to enter the Properties to inspect work directed toward



satisfaction of Continuing Obligations and audit books, records, and accounts related thereto;

- (t) if Participating Interests are adjusted in accordance with this Agreement the Manager shall propose from time to time one or more methods for fairly allocating costs for Continuing Obligations; and
- (u) the Manager shall undertake all other activities reasonably necessary to fulfill the foregoing.

### 8.3 Standard of Care

The Manager shall discharge its duties under Section 8.2 and conduct all Operations in a good, workmanlike and efficient manner, in accordance with sound mining and other applicable industry standards and practices, and in material compliance with the terms and provisions of concessions, leases, licenses, permits, contracts and other agreements pertaining to Assets. The Manager shall not be liable to the non-managing Participant for any act or omission resulting in damage, loss cost, penalty or fine to the Venture except to the extent caused by or attributable to the Manager's wilful misconduct or gross negligence. The Manager shall not be in default of its duties under this Agreement, if its inability to perform results from the failure of the non-managing Participant to perform acts or to contribute amounts required of it by this Agreement.

### 8.4 Resignation; Deemed Offer to Resign

The Manager may resign upon thirty (30) day's prior notice to the Management Committee, in which case the other Participant may elect to become the new Manager by notice to the Management Committee within thirty (30) days after the notice of resignation. If any of the following shall occur, the Manager shall be deemed to have offered to resign, which offer shall be accepted by the other Participant, if at all, within ninety (90) days following such deemed offer:

- (a) the Participating Interest of the Manager (inclusive of any entity claiming through the Manager as provided in Section 13.2(g)) ceases to be the highest between the Participants, provided; however, that in the event the Manager transfers its Participating Interest to an Affiliate, such Affiliate shall automatically become the Manager;
- (b) the Manager fails to perform a material obligation imposed upon it under this Agreement, and such failure continues for a period of sixty (60) days after notice from the other Participant demanding performance without limiting the generality of the foregoing, the obligations of the Manager under Section 8.2(m) shall be considered material;
- (c) the Manager fails to pay its bills within ninety (90) days after they are due, unless the Manager contests such bills in good faith;

- (d) the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official is appointed for a substantial part of the Manager's assets, and such appointment is neither made ineffective nor discharged within thirty (30) days after the making thereof, or such appointment is consented to, requested by, or acquiesced in by the Manager;
- (e) the Manager commences a voluntary case under any applicable bankruptcy, insolvency or similar law now or hereafter in effect; or consents to the entry of an order for relief in an involuntary case under any such law or to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or other similar official of any substantial part of its assets; or makes a general assignment for the benefit of creditors; or takes corporate or other action in furtherance of any of the foregoing; or
- (f) entry is made against the Manager of a judgement, decree or order for relief affecting its ability to serve as Manager, or a substantial part of its Participating Interest or other assets by a court of competent jurisdiction in an involuntary case commenced under any applicable bankruptcy, insolvency or other similar law of any jurisdiction now or hereafter in effect.

Under Subsections 8.4(d), 8.4(e) or 8.4(f) above, any appointment of a successor Manager shall be deemed to pre-date the event causing a deemed offer of resignation.

#### 8.5 Payments to Manager

The Manager shall be compensated for its services and reimbursed for its costs hereunder in accordance with the Accounting Procedure set forth in Exhibit C.

#### 8.6 Transactions With Affiliates

If the Manager engages Affiliates to provide services hereunder, it shall do so on terms no less favorable than would be the case with unrelated persons in arm's-length transactions.

#### 8.7 Independent Contractor

The Manager is and shall act as an independent contractor and not as the agent of the other Participant. The Manager shall maintain complete control over its employees and all of its subcontractors with respect to performance of the Operations. Nothing contained in this Agreement or any subcontract awarded by the Manager shall create any contractual relationship between any subcontractor and the other Participant. The Manager shall have complete control over and supervision of Mining Operations and shall direct and supervise the same so as to ensure their conformity with this Agreement.

#### 8.8 Voting

If Goldcorp resigns or is deemed to have resigned as Manager under Article 8, the decisions of the Management Committee thereafter shall be determined by the vote of the

members thereof, each having one (1) vote and the Manager shall have a capping vote in the event of a tie.

## 9. PROGRAMS AND BUDGETS

### 9.1 Operations Pursuant to Programs and Budgets

Operations shall be conducted, expenses shall be incurred, and Assets shall be acquired only pursuant to Programs and Budgets approved pursuant to Section 9.2. Every Program and Budget adopted pursuant to this Agreement shall provide for accrual of reasonably anticipated Environmental Compliance expenses for all operations contemplated under the Program and Budget.

### 9.2 Presentation of Programs and Budgets

Proposed Programs and Budgets shall be prepared by the Manager and shall be for six months (or in the event that the Manager determines that appropriate methods of Exploration or Development require a longer period to accomplish, the proposed Program and Budget may be prepared for a longer period to provide that the appropriate portion of the Budget be carried forward into a second period to cover such activities). Each adopted Program and Budget, regardless of length, shall be reviewed at least twice a year at the semi-annual meetings of the Management Committee. Notwithstanding whether a portion of a previous year's Program and Budget is being carried forward to fund activities continuing beyond the current period, at least forty-five (45) days prior to each semi-annual meeting of the Management Committee, a proposed Program and Budget for the succeeding period shall be prepared by the Manager and submitted to the Participants. Within twenty (20) days of receipt of the proposed Program and Budget, the Participants may submit written comments to the Manager detailing revisions or modifications that they would like to have made to the proposed Program and Budget. If such written comments are received, the Manager, working with the other Participant, shall seek for a period of time not to exceed 15 days to develop a revised Program and Budget acceptable to both Participants. The Manager shall submit any revised proposed Program and Budget to the Participants five (5) days prior to each semi-annual meeting of the Management Committee.

### 9.3 Adoption of Proposed Programs and Budgets

At each semi-annual meeting, the Management Committee shall consider and vote on the proposed Program and Budget.

### 9.4 Election to Participate

By notice to the Management Committee within twenty (20) days after the final vote adopting a Program and Budget, a Participant may elect to contribute to such Program and Budget as follows:

- (a) in proportion to its respective Participating Interest as of the beginning of the period covered thereby; or

- (b) to some lesser amount than its respective Participating Interest, or not at all, in which cases its Participating Interest shall be recalculated as provided in Section 6.2, and such recalculated Participating Interest shall be effective the first day of the period covered by the adopted Program and Budget.

If a Participant fails to provide notice to the Management Committee under this Section 9.4, the Participant will be deemed to have elected to contribute to such Program and Budget in proportion to its Participating Interest at the beginning of the Program period.

#### 9.5 Budget Overruns; Program Changes

The Manager shall immediately notify the Management Committee of any material departure from an adopted Program and Budget. If the Manager exceeds the total of an adopted Budget by more than ten percent (10%), then the excess over ten percent (10%), unless directly caused by an emergency or unexpected expenditure made pursuant to Section 9.6, or authorized or ratified by the Management Committee, shall be for the sole account of the Manager and such excess shall not be included in the calculations of the Participating Interests. Budget overruns of ten percent (10%) or less shall be borne by the Participants in proportion to their respective Participating Interests as of the time the overrun occurs.

#### 9.6 Emergency Expenditures

In case of emergency, the Manager may take any action it deems necessary to protect life, limb or property, to protect the Assets or to comply with law or government regulation. The Manager may also make reasonable expenditures on behalf of the Participants for unexpected events that are beyond its reasonable control. In the case of an emergency or unexpected expenditure, the Manager shall promptly notify the Participants of the expenditure, and the Manager shall be reimbursed therefor by the Participants in proportion to their respective Participating Interests at the time the emergency or unexpected expenditure is incurred.

#### 9.7 Monthly Statements

After notice to commence joint funding, the Manager shall promptly submit to the Management Committee monthly statements of account reflecting in reasonable detail the charges and credits to the Joint Account.

#### 9.8 Cash Calls

On the basis of adopted Programs and Budgets, the Manager shall submit to each Participant, prior to the last day of each month, a billing for estimated cash and Environmental Compliance fund requirements for the next month. Within twenty (20) days after receipt of each billing, or a billing made pursuant to Section 9.6, each Participant shall advance to the Manager its proportionate share of the estimated amount. Time is of the essence of payment of such billings. The Manager shall at all times maintain a cash balance approximately equal to the rate of disbursement for up to forty five (45) days. After a decision has been made to begin Development, all funds in excess

of immediate cash requirements shall be invested in interest-bearing accounts for the benefit of the Joint Account.

#### 9.9 Failure to Meet Cash Calls

A Participant that fails to meet cash calls in the amount and at the times specified in Section 9.8 shall be in default, and the amounts of the defaulted cash call shall bear interest from the date due at an annual rate equal to five (5) percentage points over the prime rate in effect from time to time for demand, commercial loans quoted by Royal Bank of Canada at its main branch in Toronto, Ontario to its most creditworthy customers or the maximum interest rate permitted by law, if less than this. Such interest shall accrue to the benefit of and be payable to the non-defaulting Participant, but shall not be deemed as amounts contributed by the non-defaulting Participant in the event dilution occurs in accordance with Section 6. The non-defaulting Participant shall have those rights, remedies and elections specified in Section 6.3, as well as any other rights and remedies available to it by law.

#### 9.10 Audits

Upon request of any Participant made within twenty-four (24) months following the end of any calendar year (or, if the Management Committee has adopted an accounting period other than the calendar year, within 24 months after the end of such period), the Manager shall order an audit of the accounting and financial records for such calendar year (or other accounting period). All exceptions to the audit and claims upon the Manager for discrepancies disclosed by such audit shall be made in writing not later than three (3) months after receipt of the audit report by the Participant that requested the audit. A Participant's failure to make such exceptions or claims within the three (3) month period shall: (i) mean that the audit is correct and binding upon the Participants; and (ii) result in a waiver of any right to make claims upon the Manager for discrepancies disclosed by the audit. The audits shall be conducted by a national firm of chartered accountants selected by the Manager, unless otherwise agreed by the Management Committee.

In addition each Participant shall have the right to conduct an independent audit of all books, records and accounts, at the expense of the requesting Participant, and which audit right will be limited to the period not more than twenty-four months prior to the calendar year in which the audit is conducted. All exceptions to and claims upon the Manager for discrepancies disclosed by such audit shall be made in writing within three (3) months after completion or delivery of such audit, or they shall be deemed waived.

### 10. **DISPOSITION OF PRODUCTION**

#### 10.1 Taking In Kind

Each Participant shall take in kind or separately dispose of its share of all Products in accordance with its Participating Interest. Any extra expenditure incurred in the taking in kind or separate disposition by any Participant of its proportionate share of Products shall be borne by such Participant. Nothing in this Agreement shall be construed as providing, directly or indirectly, for any joint or cooperative marketing or selling of Products or

permitting the processing of Products of anyone other than the Participants at any processing facilities constructed by the Participants pursuant to this Agreement. The Manager shall give the Participants notice at least ten (10) days in advance of the delivery date upon which their respective shares of Products will be available.

#### 10.2 Failure of Participant to Take in Kind

If a Participant fails to take its share of Products in kind, the Manager may, but is not obligated, to sell such share on behalf of that Participant at not less than the prevailing market price in the area for a period of time consistent with the minimum needs of the industry, but not to exceed one year from the date of notice under Section 10.1. Subject to the terms of any such contracts of sale then outstanding, during any period that the Manager is selling a Participant's share of production, the Participant may elect by notice to the Manager to take in kind. The Manager shall be entitled to deduct from proceeds of any sale by it for the account of a Participant reasonable expenses incurred in such a sale.

#### 10.3 Hedging

Neither Participant shall have any obligation to account to the other Participant for, nor have any interest or right of participation in any profits or proceeds, nor have any obligation to share in any losses from, future contracts, forward sales, trading inputs, calls, options or any similar hedging, price protection or marketing mechanism employed by a Participant with respect to its proportionate share of any Products produced or to be produced from the Properties.

### 11. **WITHDRAWAL AND TERMINATION**

#### 11.1 Termination by Agreement

The Participants may terminate the Venture at any time by written agreement.

#### 11.2 Continuing Obligations

On termination of the Venture, the Participants shall remain liable for Continuing Obligations, including Environmental Liabilities, until final settlement of all accounts and for any liability, whether it accrues before or after termination, if it arises out of Operations during the term of the Agreement. For purposes of this Section 11.2, a Participant's share of such liabilities shall be equal to its Participating Interest at the time that the act or omission giving rise to such liability occurred.

#### 11.3 Disposition of Assets on Termination

Promptly after termination under Section 11.1, the Manager shall take all action necessary to wind up the activities of the Venture, and all costs and expenses incurred in connection with the termination of the Venture shall be expenses chargeable to the Venture.

#### 11.4 Right to Data After Termination

After termination of the Venture under Section 11.1, each Participant shall be entitled to copies of all information acquired hereunder as of the date of termination and not previously furnished to it, but a terminating or withdrawing Participant shall not be entitled to any such copies after any other termination or withdrawal.

#### 11.5 Non-Compete Covenants

A Participant that is deemed to have withdrawn pursuant to Sections 6.3 or 6.4, shall not directly or indirectly acquire any interest in property within the Area of Interest for two (2) years after the effective date of withdrawal. If the withdrawing Participant, or the Affiliate of a withdrawing Participant, breaches this Section 11.5, such Participant or Affiliate shall be obligated to offer to convey to the non-withdrawing Participant, without cost, any such property or interest so acquired. Such offer shall be made in writing and can be accepted by the non-withdrawing Participant at any time within forty-five (45) days after it is received by such non-withdrawing Participant.

#### 11.6 Continuing Authority

On termination of the Venture under Sections 11.1 or 11.2 the Participant which was the Manager prior to such termination or withdrawal (or the other Participant in the event of a withdrawal by the Manager) shall have the power and authority to do all things on behalf of both Participants which are reasonably necessary or convenient to:

- (a) wind-up Operations; and
- (b) complete any transaction and satisfy any obligation, unfinished or unsatisfied, at the time of such termination or withdrawal, if the transaction or obligation arises out of Operations prior to such termination or withdrawal. The Manager shall have the power and authority to grant or receive extensions of time or change the method of payment of an already existing liability or obligation, prosecute and defend actions on behalf of both Participants and the Venture, encumber Assets, and take any other reasonable action in any matter with respect to which the former Participants continue to have, or appear or alleged to have, a common interest or a common liability.

#### 11.7 Survival of Ingress and Egress After Termination

After termination of the Venture, the Participants shall continue to have rights of ingress and egress to the Properties for purposes of ensuring Environmental Compliance.

### 12. **ABANDONMENT AND SURRENDER OF PROPERTIES**

The Management Committee may authorize the Manager to surrender or abandon some or all of the Properties. If the Management Committee authorizes any such surrender or abandonment over the objection of a Participant, the Participant that desires to abandon or surrender shall assign to the objecting Participant, by deed, assignment, or appropriate

document, and without cost to the objecting Participant, all of the surrendering Participant's interest in the property to be abandoned or surrendered, and the abandoned or surrendered property shall cease to be part of the Properties. Provided, however, the objecting Participant shall assume all responsibility and liabilities, including, but not limited to Environmental Liabilities, with regard to the surrendered or abandoned property.

### 13. TRANSFER OF INTEREST

#### 13.1 General

A Participant shall have the right to transfer to any third party all or any part of its interest in or to this Agreement, its Participating Interest, or the Assets solely as provided in this Section 13. For the purposes of this Section 13 the word transfer shall mean to convey, sell, assign, grant an option, create an Encumbrance or in any manner transfer or alienate, but excluding and excepting alienation done for the purposes of obtaining financing pursuant to Section 13.5.

#### 13.2 Limitations on Free Transferability

The transfer right of a Participant in Section 13.1 shall be subject to the following terms and conditions:

- (a) no Participant shall transfer any interest in this Agreement or the Assets (including, but not limited to, any royalty, profits or other interest in the Products) except by transfer of part or all of a Participating Interest;
- (b) no transferee of all or part of any Participating Interest shall have the rights of a Participant unless and until the transferring Participant has provided to the other Participant notice of the transfer, and the transferee, as of the effective date of the transfer, has committed in writing to be bound by this Agreement to the same extent and nature as the transferring Participant;
- (c) no transfer permitted by this Section 13 shall relieve the transferring Participant of its share of any liability, whether accruing before or after such transfer, which arises out of Operations conducted prior to such transfer;
- (d) neither Participant, without the consent of the other, shall make a transfer that would violate any Law, or result in the cancellation of any permits, licenses or other similar authorizations;
- (e) the transferring Participant and the transferee shall bear all tax consequences of the transfer;
- (f) such transfer shall be subject to a pre-emptive right in the other Participant as provided in Section 13.3;



- (g) in the event of a transfer of less than all of a Participating Interest, the transferring Participant and its transferee shall act and be treated as one Participant, and in such event in order for the transfer to be effective, the transferring Participant and its transferee shall provide written notice to the non-transferring Participant designating a sole authorized agent to act on behalf of their collective Participating Interest. Such notice shall provide that: (i) the agent has the sole authority to act on behalf of, and to bind the transferring Participant and its transferee on all matters pertaining to this Agreement or the Venture; (ii) the notified Participant may rely on all decisions of, notices and other communications from, and failures to respond by, the agent, as if given (or not given) by the transferring Participant and its transferee; and (iii) all decisions of, notices and other communications from, and failures to respond by, the notified Participant to the agent shall be deemed to have been given (or not given) to the transferring Participant and its transferee.

### 13.3 Pre-emptive Right

Except as otherwise provided in Section 13.4, if a Participant desires to transfer all or any part of its Participating Interest or any Net Smelter Return Royalty, or an Affiliate desires to transfer control of a Participant, the other Participant shall have a pre-emptive right as provided in this Section 13.3.

- (a) If either Participant intends to transfer all or any part of its Participating Interest or any Net Smelter Return Royalty, or an Affiliate of either Participant intends to transfer Control of such Participant, the transferring Participant or Affiliate ("Transferring Entity") shall promptly notify the other Participant of its intentions. The notice shall state the price and all other pertinent terms and conditions of the intended transfer, and shall be accompanied by a copy of the offer or contract for sale. If the consideration for the intended transfer is, in whole or in part, other than monetary, the notice shall describe such consideration and its monetary fair market value. The other Participant shall have thirty (30) days from the date such notice is delivered to notify the Transferring Entity whether it elects to acquire the offered interest at the same price (or its monetary equivalent) and on the same terms and conditions as set forth in the notice. If it does so elect, the transfer shall be consummated promptly, but in no event more than thirty (30) days, after notice of such election is delivered to the Transferring Entity.
- (b) If the other Participant fails to so elect within the period provided for in Subsection 13.3(a), the Transferring Entity shall have ninety (90) days following the expiration of such period to consummate the transfer to a third party at a price and on terms no less favorable to the Transferring Entity than those set forth in the notice required in Section 13.3(a).
- (c) If the Transferring Entity fails to consummate the transfer to a third party within the period set forth in Subsection 13.3(b), the pre-emptive right of the other Participant in such offered interest shall be deemed to be revived. Any subsequent

proposal to transfer such interest shall be conducted in accordance with all of the procedures set forth in this Section 13.3.

#### 13.4 Exceptions to Pre-emptive Right

Section 13.3 shall not apply to:

- (a) the transfer by either Participant of all or any part of its Participating Interest to an Affiliate or Associated Company;
- (b) incorporation of either Participant, or corporate consolidation or reorganization of either Participant by which the surviving entity shall possess substantially all of the stock or all of the property rights and interests, and be subject to substantially all of the liabilities and obligations of that Participant;
- (c) corporate merger or amalgamation involving either Participant by which the surviving entity or amalgamated company shall possess all of the stock or all of the property rights and interests, and be subject to substantially all of the liabilities and obligations of that Participant; *provided, however*, that the value of the merging or amalgamating Participant's interest in the Assets, evidenced by its Initial Contribution and all subsequent contributions under approved Programs and Budgets, does not exceed fifty percent (50%) of the Net Worth of the surviving entity or amalgamated company;
- (d) the transfer of Control of either Participant by an Affiliate to such Participant or to another Affiliate;
- (e) the creation by any Affiliate of either Participant of an Encumbrance in accordance with the provisions of Section 13.5 affecting its Control of such Participant;
- (f) a sale or other commitment or disposition of Products or proceeds from sale of Products by either Participant upon distribution to it pursuant to Section 10 of the Agreement; or
- (g) a transfer by an Affiliate of either Participant of Control of such Participant to a third party, provided such Participant's interest in the Assets, as evidenced by its Initial Contribution and all subsequent contributions under approved Programs and Budgets, does not exceed fifty percent (50%) of the Net Worth of the transferring Affiliate, or does not exceed fifty percent (50%) of the Net Worth of Transferee.

For purposes hereof, the term "Net Worth" shall mean the remainder after total liabilities are deducted from total assets. In the case of a corporation, Net Worth includes both capital stock and surplus. In the case of a limited liability company, Net Worth includes member contributions. In the case of a partnership or sole proprietorship, Net Worth includes the original investment plus accumulated and reinvested profits.

### 13.5 Encumbrances

Neither Participant shall pledge, mortgage, or otherwise create an Encumbrance on its interest in this Agreement or the Assets except for the purpose of securing project financing relating to the Properties, including its share of funds for Development or Mining costs. The right of a Participant to grant such Encumbrance shall be subject to the condition that the holder of the Encumbrance ("Chargee") first enter into a written agreement with the other Participant, in a form acceptable to that Participant, acting reasonably, which provides:

- (a) the Chargee shall not enter into possession or institute any proceedings for foreclosure or partition of the encumbering Participant's Participating Interest and that such Encumbrance shall be subject to the provisions of this Agreement;
- (b) the Chargee's remedies under the Encumbrance shall be limited to the sale of the whole (but only of the whole) of the encumbering Participant's Participating Interest to the other Participant, or, failing such a sale, at a public auction to be held at least 45 days after prior notice to the other Participant, such sale to be subject to the purchaser entering into a written agreement with the other Participant whereby such purchaser assumes all obligations of the encumbering Participant under the terms of this Agreement. The price of any pre-emptive sale to the other Participant shall be the remaining principal amount of the loan plus accrued interest and related expenses, and such pre-emptive sale shall occur within sixty (60) days of the Chargee's notice to the other Participant of its intent to sell the encumbering Participant's Participating Interest. Failure of a sale to the other Participant to close by the end of such period, unless failure is caused by the encumbering Participant or by the Chargee, shall permit the Chargee to sell the encumbering Participant's Participating Interest at a public sale; and
- (c) the charge shall be subordinate to any then-existing debt, including Project Financing previously approved by the Management Committee, encumbering the transferring Participant's Participating Interest.

## 14. **ACQUISITION WITHIN AREA OF INTEREST**

### 14.1 General

Any interest or right to acquire any interest in real property within the Area of Interest, including any water rights related thereto or a royalty interest, acquired while this Agreement is in effect by or on behalf of a Participant or any Affiliate shall be subject to the terms and provisions of this Agreement. This Section shall apply to any property previously abandoned under Section 12.

### 14.2 Notice to Non-Acquiring Participant

Within ten (10) days after the acquisition of any interest or the right to acquire any interest in real property or water rights wholly or partially within the Area of Interest (except real property acquired by the Manager pursuant to a Program), the acquiring

Participant shall notify the other Participant of such acquisition by it or its Affiliate. If the acquisition of any interest pertains to real property or water rights partially within the Area of Interest, then all property subject to the acquisition shall be subject to this Section 14. The acquiring Participant's notice shall describe in detail the acquisition, the lands and minerals covered thereby, the costs thereof, and the reasons why the acquiring Participant believes that the acquisition is in the best interests of the Participants under this Agreement. In addition to such notice, the acquiring Participant shall make any and all information concerning the acquired interest available for inspection by the other Participant.

#### 14.3 Option Exercise

If, within thirty (30) days after receiving the acquiring Participant's notice, the other Participant notifies the acquiring Participant of its election to accept a proportionate interest in the acquired interest equal to its Participating Interest, the acquiring Participant shall convey to the other Participant such a proportionate undivided interest therein, free and clear of all Encumbrances arising by, through or under the acquiring Participant or its Affiliate. The acquired interest shall become a part of the Properties for all purposes of this Agreement immediately upon the notice of such other Participant's election to accept the proportionate interest therein. Such other Participant shall promptly pay to the acquiring Participant a proportionate share of the latter's actual out-of-pocket acquisition costs equal to such other Participant's Participating Interest.

#### 14.4 Option Not Exercised

If the other Participant does not give notice within the thirty (30) day period set forth in Section 14.3, it shall have no interest in the acquired interest, and the acquired interest shall not be a part of the Properties or be subject to this Agreement.

### 15. **GENERAL PROVISIONS**

#### 15.1 Notices

All notices, payments and other required communications ("Notices") to the Participants shall be in writing, and shall be given: (i) by personal delivery to the Participant; (ii) by electronic communication, with a confirmation sent by registered or certified mail, return receipt requested; or (iii) by registered-or certified mail, return receipt requested.

All Notices shall be effective and shall be deemed delivered: (i) if by personal delivery, on the date of delivery; (ii) if by electronic communication, on the date of receipt of the electronic communication; and (iii) if solely by mail, on the day delivered as shown on the actual receipt. A Participant may change its address from time-to-time by Notice to the other Participant.

- (a) Notice to Goldcorp shall be sent to:

145 King Street, West  
Suite #2700  
Toronto, Ontario M5H 1J8  
Attention: Mr. Gilles Filion, Vice President, Exploration  
Fax: (416) 361-5741

with a copy to:

145 King Street, West  
Suite #2700  
Toronto, Ontario M5H 1J8  
Attention: Mr. Christopher Bradbrook, Vice President, Corporate Development  
Fax: (416) 361-5741

- (b) Notice to Planet shall be sent to:

Suite #400  
750-11<sup>th</sup> Street, S.W.  
Calgary, Alberta T2P 3N7  
Attention: President  
Fax: (403) 237-5816

## 15.2 Waiver

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

## 15.3 Modification

No modification of this Agreement shall be valid unless made in writing and duly executed by the Participants.

## 15.4 Force Majeure

The obligations of a Participant, other than the payment of money provided hereunder, shall be suspended to the extent and for the period that performance is prevented or delayed by any cause, whether foreseeable or unforeseeable, beyond its reasonable control, including, without limitation, labour disputes (however arising and whether or not employee demands are reasonable or within the power of the Participant to grant); acts of God; Laws, or requests of any government or governmental entity; judgments or orders of any court; inability to obtain on reasonably acceptable terms any public or

private license, permit or other authorization; curtailment or suspension of activities to remedy or avoid an actual or alleged, present or prospective violation of Environmental Laws; action or inaction by any governmental entity that delays or prevents the issuance or granting of any approval or authorization required to conduct Operations; acts of war or conditions arising out of or attributable to war, whether declared or undeclared; riot, civil strife, insurrection or rebellion; fire, explosion, earthquake, storm, flood, sink holes, drought or other adverse weather condition; delay or failure by suppliers or transporters of materials, parts, supplies, services or equipment or by contractors' or subcontractors' shortage of, or inability to obtain, labor, transportation, materials, machinery, equipment, supplies, utilities or services; accidents; breakdown of equipment, machinery or facilities; actions by citizen groups, including but not limited to environmental organizations or native rights groups; or any other cause whether similar or dissimilar to the foregoing. The affected Participant shall promptly give notice to the other Participant of the suspension of performance, stating therein the nature of the suspension, the reasons therefor, and the expected duration thereof. The affected Participant shall resume performance as soon as reasonably possible. During the period of suspension, the obligations of the Participants to advance funds pursuant to Section 9.8 shall be reduced to levels consistent with Operations.

#### 15.5 Survival of Terms and Conditions

The following Sections shall survive the transfer of any interests in the Assets under this Agreement or the termination of the Venture to the full extent necessary for their enforcement and the protection of the Participant in whose favour they run: Section 2.1; Section 2.2; Section 4.2; Section 6.2; Section 6.3; Section 6.5; Section 9.9; Section 11.2; Section 11.3; Section 11.4; Section 11.5; Section 11.6; Section 11.7; ; Section 15.6; Section 15.8; Section 15.9; Section 15.10; and, Section 15.17..

#### 15.6 Confidentiality and Public Statements

Except as otherwise provided in this Section 15.6, the terms and conditions of this Agreement, and all data, reports, records, and other information of any kind whatsoever developed or acquired by any Participant in connection with this Venture shall be treated by the Participants as confidential (hereinafter called "Confidential Information") and no Participant shall reveal or otherwise disclose such Confidential Information to third parties without the prior written consent of the other Participant. Confidential Information that is available or that becomes available in the public domain, other than through a breach of this provision by a Participant, shall no longer be treated as Confidential Information.

The foregoing restrictions shall not apply to the disclosure of Confidential Information to any Affiliate, to any public or private financing agency or institution, to any contractors or subcontractors which the Participants may engage and to employees and consultants of the Participants or to any third party to which a Participant contemplates the transfer, sale, assignment, Encumbrance or other disposition of all or part of its Participating Interest pursuant to Section 13 or with which party or its Affiliate contemplates a merger, amalgamation or other corporate reorganization; provided, however, that in any such case

only such Confidential Information as such third party shall have a legitimate business need to know shall be disclosed and the person or company to whom disclosure is made shall first undertake in writing to protect the confidential nature of such information at least to the same extent as the parties are obligated under this Section 15.6.

In the event that a Participant is required to disclose Confidential Information to any government, any court, agency or department thereof, or any stock exchange, to the extent required by applicable law, rule or regulation, or in response to a legitimate request for such Confidential Information, the Participant so required shall immediately notify the other Participants hereto of such requirement and the terms thereof, and the proposed form and content of the disclosure prior to such submission. The other Participant shall have the right to review and comment upon the form and content of the disclosure and to object to such disclosure to the court, agency, exchange or department concerned, and to seek confidential treatment of any Confidential Information to be disclosed on such terms as such Participant shall, in its sole discretion, determine, provided that Section 15.6 shall not apply and shall not operate to in any manner restrict or prohibit the continuous disclosure obligations of any party under the terms of any applicable securities legislation or stock exchange rules. For greater certainty, the foregoing shall not apply to the issuance of news releases in the ordinary course from time to time, of the type generally expected and provided by a public mining company participant in the Canadian capital markets having a size and stature similar to that of the party making the release. In addition, where there is no unequivocal legal requirement that a party identify the other in a public announcement or statement to be made, such public announcement or statement identifying the other party shall not be made or released without the consent of the other party so identified. Such consent shall not be unreasonably withheld.

The provisions of this Section 15.6 shall apply during the term of this Agreement and shall continue to apply to any Participant which forfeits, surrenders, assigns, transfers or otherwise disposes of its Participating Interest.

#### 15.7 Entire Agreement: Successors and Assigns

This Agreement contains the entire understanding of the Participants and supersedes all prior agreements and understandings, whether written or oral, between the Participants relating to the subject matter hereof, with respect to the Assets subject hereto, and any and all other prior negotiations, representations, offers or understandings between Goldcorp and Planet relating to the Properties, whether written or oral. This Agreement and the obligations and rights created herein shall be binding upon and inure to the benefit of the respective successors and permitted assigns of the Participants.

#### 15.8 Dispute Resolution

Disputes resulting from, arising out of, or in connection with this Agreement or the construction or enforcement thereof may be resolved by a court of competent jurisdiction. In any litigation between the Participants or any person claiming under them, resulting

from, arising out of, or in connection with this Agreement or the construction or enforcement thereof, the substantially prevailing party shall be entitled to recover all reasonable costs, expenses, legal and expert witness fees and other costs of suit incurred by it in connection with such litigation, including such costs, expenses and fees incurred prior to the commencement of the litigation, in connection with any appeals, and in collecting or otherwise enforcing any final judgment entered therein. If a party substantially prevails on some aspects of such action, but not on others, the court may apportion any award of costs and legal fees in such manner as it deems equitable.

#### 15.9 Remedies

Each of the Participants agrees that its failure to comply with the covenants and restrictions set out in Section 13 would constitute an injury and damage to the other Participant impossible to measure monetarily and, in the event of any such failure, the other Participant shall, in addition and without prejudice to any other rights and remedies at law or in equity, be entitled to injunctive relief restraining, enjoining or specifically enforcing any acquisition, sale, transfer, charge or Encumbrance save in accordance with or as required by the provisions of Section 13. Any Participant intending to breach the provisions of Section 13 hereby waives any defense it might have in law or in equity to such injunctive or other equitable relief. A Participant shall be entitled to seek injunctive relief in any court of competent jurisdiction in the event of a Participant's failure or threat of a failure to comply with the covenants and restrictions set out in Section 13.

#### 15.10 Further Assurances

Each Participant shall take, from time to time and without additional consideration, such further actions and execute such additional instruments as may be reasonably necessary or convenient to implement and carry out the intent and purpose of this Agreement.

#### 15.11 Headings

The headings to the Sections of this Agreement and the Exhibits are inserted for convenience only and shall not affect the construction hereof.

#### 15.12 Currency

All dollar amounts expressed herein refer to lawful currency of Canada.

#### 15.13 Severability

If any provision of this Agreement is or shall become illegal, invalid, or unenforceable, in whole or in part, the remaining provisions shall nevertheless be and remain valid and enforceable and the said remaining provisions shall be construed as if this Agreement had been executed without the illegal, invalid, or unenforceable portion.

#### 15.14 Taxes



Each Participant shall be directly responsible for and shall directly pay all taxes applicable to revenues received by the Participant through Operations under this Agreement. In particular, each Participant shall individually file its tax returns with the proper authorities and independently file claims for and recover any income tax credits. A Participant's decision with respect to such tax matters shall not have any binding effect on the course of actions taken by the other Participant. All costs of Operations incurred hereunder shall be for the account of the Participant or Participants making or incurring the same, if more than one then in proportion to their respective Participating Interests, and each Participant on whose behalf any costs have been so incurred shall be entitled to claim all tax benefits, write-offs and deductions with respect thereto.

15.15 Rule Against Perpetuities

If any provision of this Agreement should violate any rule against perpetuities or any related rule against interests that last too long or are not alienable, then any such provision shall terminate 20 years after the death of the last survivor of all the lineal descendants of His late Majesty King George V of England, living on the date of execution of this Agreement.

15.16 Partition

Each of the parties waives, during the term of this Agreement, any right to partition of the Assets or any part thereof and no party shall seek or be entitled to partition of the Properties or other Assets whether by way of physical partition, judicial sale or otherwise during the term of this Agreement.

15.17 Governing Law

This Agreement shall be construed and governed by the laws of the Province of Ontario.

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

**GOLDCORP INC.**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**PLANET EXPLORATION INC.**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT A**  
**PROPERTIES**

<b>Claim Number</b>	<b>Unit Size</b>	<b>Recording Date</b>	<b>Township</b>

**EXHIBIT B**  
**AREA OF INTEREST**

## EXHIBIT C

### ACCOUNTING PROCEDURE

The financial and accounting procedures to be followed by the Manager and the Participants under the Agreement are set forth below. Reference in this Accounting Procedure to Sections are to those located in this Accounting Procedure unless it is expressly stated that they are references to the Agreement.

The purpose of this Accounting Procedure is to establish equitable methods for determining charges and credits applicable to operations under the Agreement. It is the intent of the Participants that none of them shall lose or profit by reason of their duties and responsibilities as the Manager. The Participants shall meet and in good faith endeavour to agree upon changes deemed necessary to correct any unfairness or inequity. In the event of a conflict between the provisions of this Accounting Procedure and those of the Agreement, the provisions of the Agreement shall control.

#### 1. GENERAL PROVISIONS

##### 1.1 General Accounting Records

The Manager shall maintain detailed and comprehensive accounting records in accordance with this Accounting Procedure, sufficient to provide a record of revenues and expenditures and periodic statements of financial position and the results of operations for managerial, tax, regulatory or other financial reporting purposes. Such records shall be retained for the duration of the period allowed the Participants for audit or the period necessary to comply with tax or other regulatory requirements. The records shall reflect all obligations, advances and credits of the Participants.

##### 1.2 Bank Accounts

After the decision is made to begin Development, the Manager shall maintain one or more separate bank accounts for the payment of all expenses and the deposit of all receipts.

#### 2. CHARGES TO JOINT ACCOUNT

Subject to the limitations hereinafter set forth, the Manager shall charge the Joint Account with the following:

##### 2.1 Rentals, Royalties and Other Payments

Property maintenance costs and other payments, including Government Fees, necessary to maintain title to the Assets.

## 2.2 Labour and Employee Benefits

- (a) Salaries and wages of the Manager's employees directly engaged in Operations, including salaries or wages of employees who are temporarily assigned to and directly employed by the Manager.
- (b) The Manager's cost of holiday, vacation, sickness and disability benefits, and other customary allowances applicable to the salaries and wages chargeable under Sections 2.2(a) and 2.13.
- (c) The Manager's actual cost of established plans for employees' group life insurance, hospitalization, pension, retirement, stock purchase, thrift, bonus (except production or incentive bonus plans under a union contract based on actual rates of production, cost savings and other production factors, and similar non-union bonus plans customary in the industry or necessary to attract competent employees, which bonus payments shall be considered salaries and wages under Section 2.2(a) or 2.13, rather than employees' benefit plans) and other benefit plans of a like nature applicable to salaries and wages chargeable under Section 2.2(a) or 2.13, provided that the plans are limited to the extent feasible to those customary in the industry.
- (d) Cost of assessments imposed by governmental authority which are applicable to salaries and wages chargeable under Sections 2.2(a) and 2.13, including all penalties except those resulting from the willful misconduct or gross negligence of the Manager.
- (e) Those costs in Sections 2.2(b), 2.2(c), 2.2(d) may be charged on a "when and as paid basis" or by "percentage assessment" on the amount of salaries and wages. If percentage assessment is used, the rate shall be applied to wages or salaries, excluding overtime and bonuses. Such rate shall be based on the Manager's cost experience and it shall be periodically adjusted to ensure that the total of such charges does not exceed the actual cost thereof to the Manager.

## 2.3 Assets

Cost of all Assets purchased or furnished.

## 2.4 Transportation

Reasonable transportation costs incurred in connection with the transportation of employees, equipment, material and supplies necessary for exploration, maintenance and operation of Assets.

## 2.5 Services

- (a) The cost of contract services and utilities procured from outside sources, other than services described in Sections 2.10 and 2.14. If contract services are performed by an Affiliate of the Manager, the cost charged to the Joint Account

shall not be greater than that for which comparable services and utilities are available in the open market.

- (b) The costs of using the Manager's exclusively-owned facilities in support of Venture activities provided that the charges may not exceed those currently prevailing in the vicinity. Such costs shall include costs of maintenance, repairs, other operating expenses, insurance, taxes, depreciation and interest at a rate not to exceed the prime rate in effect from time to time for demand, commercial loans quoted by Royal Bank of Canada at its Main Branch in Toronto, Ontario to its most creditworthy customers, plus three percent (3%) per annum.

#### 2.6 Materials, Equipment and Supplies

The cost of materials, equipment and supplies (herein called "Material") purchased from unaffiliated third parties or furnished by either Participant as provided in Section 3. The Manager shall purchase or furnish only so much Material as may be required for use in efficient and economical Operations. The Manager shall also maintain inventory levels of Materials at reasonable levels to avoid unnecessary accumulation of surplus stock.

#### 2.7 Environmental Compliance Fund

Costs of reasonably anticipated Environmental Compliance which, on a Program basis, shall be determined by the Management Committee and shall be based on proportionate contributions in an amount sufficient to establish a fund, which through successive proportionate contributions during the duration of the Agreement, will pay for ongoing Environmental Compliance conducted during Operations and which will cover the reasonably anticipated costs of mine closure, post-Operations Environmental Compliance and other Continuing Obligations.

#### 2.8 Insurance Premiums

Premiums paid or accrued for insurance required for the protection of the Participants.

#### 2.9 Damages and Losses

All costs in excess of insurance proceeds necessary to repair or replace damage or losses to any Assets resulting from any cause other than the willful misconduct or gross negligence of the Manager.

#### 2.10 Legal Expense

All legal costs and expenses incurred in or resulting from the Operations or necessary to protect or recover the Assets. Routine legal expenses are included under Section 2.14.

#### 2.11 Audit

Cost of annual audits under Section 9.10 of the Venture Agreement.

## 2.12 Taxes

All taxes (except income taxes) of every kind and nature assessed or levied upon or in connection with the Assets, the production of Products or Operations, which have been paid by the Manager for the benefit of the Participants. Each Participant is separately responsible for income taxes which are attributable to its respective Participating Interest.

## 2.13 District and Camp Expense (Field Supervision and Camp Expenses)

A pro rata portion of: (i) the salaries and expenses of the Manager's superintendent and other employees serving Operations whose time is not allocated directly to such Operations; (ii) the costs of maintaining and operating an office (hereafter, "the Manager's Project Office") and any necessary suboffice; and (iii) all necessary camps, including housing facilities for employees, used for Operations. The expense of those facilities, less any revenue therefrom, shall include depreciation or a fair monthly rental in lieu of depreciation of the investment. Such charges shall be apportioned for all Properties served by the employees and facilities on an equitable basis consistent with the Manager's general accounting practice and generally accepted accounting principles.

## 2.14 Administrative Charge

After the Participants have made their entire Initial Contributions pursuant to Sections 5.1 and 5.2 of the Agreement, the Manager shall charge the Joint Account each month a sum as provided below, which shall be a liquidated amount to reimburse the Manager for its home office overhead and general and administrative expenses for its conduct of Operations, which shall be in lieu of any management fee:

- (a) with respect to Operations before commencement of Development, the Manager's fee shall be ten percent (10%) of the Allowable Costs other than funds expended pursuant to any individual contract for materials or services which exceed in the aggregate \$50,000.00 in any Program year, for which the Manager's fee shall be two percent (2%);
- (b) with respect to operations after the commencement of Development but before commencement of Mining, Manager's fee shall be five percent (5%) of Allowable Costs;
- (c) with respect to operations after the commencement of Mining, the Parties agree that the Manager shall be paid a management fee of ten dollars (\$10.00) per ounce of gold mined from the Properties.

These fee rates are based upon the principle that the Manager shall not make a profit or loss from this administrative charge but should be fairly and adequately compensated for the pro rata share of its costs and expenses. The specific rates provided for in this Section 2.14 shall be established and may be amended from time to time by mutual agreement among the Parties hereto if, in practice, the rates are found to be insufficient or excessive.

Allowable Costs as used in this Section 2.14 shall include all amounts accrued to the Environmental Compliance fund, and all charged to the Joint Account except: (i) the administrative charge defined herein; or (ii) depreciation, depletion or amortization of tangible or intangible assets.

The following representative list of items comprising the Manager's principal business office expenses are expressly covered by the administrative charge provided in this Section 2.14: (i) administrative supervision, which includes services rendered by officers and directors of the Manager for Operations, except to the extent that such services represent a direct charge to the Joint Account, as provided for in Section 2.2; (ii) accounting, billing and record keeping in accordance with governmental regulations and the provisions of the Venture Agreement; (iii) handling of all tax matters, including any protests, except any outside professional fees which the Management Committee may approve as a direct charge to the Joint Account; (iv) routine legal services by the Manager's legal staff; and (v) records and storage space, telephone service and office supplies.

#### 2.15 Other Expenditures

Any reasonable direct expenditure, other than expenditures which are covered by the foregoing provisions, incurred by the Manager for the necessary and proper conduct of Operations.

### 3. **BASIS OF CHARGES TO JOINT ACCOUNT**

#### 3.1 Purchases

Material purchased and services procured shall be charged at prices paid by the Manager after deduction of all discounts actually received.

#### 3.2 Material Furnished to the Manager

At its discretion, the Manager may furnish Material from the Manager's stocks under the following conditions:

- (a) New Material (Condition "A"): New Material transferred from the Manager's properties shall be priced f.o.b. the nearest reputable supply store or railway receiving point, where like Material is available, at current replacement cost of the same kind of Material (hereafter, "New Price").
- (b) Used Material (Conditions "B" and "C"):
- (c) material in sound and serviceable condition and suitable for reuse without reconditioning shall be classified as Condition "B" and priced at seventy-five percent (75%) of New Price.
- (d) other used Material as defined hereafter shall be classified as Condition "C" and priced at fifty percent (50%) of New Price: (i) used Material which is serviceable



for original function but not substantially suitable for reconditioning; (ii) Material which cannot be classified as Condition "B" or Condition "C" shall be priced at a value commensurate with its use; or (iii) Material no longer suitable for its original purpose but usable for some other purpose shall be priced on a basis comparable with items normally used for such other purpose.

### 3.3 Premium Prices

Whenever Material is not readily obtainable at prices specified in Sections 3.1 and 3.2, the Manager may charge the Joint Account for the required Material on the basis of the Manager's direct cost and expenses incurred in procuring such material; provided, however, that prior notice of the proposed charge is given to the Participants, whereupon any Participant shall have the right, by notifying the Manager within ten (10) days of the delivery of the notice from the Manager, to furnish at the usual receiving point all or part of its share of Material suitable for use and acceptable to the Manager. If a Participant so furnishes Material in kind, the Manager shall make appropriate credits to its account.

### 3.4 Warranty of Material Furnished by the Manager or Participants

Neither the Manager nor any Participant warrants the Material furnished beyond any dealer's or manufacturer's warranty.

## 4. **DISPOSAL OF MATERIAL**

### 4.1 Disposition Generally

The Manager shall have no obligation to purchase a Participant's interest in Material. The Management Committee shall determine the disposition of major items of surplus Material, provided the Manager shall have the right to dispose of normal accumulations of junk and scrap Material either by transfer to the Participants as provided in Section 4.2 or by sale. The Manager shall credit the Participants in proportion to their Participating Interest for all Material sold hereunder.

### 4.2 Division in Kind

Division of Material in kind between the Participants shall be in proportion to their respective Participating Interests, and corresponding credits shall be made to the Joint Account.

### 4.3 Sales

Sales of material to third parties shall be credited to the Joint Account at the net amount received. Any damages or claims by the Purchaser shall be charged back to the Joint Account if and when paid.

**5. INVENTORIES**

5.1 Periodic Inventories; Notice and Representations

At reasonable intervals, inventories shall be taken by the Manager, which shall include all such Material as is ordinarily considered controllable by operators of mining properties. The expense of conducting such periodic inventories shall be charged to the Joint Account.

5.2 Reconciliation and Adjustment of Inventories

Reconciliation of inventory with charges to the Joint Account shall be made, and a list of overages and shortages shall be determined by the Manager. Inventory adjustments shall be made by the Manager to the Joint Account for overages and shortages, but the Manager shall be held accountable to the Venture only for shortages due to lack of reasonable diligence.

## EXHIBIT D

### NET SMELTER RETURNS

Pursuant to the Agreement to which this Exhibit is attached a party ("Payee") may be entitled to a royalty equal to one-half percent (0.5%) of net smelter returns (the "Net Smelter Returns Royalty") payable by the other party ("Payor") as set forth below.

#### 1. CALCULATION OF NET SMELTER RETURNS

- 1.1 When and after a dore or other form of concentrate is shipped to a refinery and there has been a final settlement by the refinery with respect to such delivery, the "Net Smelter Returns" shall mean:
- (a) with respect to gold and silver contained in such dore or other form of concentrate, the value of gold and silver (stated in U.S. Dollars per troy ounce of gold and silver) multiplied by the number of ounces of gold and silver produced, less Allowable Deductions; and
  - (b) with respect to all other minerals, the value of other minerals (stated in U.S. Dollars), less Allowable Deductions.

The value of gold and silver shall be respectively the numerical average of the closing prices of gold and silver as reported on the COMEX (or, if the COMEX shall cease reporting gold and silver prices, then the London P.M. fix for gold or the London daily fix for silver; or, if that should cease to be reported, then as reported by another mutually agreed substitute index) at the conclusion of each day of said month in which final settlement occurred. The value of all other minerals contained in such dore or other form of concentrate shall be the numerical average of the closing prices of such minerals as reported on the London Metals Exchange at the conclusion of each day of said month; such average price shall then be used to value all such minerals (other than gold and silver) during such month. In all other cases, "Net Smelter Returns" shall be as defined in Section 1.2.

- 1.2 Except as provided in Section 1.1, "Net Smelter Returns" means:
- (a) in the case of ores, minerals, or other products which are sold by Payor in the crude state, the amount received by Payor from the purchaser of the ores, minerals of other products, less Allowable Deductions;
  - (b) in the case of ores, minerals, or other products which are processed by or for the account of Payor to produce concentrates or other saleable intermediate products to be smelted or otherwise further processed by or for the account of Payor, an amount equal to the market value of the concentrates or other saleable intermediate products f.o.b. the plant producing the concentrates or other saleable intermediate products (which amount shall be deemed to have been received by Payor), less Allowable Deductions; and

(c) in all other cases, the amount received by Payor from the purchaser of the ores, minerals, or other products, less Allowable Deductions.

1.3 "Allowable Deductions" means, to the extent borne or to be borne by Payor:

(a) charges for and taxes on transportation of mineral product from the mine or plant producing the concentrates or other saleable products to a smelter or other place of treatment, from the smelter or other place of treatment to the refinery and from the refinery to the place of sale;

(b) insurance and security costs and charges;

(c) smelting and refining costs, treatment charges and penalties including without limitation metal losses and penalties for impurities paid by Payor to third parties;

(d) representation, assaying, and umpire costs and fees, and marketing costs and commissions;

(e) production, sales, severance, net proceeds, and other taxes measured by production or the value of production; and

(f) royalties paid to any government agency or instrumentality.

1.4 Advance sales, forward sales, hedging, and other speculative sales arrangements shall be solely for the account, benefit and risk of Payor, and shall not inure to the benefit of Payee.

## **2. Commingling**

Payor may commingle ores from the Properties with ores from other properties, either before or after concentration or beneficiation, so long as all data necessary to determine the weight and grade, both of the ores removed from the Properties and the ores with which they are commingled, are obtained and preserved by Payor in accordance with sound mining and metallurgical practices. Payor shall then use that weight and grade data to allocate any value received between the Properties and the other properties from which the other commingled ores were removed. All such weight, grade and allocation calculations shall be done in accordance with sound mining and metallurgical practices.

## **3. Payment**

Net Smelter Returns shall be calculated for each calendar quarter in which Net Smelter Returns are realized, and payment as due hereunder shall be made within thirty (30) days following the end of each such calendar quarter. Such payments shall be accompanied by a statement summarizing the computation of Net Smelter Returns and copies of all relevant settlement sheets. Such quarterly payments are provisional and subject to adjustment within ninety (90) days following the end of each calendar year. Within ninety days after the end of each calendar year, Payor shall deliver to Payee an unaudited statement of royalties paid to Payee during the year and the calculation thereof. All year-

end statements shall be deemed true and correct six months after presentation, unless within that period Payee delivers notice to Payor specifying with particularity the grounds for each exception. Payee shall be entitled, at Payees's expense, to an annual independent audit of the statement by a certified public accountant of recognized standing and acceptable to Payor, only if Payee delivers a demand for an audit to Payor within four months after presentation of the related year-end statement.

**SCHEDULE D**

Attached to and forming part of the Option Agreement  
between Planet Exploration Inc. and Goldcorp Inc.

**Letter of Intent**

**SCHEDULE E**

Attached to and forming part of the Option Agreement  
between Planet Exploration Inc. and Goldcorp Inc.

**Net Smelter Royalty**